

Simplex Infrastructures Limited^(Revised)
December 02, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating¹	Rating Action
Long Term Bank Facilities	2,675.40	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	7,900.00	CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Total Bank Facilities	10,575.40 (Rs. Ten Thousand Five Hundred Seventy-Five Crore and Forty Lakhs Only)		
Non Convertible Debentures	170.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Non Convertible Debentures	200.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Non Convertible Debentures	75.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Non Convertible Debentures	50.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Total Long Term Instruments	495.00 (Rs. Four Hundred Ninety-Five Crore Only)		

**Details of facilities in Annexure-1*

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Simplex Infrastructures Limited (SIL) to monitor the rating(s) vide e-mail communications/letters dated November 15, 2021, November 23, 2021, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. Further, SIL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on SIL's bank facilities and instruments will now be denoted as **CARE D/CARE D; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings take into account the on-going delays in debt servicing due to stressed liquidity position on account of slowdown in recoveries from clients along with delays in approvals of bills.

Detailed description of the key rating drivers

At the time of last rating on December 10, 2020, the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies, stock exchange etc.):

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Key Rating Weakness

Delay in servicing of debt obligations

There are on-going delays in debt servicing obligation of the company. The slowdown in recoveries from clients, delays in approvals of bills from government clients resulted in stretched liquidity position of the company, thus resulting into delays. The total overdue stood at Rs.2,908.37 crore (including interest) as on September 30, 2021, in its cash credit account, defaults in redemption of NCDs and term loan repayment obligations.

Stable industry outlook

The focus of the government on infrastructure development is expected to translate into a significant business potential for the construction industry in the long run. In the short to medium term, projects from infrastructure sector are expected to dominate the overall business for construction companies.

Liquidity Position - Poor

The company has poor liquidity position and there have been on-going delays in the debt servicing. The company incurred cash loss of Rs.572 crore in FY21 vis-à-vis debt repayment obligation of Rs.305.38 crore in FY21. The company has total overdue of Rs. 2,908.37 crore (including interest) as on September 30, 2021. The company has a scheduled debt repayment obligation of Rs.520.34 crore in FY22.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[Financial ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[Rating Methodology – Construction Sector](#)

[CARE's policy on Curing Period](#)

About the Company

SIL, incorporated in 1924, is one of the leading construction companies of the country, belonging to Mundhra family of Kolkata. The company is primarily engaged in EPC contracts, turnkey projects related to civil construction across various sectors. Over the decades, Simplex has completed large number of prestigious contracts and has received commendation certificates from many of its clients. The company also has overseas presence in countries like Saudi Arabia, Bangladesh, Bahrain, UAE, Qatar, Ethiopia and Sri Lanka.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	H1FY22 (UA)
Total operating income	3,944.92	2,046.14	845.92
PBILDT	154.30	42.06	43.52
PAT	-317.47	-460.97	-230.87
Overall gearing (times)	2.15	3.53	NA
Interest coverage (times)	0.30	0.07	0.12

A: Audited

Status of non-cooperation with previous CRA: Infomerics has placed the rating at IVR D / IVR D Issuer Not Co-operating vide press release dated May 21, 2021

Any other information: Not Applicable.

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Facilities/Instruments

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	2600.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-BG/LC		-	-	-	7900.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	March 2023	75.40	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE059B07013, INE059B07021, INE059B07039, INE059B07047	June 29, 2012	13.00%	12/02/23	170.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE059B07096, INE059B07104, INE059B07054, INE059B07062, INE059B07070, INE059B07088	December 26, 2013	14.50%	28/07/21	200.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE059B07138, INE059B07146	June 17, 2015	15.05%	17/06/20	75.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE059B07120	January 22, 2015	15.65%	22/01/20	50.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Debentures-Non Convertible Debentures	LT	170.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D; ISSUER NOT COOPERATING* (02-Dec-21)	1)CARE D (10-Dec-20)	1)CARE D (11-Dec-19) 2)CARE BB+; Negative (25-Nov-19) 3)CARE BBB; Negative (14-Aug-19) 4)CARE A-; Negative (10-Jun-19)	1)CARE A-; Stable (28-Sep-18)

2	Fund-based - LT-Cash Credit	LT	2600.00	CARE D; ISSUER NOT COOPERATING *	1)CARE D; ISSUER NOT COOPERATING * (02-Dec-21)	1)CARE D (10-Dec-20)	1)CARE D (11-Dec-19) 2)CARE BB+; Negative (25-Nov-19) 3)CARE BBB; Negative (14-Aug-19) 4)CARE A-; Negative (10-Jun-19)	1)CARE A-; Stable (28-Sep-18)
3	Commercial Paper- Commercial Paper (Carved out)	ST	-	-	-	-	1)Withdrawn (14-Aug-19)	1)CARE A2+ (28-Sep-18)
4	Non-fund-based - LT/ ST-BG/LC	LT/ST *	7900.00	CARE D / CARE D; ISSUER NOT COOPERATING *	1)CARE D / CARE D; ISSUER NOT COOPERATING * (02-Dec-21)	1)CARE D / CARE D (10-Dec-20)	1)CARE D / CARE D (11-Dec-19) 2)CARE BB+; Negative / CARE A4+ (25-Nov-19) 3)CARE BBB; Negative / CARE A3+ (14-Aug-19) 4)CARE A-; Negative / CARE A2+ (10-Jun-19)	1)CARE A-; Stable / CARE A2+ (28-Sep-18)
5	Debentures-Non Convertible Debentures	LT	200.00	CARE D; ISSUER NOT COOPERATING *	1)CARE D; ISSUER NOT COOPERATING * (02-Dec-21)	1)CARE D (10-Dec-20)	1)CARE D (11-Dec-19) 2)CARE BB+; Negative (25-Nov-19) 3)CARE BBB; Negative (14-Aug-19) 4)CARE A-; Negative (10-Jun-19)	1)CARE A-; Stable (28-Sep-18)
6	Debentures-Non Convertible Debentures	LT	75.00	CARE D; ISSUER NOT COOPERATING *	1)CARE D; ISSUER NOT COOPERATING * (02-Dec-21)	1)CARE D (10-Dec-20)	1)CARE D (11-Dec-19) 2)CARE BB+; Negative (25-Nov-19)	1)CARE A-; Stable (28-Sep-18)

							3)CARE BBB; Negative (14-Aug-19)	
							4)CARE A-; Negative (10-Jun-19)	
7	Debentures-Non Convertible Debentures	LT	50.00	CARE D; ISSUER NOT COOPERATING *	1)CARE D; ISSUER NOT COOPERATING * (02-Dec-21)	1)CARE D (10-Dec-20)	1)CARE D (11-Dec-19) 2)CARE BB+; Negative (25-Nov-19) 3)CARE BBB; Negative (14-Aug-19) 4)CARE A-; Negative (10-Jun-19)	1)CARE A-; Stable (28-Sep-18)
8	Term Loan-Long Term	LT	-	-	-	-	1)Withdrawn (14-Aug-19) 2)CARE A-; Negative (10-Jun-19)	1)CARE A-; Stable (28-Sep-18)
9	Fund-based - LT-Term Loan	LT	75.40	CARE D; ISSUER NOT COOPERATING *	1)CARE D; ISSUER NOT COOPERATING * (02-Dec-21)	1)CARE D (10-Dec-20)	-	-

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: NA

Annexure 4: Complexity level of various instruments rated for this company:

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Complex
2.	Fund-based - LT-Cash Credit	Simple
3.	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure 5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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