

Press Release

Simplex Casting Limited (SCL)

27 April, 2020

Rating Update



Total Bank Facilities Rated*	Rs. 132.05 Cr. #
Long Term Rating	ACUITE C / ACUITE D Downgraded; Issuer not co-operating*
Short Term Rating	ACUITE A4 / ACUITE D Downgraded; Issuer not co-operating*

Refer Annexure for details`

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

Acuite has downgraded the long term rating of '**ACUITE BB+**' (read as **Acuite double B plus**) to '**ACUITE D**' (read as **Acuite D**) on Rs.24.10 crore of bank facility and downgraded the long term rating of '**ACUITE BB+**' (read as **Acuite double B plus**) to '**ACUITE C**' (read as **Acuite C**) on Rs. 45.95 crore bank facility of Simplex Casting Limited. Acuite has also downgraded short term rating of '**ACUITE A4+**' (read as **Acuite A four plus**) to '**ACUITE A4**' (read as **Acuite A four**) on the Rs.35.50 crore bank facilities and downgraded the short term rating of '**ACUITE A4+**' (read as **Acuite A four plus**) to '**ACUITE D**' (read as **Acuite D**) on Rs. 26.50 crore bank facility of Simplex Casting Limited. This rating is now an indicative rating and is based on best available information.

Acuite has relied on publicly available information with regards to the account conduct.

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).

Analytical Approach

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

Non-cooperation by the issuer/borrower

Acuite 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.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Financial Ratios and Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

Acuite 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. Crore)	Ratings/Outlook
13-Dec-2019	Cash Credit	Long Term	55.00	ACUITE BB+ Issuer not co-operating*
	Term Loan	Long Term	5.73	ACUITE BB+ Issuer not co-operating*
	Corporate Loan	Long Term	9.32	ACUITE BB+ Issuer not co-operating*
	Letter of Credit	Short Term	32.00	ACUITE A4+ Issuer not co-operating*
	Bank Guarantee	Short Term	30.00	ACUITE A4+ Issuer not co-operating*
10-May-2019	Cash Credit	Long Term	55.00	ACUITE BBB- Issuer not co-operating*
	Term Loan	Long Term	5.73	ACUITE BBB- Issuer not co-operating*
	Corporate Loan	Long Term	9.32	ACUITE BBB- Issuer not co-operating*
	Letter of Credit	Short Term	32.00	ACUITE A3 Issuer not co-operating*
	Bank Guarantee	Short Term	30.00	ACUITE A3 Issuer not co-operating*
24-Apr-2018	Cash Credit	Long Term	55.00	ACUITE BBB-/Stable (Assigned)
	Term Loan	Long Term	5.73	ACUITE BBB-/Stable (Assigned)
	Corporate Loan	Long Term	9.32	ACUITE BBB-/Stable (Assigned)
	Letter of Credit	Short Term	32.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	30.00	ACUITE A3 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE D Downgraded; Issuer not co-operating
Cash Credit	Not Applicable	Not Applicable	Not Applicable	35.00	ACUITE C Downgraded; Issuer not co-operating
Term Loan	Not Applicable	Not Applicable	Not Applicable	5.73	ACUITE C Downgraded; Issuer not co-operating
Corporate Loan	Not Applicable	Not Applicable	Not Applicable	4.10	ACUITE D Downgraded; Issuer not co-operating
Corporate Loan	Not Applicable	Not Applicable	Not Applicable	5.22	ACUITE C Downgraded; Issuer

					not co-operating
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	16.00	ACUITE D Downgraded; Issuer not co-operating
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	16.00	ACUITE A4 Downgraded; Issuer not co-operating
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	10.50	ACUITE D Downgraded; Issuer not co-operating
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	19.50	ACUITE A4 Downgraded; 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: 033-66201208 abhishek.dey@acuite.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in</p>

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (erstwhile ACUITE 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.