

## Press Release

### PCM Stresscon Overseas Ventures Limited

August 05, 2022



#### Rating Upgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Bank Ratings</b> <b>Loan</b>	132.30	-	ACUITE A4   Upgraded & Withdrawn   Issuer not co-operating*
<b>Bank Ratings</b> <b>Loan</b>	7.70	ACUITE B   Upgraded & Withdrawn   Issuer not co-operating*	-
<b>Total Outstanding Quantum (Rs. Cr)</b>	0.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	140.00	-	-

#### 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Acuite has withdrawn and upgraded the long-term rating to '**ACUITE B**' (read as **ACUITE B**) from '**ACUITE D**' (read as **ACUITE D**) and short-term rating to '**ACUITE A4**'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.140 crore bank facilities of PCM Stresscon Overseas Ventures Private Limited (PSOVL). 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The rating is being withdrawn on account of request received from the company and NOC received from the banker.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 22<sup>nd</sup> July 2022, stating no instances of delays in term loans for the last 03 months, however, there are instances of delays in overdraft facility not exceeding 30 days. However, earlier we had received feedback from the banker on 17<sup>th</sup> 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 PSOVL 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 2006, West Bengal based PCM Strescon 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 Strescon 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 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
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### 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.

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>
- 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	Bank Guarantee	Short Term	65.71	ACUITE D (Downgraded from ACUITE A4)
	Letter of Credit	Short Term	34.29	ACUITE D (Downgraded from ACUITE A4)
	Proposed Term Loan	Long Term	7.70	ACUITE D (Downgraded from ACUITE B)
	Proposed Bank Guarantee	Short Term	32.30	ACUITE D (Downgraded from ACUITE A4)
22 Oct 2021	Proposed Bank Guarantee	Short Term	32.30	ACUITE A4 (Issuer not co-operating*)
	Letter of Credit	Short Term	34.29	ACUITE A4 (Issuer not co-operating*)
	Term Loan	Long Term	7.07	ACUITE B (Issuer not co-operating*)
	Bank Guarantee	Short Term	66.34	ACUITE A4 (Issuer not co-operating*)
14 Aug 2020	Letter of Credit	Short Term	34.29	ACUITE A4 (Reaffirmed)
	Proposed Bank Guarantee	Short Term	32.30	ACUITE A4 (Reaffirmed)
	Bank Guarantee	Short Term	66.34	ACUITE A4 (Reaffirmed)
	Term Loan	Long Term	7.07	ACUITE B   Stable (Reaffirmed)
	Bank Guarantee	Short Term	66.34	ACUITE A4 (Downgraded from ACUITE A4+)

16 Jun 2020	Term Loan	Long Term	7.07	ACUITE B   Stable (Downgraded from ACUITE BB )
	Proposed Term Loan	Long Term	22.66	ACUITE B (Downgraded and Withdrawn)
	Proposed Letter of Credit	Short Term	51.45	ACUITE A4 (Downgraded and Withdrawn)
	Letter of Credit	Short Term	34.29	ACUITE A4 (Downgraded from ACUITE A4+)
	Proposed Bank Guarantee	Short Term	32.30	ACUITE A4 (Downgraded from ACUITE A4+)
03 Jul 2019	Proposed Letter of Credit	Short Term	51.45	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Proposed Term Loan	Long Term	22.66	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	126.70	ACUITE A4+ (Downgraded and Issuer not co-operating*)
12 Apr 2018	Proposed Term Loan	Long Term	22.66	ACUITE BBB-   Stable (Assigned)
	Proposed Letter of Credit	Short Term	51.45	ACUITE A3 (Assigned)
	Proposed Bank Guarantee	Short Term	126.70	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 (BLR)	Not Applicable	Not Applicable	Not Applicable	65.71	ACUITE A4   Upgraded & Withdrawn   Issuer not co-operating* (from ACUITE D )
Bank of Baroda	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	34.29	ACUITE A4   Upgraded & Withdrawn   Issuer not co-operating* (from ACUITE D )
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	32.30	ACUITE A4   Upgraded & Withdrawn   Issuer not co-operating* (from ACUITE D )
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	7.70	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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