

## PAE Limited

January 14, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	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 and key rating drivers

CARE had, vide its press release dated October 26, 2023, placed the rating(s) of PAE Limited (PAE) under the 'issuer non-cooperating' category as PAE 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 September 10, 2024, September 20, 2024 and September 30, 2024. 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 October 26, 2023, the following were the rating strengths and weaknesses (updated for the information available from registrar of companies (ROC) and stock exchange filings):

**Analytical approach:** Standalone

**Outlook:** Not applicable

### Detailed description of key rating drivers:

#### Key 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 during FY23 (PY: operating loss of Rs.0.72 crore). However, the company has earned profit after tax of Rs.6.43 crore in FY23 on the back of exceptional income from profit on sale of assets of Rs. 6.34 crore and non-operating income of Rs. 0.96 crore mainly towards sundry liabilities write off. Nevertheless, tangible networth base has continued to remain eroded due to net loss incurred during past which led to leveraged capital structure and weak debt coverage indicators.

#### Key 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

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

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

[Short Term Instruments](#)

[Wholesale Trading](#)

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

## About the company and industry

### Industry classification

Macroeconomic 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)
Total operating income	0.00	0.00
PBILDT	-0.72	-0.75
PAT	12.16	6.43
Overall gearing (times)	-0.57	-0.72
Interest coverage (times)	-0.95	-6.06

A: Audited; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not Applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** 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 and 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*

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

**Annexure-2: Rating history for 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 2024-2025	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
1	Fund-based - LT-Cash Credit	LT	15.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (26-Oct-23)	1)CARE D; ISSUER NOT COOPERATING* (18-Aug-22)	1)CARE D; ISSUER NOT COOPERATING* (04-Jun-21)
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* (26-Oct-23)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (18-Aug-22)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (04-Jun-21)

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

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of instruments rated**

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: Lender details**

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

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

## Contact us

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### About us:

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