

Press Release

PCM Cement Concrete Private Limited

August 05, 2022



Rating Upgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	13.90	ACUITE B Upgraded & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	26.10	-	ACUITE A4 Upgraded & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	40.00	-	-

Rating Rationale

Acuite has withdrawn and upgraded the long-term rating to '**ACUITE B**' (read as **ACUITE B**) from '**ACUITE D**' (read as **ACUITE D**) and short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE D**' (read as **ACUITE D**) on the Rs.40 crore bank facilities of PCM Cement Concrete Private Limited (PCCPL). The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating. The rating is now indicative rating on account of information risk.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Rationale for rating upgrade

The revision in rating takes into account the revised feedback received from the banker on 22nd July 2022, stating no instances of delays in term loans for the last 12 months, however, there are instances of delays in cash credit facility and payment of bills under Letter of Credit not exceeding 30 days. However, earlier we had received feedback from the banker on 17th May 2022 stating instances of delays in term loans and devolvement of Letter of Credit.

Based on the latest feedback received from the banker, Acuite has therefore revised the rating of PCCPL from '**ACUITE D**' to '**ACUITE B**' and '**ACUITE A4**'.

Reason for Indicative rating

The rated entity had refused to provide the bank statements. The rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

About the Company

Incorporated in 1991, PCCPL is a Siliguri (West Bengal) based company engaged in
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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

About the Group

PCM group promoted by Late Padam Chand Mittal has diversified business interest. The group has a presence in manufacturing of concrete railway sleepers, flash butt welding, real estate, tea, media etc. In 1991, the group 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 prestressed 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 the majority of its revenue from PCM rail One AG.

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.

Acuité 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 Acuité'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). 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.

Material Covenants

None

Liquidity Position

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

Outlook

Not applicable

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	1121.98	1300.81
PAT	Rs. Cr.	8.52	31.21
PAT Margin	(%)	0.76	2.40
Total Debt/Tangible Net Worth	Times	0.70	0.67
PBDIT/Interest	Times	3.64	3.70

Key Financials:

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

Status of non-cooperation with previous CRA

CARE vide its press release dated 24 May 2022, has mentioned the rating of PCCPL to 'CARE D' (Downgraded & Issuer Not Cooperating) as on 24 May 2022.

India Ratings vide its press release dated 30 March 2022, has mentioned the rating of PCCPL to 'IND BB+/A4+' (Reaffirmed & Issuer Not Cooperating) as on 30 March 2022.

CRISIL vide its press release dated 03 June 2022, has mentioned the rating of PSOVL to 'CRISIL D' (Downgraded & Issuer Not Cooperating) as on 03 June 2022.

Any other information

The rated entity had refused to provide the bank statements. The rating is therefore based on the written feedback received from the banker about the rated entity.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 May 2022	Term Loan	Long Term	1.20	ACUITE D (Downgraded from ACUITE B+)
	Proposed Bank Facility	Long Term	0.70	ACUITE D (Downgraded from ACUITE B+)
	Proposed Bank Guarantee	Short Term	10.00	ACUITE D (Downgraded from ACUITE A4)
	Cash Credit	Long Term	12.00	ACUITE D (Downgraded from ACUITE B+)
	Bank Guarantee	Short Term	16.10	ACUITE D (Downgraded from ACUITE A4)
22 Oct 2021	Bank Guarantee	Short Term	17.13	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	12.00	ACUITE B+ (Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	10.87	ACUITE A4 (Issuer not co-operating*)
14 Aug 2020	Cash Credit	Long Term	12.00	ACUITE B+ Stable (Reaffirmed)
	Proposed Bank Guarantee	Short Term	10.87	ACUITE A4 (Reaffirmed)
	Bank Guarantee	Short Term	17.13	ACUITE A4 (Reaffirmed)
16 Jun 2020	Proposed Bank Guarantee	Short Term	10.87	ACUITE A4 (Reaffirmed)
	Proposed Term Loan	Long Term	11.01	ACUITE B+ (Withdrawn)
	Cash Credit	Long Term	12.00	ACUITE B+ Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	12.00	ACUITE B+ (Withdrawn)
	Bank Guarantee	Short Term	17.13	ACUITE A4 (Reaffirmed)

	Proposed Bank Guarantee	Short Term	89.99	ACUITE A4 (Withdrawn)
17 Dec 2019	Proposed Term Loan	Long Term	11.01	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Buyers Credit	Long Term	89.99	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	2.13	ACUITE A4 (Downgraded and Issuer not co-operating*)
	Proposed Cash Credit	Long Term	12.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	15.00	ACUITE A4 (Downgraded and Issuer not co-operating*)
12 Jun 2019	Proposed Term Loan	Long Term	11.01	ACUITE BBB- (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	12.00	ACUITE BBB- (Issuer not co-operating*)
	Buyers Credit	Long Term	89.99	ACUITE BBB- (Issuer not co-operating*)
	Bank Guarantee	Short Term	2.13	ACUITE A3 (Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term		
	Guarantee	Term	15.00	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 Guarantee	Short Term	15.00	ACUITE A3 (Assigned)
	Buyers Credit	Long Term	89.99	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	2.13	ACUITE A3 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	16.10	ACUITE A4 Upgraded & Withdrawn Issuer not co-operating* (from ACUITE D)
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	12.00	ACUITE B Upgraded & Withdrawn Issuer not co-operating* (from ACUITE D)
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4 Upgraded & Withdrawn Issuer not co-operating* (from ACUITE D)
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.70	ACUITE B Upgraded & Withdrawn Issuer not co-operating* (from ACUITE D)
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	1.20	ACUITE B Upgraded & Withdrawn Issuer not co-operating* (from ACUITE D)

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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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