



## Press Release

**Simon India Limited**

**August 24, 2021**

**Rating:**

Facilities	Amount (INR Crore)	Current Ratings	Rating Action
Long Term Facilities	100.00	Supported: IVR BB+ (CE) (ISSUER NOT COOPERATING)*  Unsupported: IVR BB (ISSUER NOT COOPERATING)	Rating downgraded from IVR BBB- (CE)/Stable and moved to ISSUER NOT COOPERATING
<b>Total</b>	<b>100.00</b>		

*\*Issuer did not cooperate; based on best available information*

### **Details of Facility are in Annexure 1**

#### **Detailed Rationale**

The rating downgrade is because of lack of adequate information regarding Simon India Limited performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

#### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated May 11, 2021, June 09, 2021, July 17, 2021 and August 16, 2021 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.



## Press Release

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term ratings for the bank loan facilities aggregating to INR 100.00 Crore of Simon India Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+ (CE): Issuer Not Co-operating; based on best available information.

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

### **Analytical Approach & Applicable Criteria**

Financial Ratios & Interpretation (Non-Financial Sector)

Rating Methodology for Infrastructure Companies

Rating Methodology for Structure Debt Transaction (Non-Securitisation Transaction)

Guidelines on what constitutes Non-Cooperation by clients

### **About the Company**

Simon India Ltd (SIL) began operations as a 50:50 JV company between Zuari Industries Ltd (ZIL) and Simon Carves of UK in the year 1995 with a view to provide EPC and project management services to process industries. Simon Carves sold its shareholding to ZIL in the year 2003 and since then, SIL has been a 100% owned subsidiary of ZIL until its demerger, when the shareholding got transferred to Zuari Global Limited (ZGL).

SIL offers technology, basic engineering, detailed engineering, project management, procurement and construction services as well as execution of projects on a lump sum turnkey basis. It operates in a number of sectors, primarily fertilizers, petrochemicals, oil & gas, etc. SIL has executed projects for reputed customers such as Saudi Basic Industries Corporation (SABIC), Indian Farmers' Fertilisers Cooperative (IFFCO), Waterleau, KLJ Group, Hindustan Zinc, etc.) in the fertilizers and chemicals segment.

### **Financials (Standalone)**



## Press Release

(INR Crore)

For the year ended*/As on	31-03-2019	31-03-2020
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	<b>Audited</b>	<b>Provisional</b>
EBITDA	251.68	84.03
PAT	-15.77	-28.01
Tangible Net worth	-7.00	-19.03
^Adjusted Net Worth	83.15	78.35
EBITDA Margin (%)	35.43	78.35
PAT Margin (%)	-6.27	-33.33
Overall Gearing Ratio (x)	-2.69	-20.73

\* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

S. No	Name of Instrument/Facilities	Current Rating (Year 2021-2022)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21 (May 30, 2020)	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Long Term Bank Facilities - BG	Long Term	100.00	Supported: IVR BB+ (CE) (ISSUER NOT COOPERATING) * Unsupported: IVR BB (ISSUER NOT COOPERATING)	Supported: IVR BBB- (CE) /Stable Outlook  Unsupported: IVR BB+/Stable	-	-



## Press Release

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

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**About Infomerics:**

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



## Press Release

**Annexure 1: Details of Facility**

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities - BG	-	-	-	100.00	Supported: IVR BB+ (CE) (ISSUER NOT COOPERATING)*  Unsupported: IVR BB (ISSUER NOT COOPERATING)

**Annexure 2: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/lender-simon-24-aug-21.pdf>