

Press Release

Phenix Spinning Private Limited

February 04, 2021



Rating Update

Total Bank Facilities Rated*	Rs. 31.00 Cr. #
Long Term Rating	ACUITE BB+ Downgraded and Issuer not co-operating*
Short Term Rating	ACUITE A4+ Downgraded and Issuer not co-operating*

Refer Annexure for details

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

Acuite has downgraded the long term rating to '**ACUITE BB+ (read as ACUITE double B plus)**' from '**ACUITE BBB-(read as ACUITE triple B minus)**' and short term rating to '**ACUITE A4+ (read as ACUITE A four plus)**' from '**ACUITE A3 (read as ACUITE A three)**' on the Rs.31.00 crore bank facility of Phenix Spinning Private Limited (PSPL).

The rating is now an indicative rating and is based on the best available information. The rating downgrade is on account of information risk and non-submission of relevant information for review of ratings.

About Company

PSPL, incorporated in 2014, based at Amreli (Gujarat) is engaged in manufacturing and export of cotton yarn. The company has cotton ginning and yarn manufacturing facilities at Amreli. Currently, the company has installed 17,960 spindles and exports contribute to 90.00 percent of revenues. The major products of the company include 30s Carded Knitting yarn and 20s Combed Knitting yarn. The Key promoters are Mr. Tejas Patel, Mr. Dharmesh Patel, Mr. Himanshu Patel and Mr. Dharmendra Hirpara.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

Acuité 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 Acuité's policies.

Applicable Criteria

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

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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Indicators

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

Rating Sensitivity

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

About the Rated Entity - Key Financials

	Unit	FY20* (Actual)	FY19 (Actual)
Operating Income	Rs. Cr.	96.00	98.00
PAT	Rs. Cr.	1.20	0.60
PAT Margin	(%)	1.31	0.66
Total Debt/Tangible Net Worth	Times	0.41	0.62
PBDIT/Interest	Times	5.54	4.01

*As per available information on public domain, however, the rated entity has not shared the latest financial statements despite repeated requests.

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

Not Applicable

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument/ Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
14-Nov-2019	Cash Credit	Long Term	7.00	ACUITE BBB-/Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	5.80	ACUITE BBB-/Stable (Assigned)
	Term Loan	Long Term	16.65	ACUITE BBB-/Stable (Reaffirmed)
	Bank Guarantee	Short Term	1.55	ACUITE A3 (Reaffirmed)
01-Oct-2018	Cash Credit	Long Term	7.00	ACUITE BBB-/Stable (Assigned)
	Term Loan	Long Term	22.45	ACUITE BBB-/Stable (Assigned)
	Bank Guarantee	Short Term	1.55	ACUITE A3 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE BB+ Downgraded and Issuer not co-operating*
Term loans	Not Available	Not Applicable	Not Available	16.65	ACUITE BB+ Downgraded and Issuer not co-operating*
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	1.55	ACUITE A4+ Downgraded and Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	5.80	ACUITE BB+ Downgraded and Issuer not co-operating*

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 8,548 credit 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 Mumbai.

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