



**Press Release**  
**PHPC ASSOCIATES**  
**June 26, 2025**  
**Rating Downgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	21.79	ACUITE C   Downgraded	-
Bank Loan Ratings	11.21	ACUITE D   Downgraded	-
Total Outstanding Quantum (Rs. Cr)	33.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

ACUITE has downgraded its long term rating to '**ACUITE D**' (read as **ACUITE Df**) from '**ACUITE B**' (read as **ACUITE B**) on the long term bank facilities of Rs.11.21 Crore of PHPC Associates. Further, ACUITE has downgraded its long term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE B**' (read as **ACUITE B**) on the long term bank facilities of Rs.21.79 Crore of PHPC Associates .

**Rationale for downgrade**

The rating action takes into cognizance the mail received from the issuer stating one to two days delay in servicing of debt obligation of loan account. Further, there is a high likelihood of stretched liquidity in other bank loan facilities as well so on the basis of available information, the rating has been downgraded.

**About the Company**

Established in the year 2004 as a proprietorship concern by Mr. Umesh Hegde, Mangalore, Karnataka based PHPC Associates (PA) is engaged in the trading of bitumen, emulsion and furnace oil. The products are used mostly in construction of roads, bridges, fly overs, airport runways, tunnels and dams. The firm purchases emulsion, furnace oil from local suppliers and sells bitumen to the road contractors across South India.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered standalone business and financial risk profiles of PHPC Associates to arrive at this rating.

**Key Rating Drivers**

**Strengths**

**Experienced proprietor**

The proprietor, Mr, Umesh Hegde, has more than 25 years of experience in bitumen trading and transportation through his association with the Hegde Group. The Hegde Group includes Hegde Bulk Carriers and PHPC Associates. Hegde Group is a leading group for bitumen logistics and bitumen trading in southern India. The proprietor is also the founder president of All India Bulk Bitumen Transporters Association. Acuite believes that the extensive experience of the proprietor in bitumen trading shall support the business risk profile to an extent, resulting in steady growth in the scale of operations.

**Weaknesses**

**Delay in servicing of debt obligations**

As per the mail received from the issuer, there have been one to two days delay in servicing of debt obligation of loan account.

**Rating Sensitivities**

Timely servicing of debt obligations.

### **Liquidity Position**

#### **Poor**

The liquidity position of the firm is poor marked by mail received from the issuer stating one to two days delay in

servicing of debt obligation of loan account. Further, there is a high likelihood of stretched liquidity in other bank loan facilities as well.

**Outlook: Not Applicable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	409.58	486.72
PAT	Rs. Cr.	0.60	1.12
PAT Margin	(%)	0.15	0.23
Total Debt/Tangible Net Worth	Times	4.62	3.19
PBDIT/Interest	Times	6.58	9.19

### 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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Nov 2024	Term Loan	Long Term	2.60	ACUITE B   Stable (Downgraded from ACUITE B+   Stable)
	Secured Overdraft	Long Term	17.35	ACUITE B   Stable (Downgraded from ACUITE B+   Stable)
	Secured Overdraft	Long Term	0.10	ACUITE B   Stable (Downgraded from ACUITE B+   Stable)
	Term Loan	Long Term	0.97	ACUITE B   Stable (Downgraded from ACUITE B+   Stable)
	Term Loan	Long Term	4.27	ACUITE B   Stable (Downgraded from ACUITE B+   Stable)
	Term Loan	Long Term	0.71	ACUITE B   Stable (Downgraded from ACUITE B+   Stable)
	Term Loan	Long Term	4.23	ACUITE B   Stable (Downgraded from ACUITE B+   Stable)
	Term Loan	Long Term	2.00	ACUITE B   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.77	ACUITE B   Stable (Downgraded from ACUITE B+   Stable)
11 Aug 2023	Term Loan	Long Term	13.55	ACUITE B+   Stable (Assigned)
	Secured Overdraft	Long Term	17.45	ACUITE B+   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
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.77	Simple	ACUITE C   Downgraded ( from ACUITE B )
Canara Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.35	Simple	ACUITE C   Downgraded ( from ACUITE B )
Axis Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.10	Simple	ACUITE C   Downgraded ( from ACUITE B )
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Dec 2025	0.97	Simple	ACUITE C   Downgraded ( from ACUITE B )
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2026	4.27	Simple	ACUITE D   Downgraded ( from ACUITE B )
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Apr 2026	0.71	Simple	ACUITE D   Downgraded ( from ACUITE B )
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2030	6.23	Simple	ACUITE D   Downgraded ( from ACUITE B )
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	04 Apr 2032	2.60	Simple	ACUITE C   Downgraded ( from ACUITE B )

## Contacts

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### About Acuité Ratings & Research

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