



Press Release

Simon India Limited

November 17th, 2022

Ratings

Instrument/ Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	100.00	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)	Downgraded*	Simple
Total	100.00	Rupees Hundred Crore Only			

* Rating revised to IVR BB-/ ISSUER NOT COOPERATING as per the RBI guidelines on the CE ratings vide letter dated April 22, 2022, and July 26, 2022, specifically for bank loan ratings which are credit enhanced.

** Issuer not cooperating; Based on best available information

Details of Facilities are in Annexure 1.

Detailed Rationale

The rating downgrade is because of lack of adequate information regarding **Simon India Limited** 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 E-mail communications dated 25th October 2022, 31st October 2022, 01st November 2022, and 10th November 2022, and



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concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential information and documents. Availability of information is very critical in rating exercise. Infomerics has also been following up with the company for the updated corporate deed via email dated 20th July 2022 and 02nd November 2022, but the company has not responded with any such information.

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 rating for the bank loan facilities of **Simon India Limited** aggregating to **Rs. 100.00** crore has been downgraded under 'ISSUER NOT COOPERATING' category to **"IVR BB-' ISSUER NOT COOPERATING' & IVR A4' 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](#)

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 reputed customers such as Saudi Basic Industries Corporation



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(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*/As on	31-03-2019	31-03-2020
Total Operating Income	Audited	Provisional
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:

Sr. No.	Type of Instrument /Facility	Current Rating (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating (17 th November 2022)	Date(s) & Rating(s) assigned in 2021-22 (August 24, 2021)	Date(s) & Rating(s) assigned in 2020-21 (May 30, 2020)	Date(s) & Rating(s) assigned in 2019-20
1.	Non Fund Based	Long Term	100.00	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	-

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.



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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI). Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating. Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks. Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. 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, 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.



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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Bank Guarantee	-	-		100.00	IVR BB-; ISSUER NOT COOPERATING (IVR Double B Minus; 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-SIL-nov22.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.