

Press Release

Simplex Castings Limited (SCL)

May 10, 2019

Rating Update



Total Bank Facilities Rated*	Rs.132.05 Cr.#
Long Term Rating	ACUITE BBB- Issuer not co-operating*
Short Term Rating	ACUITE A3 Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Acuité has reviewed the long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short term rating of '**ACUITE A3**' (read as **ACUITE A three**) on the Rs.132.05 crore bank facilities of Simplex Castings Limited. This rating is now an indicative rating and is based on best available information.

SCL was established in 1970 as a partnership firm and was converted into a private limited company in 1980. In 1993, the company became a public limited company and was listed on the Bombay Stock Exchange (BSE). SCL manufactures iron and steel casting products and is also into turnkey project execution. SCL is catering to various industrial sectors like Steel, Railways, Power, Mining, Cement, Sugar, Chemicals, Earthmovers, Machines Tools, Ship Building, Oil & Gas & Defence, etc. The company has three manufacturing units, one each in Bhilai, Urla and Tedsara (Chhattisgarh).

Non-cooperation by the issuer/borrower:

Acuité 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.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-4.htm>

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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	221.93	206.41	206.76
EBITDA	Rs. Cr.	25.91	20.75	20.62
PAT	Rs. Cr.	2.32	1.88	3.56
EBITDA Margin	(%)	11.68	10.05	9.97
PAT Margin	(%)	1.05	0.91	1.72
ROCE (%)	(%)	7.82	8.41	20.71
Total Debt/Tangible Net Worth	Times	0.59	0.64	0.64
PBDIT/Interest	Times	2.26	1.91	2.05
Total Debt/PBDIT	Times	2.39	3.03	2.52

Gross Current Assets (Days)	Days	289	263	263
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Status of non-cooperation with previous CRA (if applicable)

None

Any other information

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
24-Apr-2018	Cash Credit	Long Term	55.00	ACUITE BBB- / Stable
	Term Loan	Long Term	5.73	ACUITE BBB- / Stable
	Corporate Loan	Long Term	9.32	ACUITE BBB- / Stable
	Letter of Credit	Short Term	32.00	ACUITE A3
	Bank Guarantee	Short Term	30.00	ACUITE A3

**The issuer did not co-operate; based on best available information.*

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	55.00	ACUITE BBB- Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	5.73	ACUITE BBB- Issuer not co-operating*
Corporate Loan	Not Applicable	Not Applicable	Not Applicable	9.32	ACUITE BBB- Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	32.00	ACUITE A3 Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE A3 Issuer not co-operating*

**The issuer did not co-operate; based on best available information.*

Contacts

Analytical	Rating Desk
<p>Pooja Ghosh Head- Corporate and Infrastructure Sector Ratings Tel: 033-6620 1203 pooja.ghosh@acuite.in</p> <p>Abhishek Dey Analyst - Rating Operations Tel: 033-6620-1208 abhishek.dey@acuite.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in</p>

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile ACUTE Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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