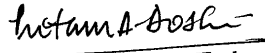


FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	:	PAE Limited
2.	Annual consolidated financial statements for the year ended	:	31 st March, 2014
3.	Type of Audit observation	:	<p>The company has made Long Term Investment of Rs 785.66 lacs in its subsidiary, Shurjo Energy Pvt Ltd. (SEPL). It has also given loans and advances of Rs 717.30 lacs which is recoverable as at end of current year. The subsidiary has made a loss of Rs 92.84 lacs in the current year. Its accumulated losses as at the end of the year amounting to Rs 1004.35 has exceeded its Net Worth. Despite this, for the reasons mentioned in Note No 34 of Notes to Accounts, the company considers that the losses in SEPL are temporary in nature and no diminution is required in the value of its investment in the subsidiary. Also the loans and advances given to SEPL are considered as fully recoverable. However we do not have appropriate audit evidence to determine the extent of adjustments that may be required to the carrying value of the said investment or to the value of loans and advances recoverable from SEPL.</p>
4.	Frequency of observation	:	First Time
5.	Additional Comments from Board		<p>The company's subsidiary Shurjo Energy Pvt. Ltd. (SEPL) has been manufacturing solar panels, an industry currently in a challenging situation worldwide. As at March 31, 2014, the accumulated losses in SEPL have exceeded its net worth by Rs.309.58 lacs. The company is actively pursuing the revival of its subsidiary Shurjo Energy Pvt. Ltd.(SEPL) by diversifying its activities. Towards this end, the company has applied to Falta Special Economic Zone for removing the 100 % E.O.U. status to facilitate the diversification. Company is also exploring the induction of a strategic investor for trading in power back up systems and lead smelting activity. It is of the opinion that losses suffered during the initial years by SEPL are temporary in nature and no provision for diminution in the value of investment of Rs. 785.66 lacs is considered necessary at this juncture. Also the loans and advances of Rs. 717.30 lacs due from SEPL as at the balance sheet date are considered as fully recoverable.</p>

For PAE Limited



Managing Director



Head Finance and Accounts



Audit Committee Chairman

Place : Mumbai

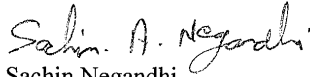
Date : 23rd May 2014

Refer our Audit Report dated 23rd May, 2014 on the consolidated financial statements of the company.

For K. S. Aiyar & Co.

Chartered Accountants

(Registration No. 100186W)



Sachin Negandhi

Partner

(Membership No. 112888)



CHAIRMAN'S MESSAGE

Dear Shareowners,

I wish to present to you the Sixty-Fourth Annual Report and accounts for the year ended March 2014.

The year under review has been yet another challenging one both on market front and the finance front. The silver lining of our own branded products which showed consistent growth up to September-2013 and got throttled due to constraint of finance. We reverted back from the system of verticals to customer focused regional system at the beginning of April -2012. It considerably helped to reduce the costs which were badly needed. Thereafter, during last 12 months we have further streamlined our establishment by reducing the stocking location but keeping the contact points for marketing. The overall slowdown of economy and higher finance costs continue to add to our losses, like many others. In my statement last year, I had mentioned that "The coming year does not show any promise of improvement in this area". Unfortunately, it has come true. With last sixty two years of wide experience of distribution and marketing, the market has given a good response to our products. We would have done still better had we got financial support from the concerned quarters.

Solar business all over the world is facing recession and severe competition. We are no exception in our subsidiaries engaged in manufacturing solar P.V. panels and system integration business. Shurjo Energy Pvt. Ltd. had to suspend manufacturing operations whereas PAE Renewables considerably improved its top line from ₹ 1.34 Crores to ₹ 4.93 Crores and improved from the loss of ₹ 53 Lakhs to profit before tax of ₹ 16 Lakhs. We are looking forward for better performance in this business. Similarly, our 1 MW projects in Rajasthan and Punjab are running satisfactorily and are generating power. Both the DISCOMS are paying the monthly bills regularly for power supplied to them from our projects.

