



Press Release

Simon India Limited

December 22, 2023

Ratings:

Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities- Bank Guarantees	100.00	IVR B+ /Negative; INC (IVR Single B Plus With Negative outlook; ISSUER NOT COOPERATING)	IVR BB-/ INC (IVR Double B Minus with Issuer Not Cooperating)	Downgraded and continued in ISSUER NOT COOPERATING category	Simple
Total	100.00	Rupees Hundred crores only			

** Issuer not cooperating; Based on best available information*

Details of Facilities are in Annexure 1.

Detailed Rationale

The rating is downgraded 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 mails communications latest by December 16th, 2023, and concurrently over several phone calls. However, despite repeated



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requests by Infomerics, the company's management has not submitted the complete details and fees for surveillance exercise.

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 and short-term ratings for the bank loan facilities aggregating to Rs 100.00 crore of Simon India Limited shall be continued under the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR B+/ Negative: ISSUER NOT COOPERATING; based on best available information (IVR single B plus with negative outlook; ISSUER NOT COOPERATING; 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: Standalone Approach.

Applicable Criteria:

[Rating Methodology for Infrastructure companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria for Assigning Rating Outlook](#)

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 several sectors, primarily fertilizers, petrochemicals, oil & gas, etc. SIL has executed projects for



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reputed customers such as Saudi Basic Industries Corporation 3 (SABIC), Indian Farmers' Fertilisers Cooperative (IFFCO), Waterleau, KLJ Group, Hindustan Zinc, etc.) in the fertilizers and chemicals segment.

Financials: Standalone

(Rs. Crore)

For the year ended*	31-03-2019	31-03-2020
	Audited	Provisional
Total Operating Income	251.68	84.03
EBITDA	-15.77	-28.01
PAT	-7.00	-19.03
Total Debt	17.66	53.60
Tangible Net Worth	83.15	78.35
EBITDA Margin (%)	-6.27	-33.33
PAT Margin (%)	-2.69	-20.73
Overall Gearing Ratio (x)	0.21	0.68

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA – NIL

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (November 17, 2022)	Date(s) & Rating(s) assigned in 2021-22 (August 24, 2021)	Date(s) & Rating(s) assigned in 2020-21 (May 30, 2020)
1.	Bank Guarantees	Long Term	100.00	IVR B+/Negative; ISSUER NOT COOPERATING (IVR Single B Plus with Negative Outlook; ISSUER NOT COOPERATING)	IVR BB-; ISSUER NOT COOPERATING (IVR Double B Minus; ISSUER NOT COOPERATING)	Supported: IVR BB+ (CE) (ISSUER NOT COOPERATING) Unsupported: IVR BB (ISSUER NOT COOPERATING)	Supported: IVR BBB- (CE)/ Stable Outlook Unsupported IVR BB+/Stable

Name and Contact Details of the Rating Analyst:



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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI). Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks. Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations. Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

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 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

Annexure 1: Details of Facilities



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Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Bank Guarantee	-	-	-	100.00	IVR B+/ Negative; Issuer Not Cooperating (IVR Single B Plus with Negative Outlook; Issuer Not Cooperating)

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-SimonIndia-dec23.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

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.