



Press Release

Phenix Spinning Private Limited

May 11, 2022

Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1.55	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	29.45	ACUITE BB Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	31.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to 'ACUITE BB' (read as ACUITE double B) from 'ACUITE BB+' (read as ACUITE double B plus) and has Reaffirmed the short-term rating of 'ACUITE A4+' (read as ACUITE A Four Plus) on the Rs. 31.00 crore bank facilities of Phenix Spinning Private Limited (PSPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded and Reaffirmed on account of information risk.

About the 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:

Acuite 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. 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 endeavoured 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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

Brickworks, vide its press release dated February 25, 2022 had denoted the long term rating of Phenix Spinning Pvt Ltd as 'BWR BB -/Stable Downgraded/ISSUER NOT COOPERATING' and short term rating as 'BWR A4 Reaffirmation/ISSUER NOT COOPERATING' on account of lack of adequate information required for monitoring of ratings. The earlier rating, however, stood at 'BWR BB/Stable Downgraded/ISSUER NOT COOPERATING' and 'BWR A4 Reaffirmation/ISSUER NOT COOPERATING' vide its press release dated September 21, 2020.

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Feb 2021	Term Loan	Long Term	16.65	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	1.55	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	5.80	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	7.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
14 Nov 2019	Term Loan	Long Term	16.65	ACUITE BBB- Stable (Reaffirmed)
	Bank Guarantee	Short Term	1.55	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	5.80	ACUITE BBB- Stable (Assigned)
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

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	1.55	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	5.80	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	16.65	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Katta Akhil Analyst-Rating Operations Tel: 022-49294065 akhil.katta@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@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.