



Press Release
SPECTRUM ETHERS PRIVATE LIMITED
July 04, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	54.00	ACUITE BBB Stable Reaffirmed	-
Bank Loan Ratings	106.00	-	ACUITE A2 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	160.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of '**ACUITE BBB**' (read as **ACUITE triple Ba**) and its short term rating of '**ACUITE A2**' (read as **ACUITE A two**) on the Rs.160.00 crore bank facilities of Spectrum Ethers Private Limited (SEPL). The outlook is '**Stable**'.

Rationale for Rating Reaffirmation

The rating reaffirmation considers SEPL's improved operating performance in FY2025 and healthy financial risk profile. The rating further continues to factor in the extensive experience of SEPL's promoters of over three decades in the agrochemical industry. However, the rating remains constrained on account of intensive nature of working capital operations and SEPL's exposure to agro-climatic fluctuations.

About the Company

Incorporated in 1993, Spectrum Ethers Private Limited is engaged in manufacturing of agrochemicals and is based out of Nashik, Maharashtra. The key products of the company are Profenofous Tech, Propiconazole Tech, Turbofous Tech and others. The directors of the company are Dr. Milind Shankarrao Kolhe, Shri. Jugalkishore Ganpatlalji Agrawal, Shri. Arun Gangadhar Daware and Shri. Chandrashekhar Vitthalrao Joshi.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of SEPL to arrive at this rating.

Key Rating Drivers

Strengths

Established track record along with experienced management

Incorporated in 1993, SEPL has an established track record of operation of over 30 years in manufacturing of agrochemicals. The extensive experience of the management has helped the company to forge longstanding relationship with its customers and suppliers.

Acuite believes that SEPL will continue to benefit from its experienced management and a longstanding relationship with reputed clientele.

Improvement in the revenue and profitability as compared to previous year

SEPL's operating revenue and profitability improved in FY2025(Prov.) as compared to FY2024, however, stood volatile over the past three years. The operating income improved to Rs.349.50 Cr. in FY2025(Prov.) as compared

to Rs.301.95 Cr. in FY2024 and Rs.402.97 Cr. in FY2023. The operating profit margin also improved to 4.54% in FY2025 (Prov.) against 3.85% in FY2024 and 11.82% in FY2023. The PAT margin also improved marginally and stood at 3.03% in FY2025 (Prov.) against 2.43% in FY2024 and 8.11% in FY2023. The volatility in operating performance since FY2023 is primarily attributed to a decline in price realizations, driven by global demand and supply disruptions caused by dumping from China.

Healthy financial risk profile

SEPL's financial risk profile moderated in FY2025 (Prov.) however, overall remained healthy marked by healthy net worth, debt protection metrics, and below unity gearing. The net worth stood at Rs. 158.42 Cr. as on March 31, 2025 (Prov.), against Rs.152.64 Cr. as on March 31, 2024. The net worth has primarily improved on account of accretion of profits into reserves. The company also executed a share buyback amounting ~Rs.5.73 Cr. during the fiscal year 2025. The gearing ratio stood below unity at 0.21 times as on March 31, 2025 (Prov.), against 0.15 times as on March 31, 2024. The TOL/TNW stood at 0.97 times as on March 31, 2025 (Prov.), against 0.91 times as on March 31, 2024. Debt Coverage Ratios moderated in FY2025 (Prov.), however, remained healthy. Interest Coverage Ratio stood healthy at 10.32 times in FY2025 (Prov.) against 13.94 times in FY2024. DSCR stood at 4.92 times in FY2025 (Prov.) against 4.82 times in FY2024. Debt/EBITDA level stood at 1.67 times in FY2025 (Prov.) against 1.55 times in FY2024.

Acuite' believes that financial risk profile of SEPL is expected to remain in similar lines over the medium term.

Weaknesses

Working capital intensive operations

SEPL's working capital operations are intensive in nature marked by GCA days of 221 days in FY2025 (Prov.) against 209 days in FY2024. The debtor days stood at 130 days in FY2025 (Prov.) against 116 days in FY2024. The inventory days stood at 65 days in FY2025 (Prov.) against 68 days in FY2024. The creditors days stood at 139 days in FY2025 (Prov.) against 150 days in FY2024. However, bank limit utilization for fund-based limits stood low at ~10.81% for the last 06 months ended May 25.

Acuite believes that working capital operations of the company may continue to remain intensive considering the nature of business.

Risks associated with agro-climatic fluctuations in the agro-chemicals sector

The company is a part of the seasonal agro-chemicals sector, which is closely correlated to the volume of agricultural activity in the nation and, in turn, directly dependent on the monsoons. The potential need for various agrochemicals, such as pesticides, insecticides etc. may be directly impacted by insufficient or untimely monsoons, which may have an effect on the production of some crops.

Rating Sensitivities

- Sustained improvement in revenue and profitability while maintaining its credit profile.
- Any further elongation in working capital cycle impacting its liquidity.

Liquidity Position

Adequate

SEPL generated sufficient cash accruals of Rs. 14.86 Cr. in FY2025 (Prov.) against repayment obligation of Rs.1.45 Cr. during the same period. It's working capital operations are intensive marked by GCA days of 221 days in FY2025 (Prov.), however, the reliance on working capital limits stood low at ~10.81% for the last 06 months ended May 2025. The current ratio stood at 1.85 times as on March 31, 2025 (Prov.). SEPL maintained unencumbered cash and bank balance of Rs. 10.90 Cr. as on March 31, 2025 (Prov.).

Going ahead, the company is expected to generate healthy cash accruals in the range of Rs.14.84-16.69 Cr. against repayment obligation in the range of Rs.4.67-3.50 Cr. over the medium-term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	349.50	301.95
PAT	Rs. Cr.	10.60	7.32
PAT Margin	(%)	3.03	2.43
Total Debt/Tangible Net Worth	Times	0.21	0.15
PBDIT/Interest	Times	10.32	13.94

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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
05 Apr 2024	Letter of Credit	Short Term	40.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	22.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	44.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	6.00	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	8.00	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	10.00	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	13.81	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	10.00	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Stable)
	Proposed Long Term Loan	Long Term	6.19	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Stable)
11 Jan 2023	Letter of Credit	Short Term	40.00	ACUITE A2 (Assigned)
	Letter of Credit	Short Term	22.00	ACUITE A2 (Assigned)
	Letter of Credit	Short Term	44.00	ACUITE A2 (Assigned)
	Cash Credit	Long Term	6.00	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	8.00	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	20.00	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	10.00	ACUITE BBB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
DBS Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE BBB Stable Reaffirmed
CITI Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE BBB Stable Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB Stable Reaffirmed
CITI Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.00	Simple	ACUITE A2 Reaffirmed
DBS Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	44.00	Simple	ACUITE A2 Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A2 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.19	Simple	ACUITE BBB Stable Reaffirmed
CITI Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2030	13.81	Simple	ACUITE BBB Stable Reaffirmed
CITI Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2030	10.00	Simple	ACUITE BBB Stable Reaffirmed

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Sanidhya Jain 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.