In order to solve financial difficulties, the promoters have tried to get financial support from outside party but due to various difficulties, could not obtain any loan therefore the promoters including promoter group entities, themselves have contributed to the extent of ₹ 6.93 Crores by way of ICD and FD.

The financial year ending March 2015 is not necessarily expected to be great, although some improvement should take place in light of the new Government coming in position with greater stability and hopefully faster decisions. Even the overall industry forecast says that there will be slight increment in Q4, after recovering from bad situation in the past. Therefore, our company also be in the same line of performance. However, the management is striving to improve the efficiency, reduce the costs, to achieve some profitability.

Regards

Arvind R. Doshi

Executive Chairman

Company Information

Board of Directors

Mr. Arvind R. Doshi - Executive Chairman

Mr. Pritam A. Doshi - Managing Director

Mr. Karthikeyan Muthuswamy - Independent Director

Dr. Mrs. Pratibha A. Doshi - Non- Executive Director

Mr. Dilip J. Thakkar - Independent Director

Dr. Rajendra Nath Mehrotra - Independent Director

Mr. John O. Band - Independent Director

Management Team and Key Managerial Personnel (KMP)

Mr. Arvind R. Doshi - Executive Chairman and KMP

Mr. Pritam A. Doshi - Managing Director and KMP

Mr. Rajesh B. Desai - Head - Finance & Accounts and KMP

Mr. Shashikumar Nair - Head – Human Resources & Administration

Mr. Prabhakar Posam - Head - Information System & Business Process

Mr. N. Vijaykumar - National Head, Batteries and KMP

Mr. S.N. Patil - Service Head

Mr. G. Mahesh - Business Manager

Mr. Raghav Taneja - Business Manager

Mr. T. Radhakrishnan - Business Manager

Mr. Ramnathan Iyer - Business Manager

Mr. Sameer Chavan - Company Secretary &

Head – Legal and KMP

(Resigned on 24.10.2013)

Mr. P. Muraleedharan Menon - Head, Internal Audit and KMP

Mr. Vishal Totla - Company Secretary &

Head – Legal and KMP

(Appointed w.e.f. 02.12.2013)

Annual General Meeting	Bankers
Day : Friday	State Bank of India Corporation Bank
Date : August 8, 2014	
Venue : Babasaheb Dahanukar Sabhagriha, Oricon House, 6 th Floor, 12, K. Dubhash Marg, Fort, Mumbai 400 001	Auditors
Time : 3.30 p.m.	K.S. Aiyar & Co.
Registrar and Share Transfer Agent	Registered and Corporate Office
M/s Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078	69, Tardeo Road, Mumbai - 400034, Maharashtra, India
Tel. No. : 91-22-2594 6970	Telephone : +91-22-6618 5799
Fax No. : 91-22-2594 6969	Fax : +91-22-6618 5757
Email : rnt.helpdesk@linkintime.co.in	Website : www.paeltd.com Email for investor grievances : investors@paeltd.com

NOTICE

NOTICE is hereby given that the Sixty Fourth Annual General Meeting of the Members of **PAE Limited** will be held on Friday August 8, 2014 at 3.30 p.m. at Babasaheb Dahanukar Sabhagriha, Oricon House, 6th floor, 12, K. Dubhash Marg, Fort, Mumbai 400 001, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2014 and Statement of Profit & Loss for the year ended as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Arvind R. Doshi (holding DIN 00015293), an Executive Director of the Company who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint M/s. K. S. Aiyar & Company, Chartered Accountants, Mumbai, having Firm Registration no. 100186W as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2015 on such remuneration and out of pocket expenses as may be mutually agreed by them with the Board of Directors.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (**“Act”**) read with Schedule IV to the Act, Mr. Dilip J. Thakkar (holding DIN 00007339), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from August 8, 2014 to August 7, 2019.”

