

October 07, 2024

## Simar Port Private Limited: Long term rating downgraded, short term rating withdrawn, Outlook revised to Stable from Negative; Ratings Moved to Non-Cooperating category based on best available information and rated amount reduced

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based: Term loan	1,415.0	174.0	[ICRA]B+ (Stable) ISSUER NOT COOPERATING* downgraded from [ICRA]BB; Outlook revised to Stable from Negative; Moved to the 'Issuer Not Cooperating' category
Short Term-Non Fund based-Bank Guarantee	100.0	0.0	[ICRA]A4 ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category and withdrawn
<b>Total</b>	<b>1,515</b>	<b>174.0</b>	

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has downgraded the long-term rating, revised the outlook on the long-term rating to Stable from Negative and moved the ratings for the bank facilities of **Simar Port Private Limited** to the 'ISSUER NOT COOPERATING' category. The rating is denoted as "[ICRA]B+ (Stable) ISSUER NOT COOPERATING". ICRA has moved the short-term rating assigned to the bank lines of SPPL to the "Issuer Non-Cooperation" category and has simultaneously withdrawn the rating of [ICRA]A4; Issuer Not Cooperating" basis the No Objection Certificate (NOC) provided by the lenders. The withdrawal of the short-term rating assigned to the bank facilities of the company is in line with ICRA's withdrawal policy.

As part of its process and in accordance with its rating agreement with SPPL, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here.](#)

ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating methodology for entities in the Ports</a> <a href="#">Policy on Withdrawal of the ratings</a> <a href="#">POLICY IN RESPECT OF NON-COOPERATION BY A RATED ENTITY</a>
Parent/Group support	Parent Company : SPICPL (Immediate Parent)Ultimate Parent: SPCPL The rating assigned to SPPL factors in the very high likelihood of its ultimate parent, SPICPL, and Shapoorji Pallonji and Company Private Limited (SPCPL) extending financial support to It because of the close business linkages between them. ICRA also expects the SP Group to be willing to extend financial support to SPPL out of its need to protect its reputation from the consequences of a group entity's distress
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company

## About the company

In May 2007, the Gujarat Maritime Board (GMB) invited bids for the development of a multi-user, multi-purpose all-weather greenfield port on a build, own, operate and transfer (BOOT) basis in Gujarat. A consortium led by Shapoorji Pallonji and Company Private Limited, along with Afcons Infrastructure Limited and Forbes and Company Limited (all the three companies are part of SP Group), was selected through a competitive bidding process to develop the port at Chhara, Gujarat. Simar Port Private Limited (SPPL) was subsequently incorporated on July 17, 2008, as a separate SPV by the SP consortium for the development of the port. On January 29, 2015, a concession agreement was executed between the company and GMB for the development of the Chhara Port. Earlier, the SP Ports Private Limited (SPPPL), a wholly-owned subsidiary of Shapoorji Pallonji Infrastructure Capital Company Private Limited (SPICCP), held 99.99% equity shares of the company. SPPPL has now been merged with SPICPL and the 99.99% stake is held by SPICCP. The balance stake is held by Afcons Infrastructure Limited and Forbes & Company Limited equally. The scope of the project being executed by SPPL was reduced, as discussed during the last surveillance exercise. At present, the company will be executing project activities related to the LNG project only i.e. setting up of the breakwater. As a result, the project cost had been revised to ~Rs. 1,957 crore from Rs. 4,085 crore earlier. Additionally, due to delays caused by the acquisition of certain key land parcels, the CoD of the project has been shifted to July 2024 from October 2023. Earlier, SPPL had proposed to develop two terminals -a 15-MMTPA bulk terminal (8 MMTPA in first phase) and a 5-MMTPA LNG terminal -along with the common infrastructure and backup areas at Chhara. SPPPL had entered into a 50:50 JV with HPCL to set up a 5-MMTPA land-based LNG storage and regasification terminal at the Chhara port through a sub-concession (to be executed) with the company, however, SPPPL sold its stake in the project at a consideration of Rs. 397 crore in March 2021.

## Key financial indicators (audited) – Not available as project stage entity

Status of non-cooperation with previous CRA: NA

Any other information: None

## Rating history for past three years:

Instrument	Type	Amount rated (Rs. crore)	Current rating (FY2025)		Chronology of rating history for the past 3 years			
			Date & rating in FY2025	Date & rating in FY2024			Date & rating in FY2022	Date & rating in FY2021
				7-Oct-24	1-Dec-23	19-Apr-23	7-Mar-22	4-Nov-20
1	Term loans	174	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Negative)	[ICRA]BB+ (Negative)	[ICRA] BBB- (Negative)	[ICRA] BBB- (Negative)	
2	Bank guarantee	0	[ICRA] A4; ISSUER NOT COOPERATING and Withdrawn	[ICRA] A4	[ICRA] A4+	-	-	

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term fund-based: Term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's

credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

**Annexure-I: Instrument details**

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long-term fund-based: Term loan	Oct-2016	NA	Jun-2045	174.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	Short-term non fund-based: BG	NA	NA	NA	0.00	[ICRA]A4 ISSUER NOT COOPERATING and withdrawn

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure-II: List of entities considered for consolidated analysis - Not Applicable**

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