

Press Release

PCM Cement Concrete Private Limited

December 17, 2019



Rating Update

Total Bank Facilities Rated*	Rs.130.13 Cr. #
Long Term Rating	ACUITE B+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Short Term Rating	ACUITE A4 (Downgraded from ACUITE A3) Issuer not co-operating*

#Refer Annexure for details

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

Acuité has reviewed and downgraded long-term rating to '**ACUITE B+**' (**read as ACUITE B plus**) from '**ACUITE BBB-**' (**read as ACUITE triple B minus**) and short term rating of '**ACUITE A4**' (**read as ACUITE A four**) from '**ACUITE A3**' (**read as ACUITE A three**) on the Rs.130.13 crore bank facilities of PCM Cement Concrete Private Limited. The downgrade is on account of information risk. This rating is now an indicative rating and is based on best available information.

Incorporated in 1991, PCCPL is a Siliguri (West Bengal) based company engaged in manufacturing of railway sleeper. The company is also engaged in flash butt welding, media and real estate. The company is a part of the PCM group which has diversified business interest in tea processing, power trading and real estate. In 2013, PCCPL acquired Rail One AG, a German company engaged in manufacturing of concrete railway sleepers having global presence in the markets of Europe, USA and gulf countries.

PCM group promoted by Late Padam Chand Mittal has diversified business interest. The group has presence in manufacturing of concrete railway sleepers, flash butt welding, real estate, tea, media etc. In 1991, the group has ventured in manufacturing of railway sleepers and flash butt welding through PCCPL. Over the years, the group has promoted PCM Stresscon Overseas Ventures Limited for manufacturing of pre- stressed concrete sleepers in the international market with plants in Saudi Arabia, UAE and India. PCM Tea Processing Private Limited was incorporated in 1999 is engaged in the processing of black tea. In 2013, PCCPL acquired Rail One AG, a German company engaged in manufacturing of concrete railway sleepers having global presence in the markets of Germany, Hungary, Romania, Spain, Turkey, South Korea, USA and Saudi Arabia. Since acquisition in 2013, the group is deriving majority of its revenue from PCM rail One AG.

Analytical Approach The team has taken a consolidated view of PCCPL with PCM Rail one AG, PCM Stresscon Overseas Ventures Limited, PCM Tea Processing Private Limited , PCM Hydel Power Corporation Limited, DDM Alloys Casting Private Limited, PCM Cement Concrete Private FZE, PCM Stresscon International Private Limited, PCM Power Trading Private Limited, Railtrack Equipment, Services Private Limited, PCMS Infrastructure Company Private Limited, Rail Track Concrete Products Private Limited, Sathi Builders Private Limited PCMCCPL & Cabcon India Private Limited thereby including 6 subsidiaries, 7 associates and a JV while assigning the ratings. The consolidation has been on account of common promoters, similar line of operations and cross guarantees. Extent of Consolidation: Full.

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/criteria-default.htm>
- Financial Ratios and Adjustments- <https://www.acuite.in/criteria-fin-ratios.htm>
- Manufacturing entities- <https://www.acuite.in/view-rating-criteria-4.htm>
- Consolidation of Companies-<https://www.acuite.in/view-rating-criteria-22.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 endeavored 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

The rated entity has not shared the latest Financial Statements despite repeated attempts.

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
12-Jun-2019	Proposed Cash Credit	Long Term	12.00	ACUITE BBB- Issuer not co-operating*
	Proposed Term Loan	Long Term	11.01	ACUITE BBB- Issuer not co-operating*
	Proposed Bank Guarantee	Short Term	15.00	ACUITE A3 Issuer not co-operating*
	Letter of Comfort	Long Term	89.99	ACUITE BBB- Issuer not co-operating*
	Bank Guarantee	Short Term	2.13	ACUITE A3 Issuer not co-operating*
19-Mar-2018	Proposed Cash Credit	Long Term	12.00	ACUITE BBB- /Stable(Assigned)
	Proposed Term Loan	Long Term	11.01	ACUITE BBB- /Stable(Assigned)
	Proposed Bank	Short Term	15.00	ACUITE A3 (Assigned)

	Guarantee			
	Letter of Comfort	Long Term	89.99	ACUITE BBB- /Stable(Assigned)
	Bank Guarantee	Short Term	2.13	ACUITE A3 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	12.00	ACUITE B+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	11.01	ACUITE B+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A4 (Downgraded from ACUITE A3) Issuer not co-operating*
Letter of Comfort	Not Applicable	Not Applicable	Not Applicable	89.99	ACUITE B+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	2.13	ACUITE A4 (Downgraded from ACUITE A3) Issuer not co-operating*

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

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About Acuité Ratings & Research:

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