



Press Release
Pochampad Construction Company Private Limited
September 07, 2023

Rating Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|---------------------|--|--|
| Bank Loan Ratings | 11.00 | ACUITE B+ Reaffirmed Issuer not co-operating* | - |
| Bank Loan Ratings | 111.00 | - | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 122.00 | - | - |

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B+ (read as ACUITE B Plus)**' and the short-term rating of '**ACUITE A4 (read as ACUITE A four)**' on the Rs. 122.00 Cr bank facilities of Pochampad Construction Company Private Limited (PCCPL).

This rating is now an indicative rating and is based on the best available information.

About the Company

Pochampad Constructions Company Private Limited (PCCPL) was established in 1992 as a proprietary concern by Mr. Rajendra Rao. The proprietorship was later converted to a Partnership firm in the year 2003 and was subsequently converted to a Private Ltd Company in the year 2004. The promoters have long experience in execution of infrastructure projects as Class-1 contractor. PCCPL is engaged in niche area of undertaking water projects like construction of intake wells, and make up water system, laying of pipes, etc. The firm undertakes contracts from government. Directors of Pochampad Construction Company Private Limited are Ranga Rao Meneni, Rajender Rao Velchala, Rekha Velchala.

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. Acuite has also 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 the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation 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.

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 has endeavoured 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.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Not Applicable

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

None

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 22 (Provisional) | FY 21 (Actual) |
|-------------------------------|---------|---------------------|----------------|
| Operating Income | Rs. Cr. | 35.23 | 68.77 |
| PAT | Rs. Cr. | 2.21 | 4.43 |
| PAT Margin | (%) | 6.28 | 6.45 |
| Total Debt/Tangible Net Worth | Times | 0.30 | 0.35 |
| PBDIT/Interest | Times | 2.73 | 3.39 |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

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

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|------------|-----------------|--|
| 05 Sep 2022 | Cash Credit | Long Term | 9.00 | ACUITE B+ Stable (Downgraded from ACUITE BB+) |
| | Bank Guarantee | Short Term | 28.00 | ACUITE A4 (Downgraded from ACUITE A4+) |
| | Proposed Bank Guarantee | Short Term | 64.90 | ACUITE A4 (Downgraded from ACUITE A4+) |
| | Secured Overdraft | Long Term | 1.00 | ACUITE B+ Stable (Downgraded from ACUITE BB+) |
| | Cash Credit | Long Term | 1.00 | ACUITE B+ Stable (Downgraded from ACUITE BB+) |
| | Bank Guarantee | Short Term | 8.10 | ACUITE A4 (Downgraded from ACUITE A4+) |
| | Bank Guarantee | Short Term | 10.00 | ACUITE A4 (Downgraded from ACUITE A4+) |
| 15 Jun 2022 | Proposed Bank Guarantee | Short Term | 19.00 | ACUITE A4+ (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 1.00 | ACUITE BB+ (Downgraded and Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 25.00 | ACUITE A4+ (Downgraded and Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 37.00 | ACUITE A4+ (Downgraded and Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 29.00 | ACUITE A4+ (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 10.00 | ACUITE BB+ (Downgraded and Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 1.00 | ACUITE BB+ (Downgraded and Issuer not co-operating*) |
| 26 Mar 2021 | Bank Guarantee | Short Term | 29.00 | ACUITE A3 (Upgraded from ACUITE A4+) |
| | Bank Guarantee | Short Term | 37.00 | ACUITE A3 (Upgraded from ACUITE A4+) |
| | Cash Credit | Long Term | 10.00 | ACUITE BBB- Stable (Upgraded from ACUITE BB+) |
| | Secured Overdraft | Long Term | 1.00 | ACUITE BBB- Stable (Upgraded from ACUITE BB+) |
| | Cash Credit | Long Term | 1.00 | ACUITE BBB- Stable (Upgraded from ACUITE BB+) |
| | Bank Guarantee | Short Term | 25.00 | ACUITE A3 (Upgraded from ACUITE A4+) |
| | Proposed Bank Guarantee | Short Term | 19.00 | ACUITE A3 (Upgraded from ACUITE A4+) |
| 30 Jul 2020 | Proposed Bank Guarantee | Short Term | 37.00 | ACUITE A4+ (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 1.00 | ACUITE BB+ (Downgraded and Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 29.00 | ACUITE A4+ (Downgraded and Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 44.00 | ACUITE A4+ (Downgraded and Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 8.00 | ACUITE BB+ (Downgraded and Issuer not co-operating*) |
| | Proposed Secured | Long | | ACUITE BB+ (Downgraded and Issuer not co-operating*) |

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|--|-----------|------|------|--------------------|
| | Overdraft | Term | 3.00 | not co-operating*) |
|--|-----------|------|------|--------------------|

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|---------------------|----------------|-------------------------|------------------|----------------|----------------|------------------|-------------------|--|
| ICICI Bank Ltd | Not Applicable | Bank Guarantee (BLR) | Not Applicable | Not Applicable | Not Applicable | Simple | 28.00 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Kotak Mahindra Bank | Not Applicable | Bank Guarantee (BLR) | Not Applicable | Not Applicable | Not Applicable | Simple | 10.00 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| HDFC Bank Ltd | Not Applicable | Bank Guarantee (BLR) | Not Applicable | Not Applicable | Not Applicable | Simple | 8.10 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| HDFC Bank Ltd | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 9.00 | ACUITE B+ Reaffirmed Issuer not co-operating* |
| ICICI Bank Ltd | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 1.00 | ACUITE B+ Reaffirmed Issuer not co-operating* |
| Kotak Mahindra Bank | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 1.00 | ACUITE B+ Reaffirmed Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | Simple | 64.90 | ACUITE A4 Reaffirmed Issuer not co-operating* |

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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