

## PAE Limited (Revised)

August 18, 2022

### Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	15.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	5.00	CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Facilities</b>	<b>20.00 (Rs. Twenty Crore Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated June 04, 2021, placed the rating(s) of PAE Limited (PAE) under the 'issuer non-cooperating' category as PAE Limited had failed to provide information for monitoring of the rating. PAE continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 04, 2022, April 30, 2022 and May 10, 2022. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

### Detailed description of the key rating drivers

At the time of last rating on June 04, 2021, the following were the rating strengths and weaknesses (updated for the information available from MCA website):

### Key Rating Weaknesses

**Ongoing delay in debt servicing:** There have been ongoing delays in debt servicing and the account has been classified as NPA. Further, the company is not regular in depositing statutory dues with the authorities.

**Weak financial performance:** PAE's total operating income stood at Rs.0.63 crore in FY22 and reported operating loss of Rs.0.09 crore and company has earned net profit of Rs.12.16 crore after adding non-operating income of Rs. 4.91 crore towards write back as interest foregone by the bank and Rs.8.10 crore earned towards profit on sale of business undertaking. However, on account of carried forward losses the net-worth base has been eroded to negative and capital structure remained highly leveraged with weak debt coverage indicators.

### Key Rating Strengths

**Experienced promoters:** The promoters of the company have experience of more than five decades of operations in automotive and industrial battery segment and their close association with the Premier group in the past.

**Analytical Approach:** Standalone

### Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE Ratings Ltd.'s publications

\*Issuer did not cooperate; Based on best available information

### About the company

Incorporated in 1950 as a distributor of auto electric components, PAE Ltd. (PAE) is presently operational in two segments viz. Power products and Auto components. In its power products segment, PAE is engaged in marketing and distribution of lead storage batteries (for automotive and industrial application) and power backup systems; while in the Auto component segment it operates as a distributor of automotive parts. Additionally, the company has forayed into solar energy space through its various subsidiaries which are engaged in developing, marketing and distribution of solar panels and operates 2 solar power plants of 1 MW each.

Brief Financials (Rs. crore)	FY21 (A)	FY22 (A)	Q1FY23
Total operating income	0.08	0.63	0.00
PBILDT	-1.13	-0.09	-0.18
PAT	-5.45	12.16	-0.24
Overall gearing (times)	-0.82	-0.61	NA
Interest coverage (times)	-0.20	-0.12	Neg.

A: Audited, NA- Not available, Neg- Negative

### Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	15.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-BG/LC		-	-	-	5.00	CARE D / CARE D; ISSUER NOT COOPERATING*

### Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	15.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (04-Jun-21)	1)CARE D; ISSUER NOT COOPERATING* (11-May-20)	1)CARE D; ISSUER NOT COOPERATING* (17-May-19)
2	Non-fund-based - LT/ST-BG/LC	LT/ST*	5.00	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (04-Jun-21)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (11-May-20)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (17-May-19)

\*Long term/Short term.

### Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities : Not applicable

**Annexure-4: Complexity level of various instruments rated for this company**

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT/ ST-BG/LC	Simple

**Annexure-5: Bank lender details for this company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careedge.in](http://www.careedge.in). Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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