

PAE Limited

October 26, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	15.00	CARE 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*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

Rationale & key rating drivers

CARE had, vide its press release dated August 18, 2022, 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 July 04, 2023, July 14, 2023 and July 24, 2023. 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 August 18, 2022, the following were the rating strengths and weaknesses (updated for the information available from MCA website and stock exchange filings):

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of the key rating drivers:

Key Rating Weaknesses

Ongoing delay in debt servicing: There have been ongoing delays in debt servicing and the account has been classified as NPA.

Weak financial performance: PAE's total operating income stood very negligible and reported operating loss of Rs.0.75 crore and the company has earned net profit of Rs.6.43 crore after adding non-operating income of Rs. 0.96 crore mainly towards sundry liabilities write off. Further on account of carried forward losses the net-worth base has been eroded to negative and capital structure remains 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.

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](#)

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

About the Company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Automobile and Auto Components	Auto Components	Trading - Auto Components

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 (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	Q1FY24 (UA)
Total operating income	0.00	0.00	0.00
PBILDT	-0.72	-0.75	-0.10
PAT	12.16	6.43	-0.15
Overall gearing (times)	-0.57	-0.72	NA
Interest coverage (times)	-0.95	-6.06	-2.00

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Disclosure of Interest of Independent/Non-Executive Directors of CARE: Not Applicable

Disclosure of Interest of Managing Director & CEO: Not Applicable

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

Covenants of rated instrument / facility: 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

Lender details: Annexure-5

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	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 of 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 2023-2024	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
1	Fund-based - LT-Cash Credit	LT	15.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Aug-22)	1)CARE D; ISSUER NOT COOPERATING* (04-Jun-21)	1)CARE D; ISSUER NOT COOPERATING* (11-May-20)
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* (18-Aug-22)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (04-Jun-21)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (11-May-20)

*Issuer did not cooperate; based on best available information.

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities : Not applicable
Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of the 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 Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About us:

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