

Press Release

PCM Stresscon Overseas Ventures Limited

July 03, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 200.81 Cr.
Long Term Rating	ACUITE BB (Downgraded from BBB-) Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

* Refer Annexure for details

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

Rating Rationale

Acuite has downgraded the long term rating of 'ACUITE BBB-' (read as ACUITE triple B minus) to 'ACUITE BB' (read as ACUITE double B) and short term rating of 'ACUITE A3' (read as ACUITE three) to 'ACUITE A4+' (read as ACUITE four plus) on the Rs. 200.81 crore bank facilities of PCM Stresscon Overseas Ventures Limited (PSOVL). This rating is now an indicative rating and is based on best available information.

The downgrade reflects delays in servicing the interest payments on the term loan due to delayed payments from the government sector clients.

Incorporated in 2006, PCM Stresscon Overseas Ventures Limited (PSOVL) is part of the PCM group with PCM Cement Concrete Private Limited (PCCPL rated at SMERA BBB-/Stable/A3) holding 61 per cent in PSOVL. The company is engaged in manufacturing of pre-stressed concrete sleepers. Over the years, PSOVL has successfully executed projects for production and supply of pre-stressed concrete railway sleepers for North South Railway Project of Saudi Arabia Railways (SAR) and Etihad Rail in the UAE. The Company is presently executing project in the domestic market for The Dedicated Freight Corridor Corporation of India (DFCC), Larsen & Toubro Limited, Tata Projects Limited and IRCON International Limited.

Non-cooperation by the issuer/borrower:

Acuite 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 Acuite's policies.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-4.htm>
- Default Recognition: <https://www.acuite.in/criteria-default.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). Acuite endeavored 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.

About the Rated Entity - Key Financials

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

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

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

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
12th April, 2019	Proposed Term Loan	Long-Term	22.66	ACUITE BBB-/ Stable (Assigned)
	Proposed Bank Guarantee	Short-Term	126.70	ACUITE A3 (Assigned)
	Proposed Letter of Credit	Short-Term	51.45	ACUITE A3 (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	22.66	ACUITE BB (Downgraded from BBB-) Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	126.70	ACUITE A4+ (Downgraded from A3) Issuer not cooperating*
Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	51.45	ACUITE A4+ (Downgraded from A3) Issuer not cooperating*

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

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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