

Press Release

PCM Stresscon Overseas Ventures Limited

October 22, 2021

Rating Update



Total Bank Facilities Rated*	Rs.140.00 Cr. #
Long Term Rating	ACUITE B 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.

Acuité has reviewed the long-term rating of '**ACUITE B**' (read as **ACUITE B**) and the short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.140.00 crore bank facilities of PCM Stresscon Overseas Ventures Limited (PSOVL). This rating is now an indicative rating and is based on the best available information.

Incorporated in 2006, West Bengal based 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 a project in the domestic market for The Dedicated Freight Corridor Corporation of India (DFCC), Larsen & Toubro Limited, Tata Projects Limited and IRCON International Limited.

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 a 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 the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an 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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- 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>

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

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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.

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

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)

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.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
14-Aug-2020	Term Loan	Long Term	7.07	ACUITE B/ Stable (Reaffirmed)
	Proposed Bank Guarantee	Short Term	32.30	ACUITE A4 (Reaffirmed)
	Bank Guarantee	Short Term	66.34	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	34.29	ACUITE A4 (Reaffirmed)
16-Jun-2020	Term Loan	Long Term	7.07	ACUITE B/ Stable (Downgraded)
	Proposed Term Loan	Long Term	22.66	ACUITE B (Downgraded & Withdrawn)
	Proposed Letter of Credit	Short Term	51.45	ACUITE A4 (Downgraded & Withdrawn)
	Proposed Bank Guarantee	Short Term	32.30	ACUITE A4 (Downgraded)
	Bank Guarantee	Short Term	66.34	ACUITE A4 (Downgraded)
	Letter of Credit	Short Term	34.29	ACUITE A4 (Downgraded)
03-Jul-2019	Proposed Term Loan	Long Term	22.66	ACUITE BB (Downgraded; Indicative)
	Proposed Bank Guarantee	Short Term	126.70	ACUITE A4+ (Downgraded; Indicative)
	Proposed Letter of Credit	Short Term	51.45	ACUITE A4+ (Downgraded; Indicative)
12-Apr-2018	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

Lender Name	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Bank of Baroda	Term Loan	Not Available	Not Available	Not Available	7.07	ACUITE B Issuer not co-operating*
Bank of Baroda	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	32.30	ACUITE A4 Issuer not co-operating*
Bank of Baroda	Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	66.34	ACUITE A4 Issuer not co-operating*
Bank of Baroda	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	34.29	ACUITE A4 Issuer not co-operating*

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

Contacts

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About Acuite Ratings & Research:

Acuite Ratings & Research 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 8,850 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 Kanjurmarg, Mumbai.

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