5. To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (**“Act”**) read with Schedule IV to the Act,

Mr. John O. Band (holding DIN 02396755), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who retires by rotation and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from August 8, 2014 to August 7, 2019.”

6. To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (**“Act”**) read with Schedule IV to the Act, Mr. Karthikeyan Muthuswamy (holding DIN 01456527), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who retires by rotation and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from August 8, 2014 to August 7, 2019.”

7. To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (**“Act”**) read with Schedule IV to the Act, Dr. Rajendra Nath Mehrotra (holding DIN 00172639), a Non-Executive Director, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who retires by rotation and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from August 8, 2014 to August 7, 2019.”

8. To consider and if thought fit, to pass the following resolution as a **ORDINARY RESOLUTION**:

“RESOLVED THAT Dr. Mrs. Pratibha A. Doshi (holding DIN 00519766), who was appointed by the Board of Directors as an Additional Director Non-Executive of the Company with effect from May 23, 2014 in terms of Sections 149, 152, 161(1), of the Companies Act, 2013 (**“Act”**) read with the Companies (Appointment and

Qualification) Rules, 2014 and Article 117 (b) Article of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company liable to retire by rotation."

9. To consider and if thought fit, to pass the following resolution as a **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 61 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) ("**Act**") and Articles of Association of the Company the Authorised Share Capital of the Company be and is hereby increased from ₹ 20,00,00,000 (Rupees Twenty Crores) divided into 1,50,00,000 (One Crore Fifty Lacs) equity shares of ₹ 10/- (Rupees Ten) each and 50,00,000 (Fifty Lacs) preference shares of ₹ 10/- (Rupees Ten) each to ₹ 25,00,00,000 (Rupees Twenty Five Crores) divided into 1,50,00,000 (One Crore Fifty Lacs) equity shares of ₹ 10/- (Rupees Ten) each and 1,00,00,000 (One Crore) preference shares of ₹ 10/- (Rupees Ten) each by creation of 50,00,000 preference shares of ₹ 10/- each ranking pari passu in all respect with the existing preference shares;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or the Company Secretary of the Company be and is hereby authorized to file necessary e-form with the Registrar of Companies, Mumbai, pay the prescribed stamp duty for increase in Authorised Share Capital, and to take all such steps and actions as may be necessary, proper and expedient."

10. To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) ("**Act**") rules framed thereunder and as consequence of increase in Authorised Share Capital of the Company by creation of 50,00,000 preference shares, clause V (share capital clause) of the Memorandum of Association of the Company be and is hereby substituted with the following:

"V. The Authorised Share Capital of the Company shall be ₹ 25,00,00,000/- (Rupees Twenty Five Crores) divided into 1,50,00,000 (One Crore Fifty Lacs) equity shares of ₹ 10/- (Rupees Ten) each and 1,00,00,000 (One Crore) preference shares of ₹ 10/- (Rupees Ten) each and such Preference Shares may be either convertible into equity or Non-Convertible, Cumulative or Non-Cumulative but redeemable only and may carry such dividend as may be decided by the Directors from

time to time with the power to increase or reduce or modify the capital and to divide all or any of the shares in the capital of the company for the time being and to classify and reclassify such shares from the shares of one class into shares of other class or classes and to attach thereto respectively such preferential deferred, qualified or other special rights, privileges, conditions or restrictions in such manner and by such person as may be determined on accordance with Articles of Association of the Company and to verify or abrogate any such rights, privileges, conditions or restrictions in such manner as may be permitted for the time being under the provisions of Articles of Association of the Company or Legislative provisions for the time being in force."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or the Company Secretary of the Company be and is hereby authorized to file necessary e-form with the Registrar of Companies, Mumbai and to take all such steps and actions as may be necessary proper and expedient."

