

## Pace Business Machines Private Limited

March 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term / Short Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* and Withdrawn
Long Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE BB; Stable; ISSUER NOT COOPERATING* and Withdrawn
Short Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE A4; ISSUER NOT COOPERATING* and Withdrawn

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE BB; Stable; ISSUER NOT COOPERATING / CARE A4; ISSUER NOT COOPERATING' [Double B; Outlook: Stable; ISSUER NOT COOPERATING / A four; ISSUER NOT COOPERATING] assigned to the bank facilities of Pace Business Machines Private Limited (PBMPL) with immediate effect. The above action has been taken at the request of PBMPL and 'No Objection Certificate' (NOC) received from the bank that has extended the facilities rated by CareEdge Ratings.

The ratings continue to remain constrained on account of modest scale of operation and thin profitability. The ratings are further constrained due to working capital intensive nature of operations, highly competitive intensity, and vulnerable to industry risk. The ratings, however, derive strength from experienced promoters, established relationships with reputed clientele and comfortable capital structure and debt coverage indicators.

**Analytical approach:** Standalone

### Detailed description of key rating drivers:

#### Key weaknesses

##### Relatively modest scale of operations and thin profitability

PBMPLs scale of operations improved to Rs.62.94 crore in FY25 (refers to April 1 to March 31) as compared to Rs.30.13 crore in FY24. Nevertheless, the scale of operations continues to remain modest. PBILDT margin remained thin at 2.62% in FY25, with a y-o-y decline of 76 bps, as compared to 3.38% in FY24 and Profit after Tax (PAT) margin also remained thin in line to PBILDT at 1.30% in FY25 as compared to 1.53% in FY24.

##### Working capital intensive nature of operations

The working capital cycle improved to 15 days in FY25, vis-à-vis 44 days in FY24, mainly on account of timely realisation of debtors. The collection period improved and stood at 74 days in FY25 as compared to 213 days in FY24.

##### Highly competitive intensity; vulnerable to industry risks such as employee attrition

PBMPL faces intense competition from large established players, which limits its pricing flexibility and puts pressure on its margins. The company is also exposed to broader IT industry risks such as global demand slowdown, high employee attrition which could impact its operations.

#### Key strengths

##### Experienced promoters and long track record of operations in IT infrastructure solutions & services

The overall operations of PBMPL are looked after by the promoters, Nitin Agarwal and Vivek Shoor, who possess a total experience of over three decades in the IT industry. PBMPL possesses a long track record of over two and half decades of operations in providing IT infrastructure solutions & services to various government and corporate bodies.

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

### Established relationship with reputed clientele

The company serves its products and services to various government bodies based out of Maharashtra, Gujarat, Goa and Madhya Pradesh which form majority of its customer base whereas the balance comes from the corporate customers. However, the customer base of the company is concentrated with the top 5 customers comprising around 65.71% of the sales in FY24 (PY: 81.56%).

### Comfortable capital structure & moderate debt coverage indicators

The capital structure of PBML stood comfortable with the overall gearing at 0.08x (PY: 0.15x) and TOL/TNW at 0.63x (PY: 1.15x) as on Mar 31, 2025. Further, debt coverage indicators marked by the total debt/GCA improved to 1.35x in FY25 (PY: 3.67x) and interest coverage stood stable at 2.75x in FY25 (PY: 1.90x).

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### Applicable criteria

[Definition of Default](#)

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

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Information Technology	Information Technology	IT - Services	IT Enabled Services

Incorporated in 1994 by Nitin Agarwal with his friend Vivek Shoor, Pace Business Machines Private Limited (PBML) is an ISO 27001:2013 certified company engaged in providing various types of infrastructure solutions and related services in the field of IT. The company provides various IT system integration solutions & services, various network solutions and professional services. The company possesses its controlling office located in Thane, Maharashtra, which employs more than 150 in-house personnel. The company serves its products & services to various government bodies based out of Maharashtra, Gujarat, Delhi and Rajasthan which form majority of its customer base, whereas the balance comes from the corporate customers.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	30.13	62.94
PBILDT*	1.02	1.65
Profit after tax (PAT)	0.46	0.82
Overall gearing (x)	1.08	0.58
Interest coverage (x)	1.90	2.75

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

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**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-Bank Overdraft		-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit		-	-	-	0.00	Withdrawn
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	0.00	Withdrawn
Non-fund-based - ST-Letter of credit		-	-	-	0.00	Withdrawn

**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 2025-2026	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
1	Fund-based - LT-Cash Credit	LT	-	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (06-Mar-26) 2)CARE BB; Stable; ISSUER NOT COOPERATING* (28-Nov-25)	1)CARE BB+; Stable (04-Nov-24)	1)CARE BB+; Stable (23-Oct-23)	1)CARE BB+; Stable (30-Nov-22)
2	Non-fund-based - ST-Letter of credit	ST	-	-	1)CARE A4; ISSUER NOT COOPERATING* (06-Mar-26) 2)CARE A4; ISSUER NOT COOPERATING* (28-Nov-25)	1)CARE A4+ (04-Nov-24)	1)CARE A4+ (23-Oct-23)	1)CARE A4+ (30-Nov-22)
3	Non-fund-based - LT/ST-Bank Guarantee	LT/ST	-	-	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (06-Mar-26) 2)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (28-Nov-25)	1)CARE BB+; Stable / CARE A4+ (04-Nov-24)	1)CARE BB+; Stable / CARE A4+ (23-Oct-23)	1)CARE BB+; Stable / CARE A4+ (30-Nov-22)
4	Fund-based - LT-Bank Overdraft	LT	-	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (06-Mar-26) 2)CARE BB; Stable; ISSUER NOT COOPERATING* (28-Nov-25)	1)CARE BB+; Stable (04-Nov-24)	1)CARE BB+; Stable (23-Oct-23)	1)CARE BB+; Stable (30-Nov-22)

\*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-Bank Overdraft	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Letter of credit	Simple

**Annexure-5: Lender details**

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

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

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