11. To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) ("**Act**") read with Incorporation of Companies Rule, 2014 the draft regulations contained in the Articles of Association submitted to this Meeting be and are hereby approved and adopted in substitution and to the entire exclusion of the existing Articles of Association of the Company;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or the Company Secretary of the Company be and is hereby authorized to file necessary e-form with the Registrar of Companies, Mumbai and to take all such steps and actions as may be necessary proper and expedient."

12. To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to Sections 55, 62, 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendments to or re-enactment thereof) ("**Act**") read with Rule 9 of Companies (Share Capital and Debentures) Rules, 2014, and subject to the Listing Agreements with the Stock Exchanges where the Company's equity shares are listed, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (**"ICDR Regulations"**), as applicable and such other statutes, notifications, circulars, rules and regulations as may be applicable and relevant, each as amended or restated and the Memorandum and Articles of Association of the Company, as amended and subject to such approvals,

consents, permissions and sanctions, if any, of the Government of India, Central or State as the case may be (**the "GOI"**), the Reserve Bank of India (**the "RBI"**), the Securities and Exchange Board of India (**the "SEBI"**), the concerned Registrar of Companies (**the "ROC"**), the concerned Stock Exchanges and other regulatory authority as may be required under applicable law or regulation and subject to such conditions as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions and such other consents and approvals, if any, as may be necessary and subject to such conditions and modifications as may be prescribed in granting such consents and approvals and which may be agreed to by the Board of Directors (hereinafter referred to as **"the Board"** which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Members of the Company be and is hereby accorded to offer, issue and allot 9,00,000 11% optionally Convertible, Cumulative, Redeemable Preference Shares (**"the said shares"**) of the face value of ₹ 10/- each for cash at par to the following allottees:

Sr. No.	Name of Promoter	No. of 11% Optionally Convertible, Cumulative, Redeemable Preference Shares
1	Mr. Pritam A. Doshi	4,50,000
2	Mrs. Pratibha A. Doshi	4,50,000

RESOLVED FURTHER THAT the said shares shall be allotted within a period of fifteen (15) days of passing the Special Resolution, that where the allotment of the said shares is pending on account of pendency of any approval for such allotment by any regulatory authority or the GOI, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such extended period as may be permitted under the ICDR Regulations;

RESOLVED FURTHER THAT relevant date for the purpose of determining the issue price is July 8, 2014 being 30 days prior to the date of 64th Annual General meeting i.e. August 8, 2014, thus, the relevant date for calculating the conversion price of the said shares is July 8, 2014;

RESOLVED FURTHER THAT the issue of the said shares shall be subject to the following terms and conditions

- the said shares issued as stated aforesaid shall qualify for dividend that may be declared for the financial year in which the allotment is made, pro-rata for the period commencing from the date on which the allotment is made and proportionate to the amount paid up on the said shares;
- the said shares shall be redeemable at par at the end of 20 (twenty) years from the date of allotment or earlier on the terms and conditions as may be deemed fit by the Board of Directors of the Company, subject to the approval of the Regulatory Authorities wherever applicable;

- the said shares are convertible into equity shares (ranking pari passu to the existing equity shares of the Company) at the option of the allottees in one or more tranches at any time after allotment within a period of eighteen (18) months;
- if the allottees does not opt for conversion within a said period of eighteen (18) months, then the said shares will be redeemed as mentioned in clause 2 above;
- the equity shares so allotted on conversion will be subject to lock-in for a period for 3 years from the date of trading approval or as required under ICDR Regulations;
- the Board be and is hereby authorized to vary, modify or alter any terms and conditions of issue including but not limited to, redemption period, rate of dividend, as it may deem expedient, subject however to compliance with the applicable laws, guidelines, notifications, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue, allotment of the Equity Shares arising on conversion of the said shares, the Board be and is hereby authorised to take necessary steps to give effect to this resolution and to do all such acts, matters, deeds and things as it may in its absolute discretion, deem necessary and desirable for such purpose, including without limitation, issuing clarification on issue and allotment of the said shares, resolving any difficulties, preparing, signing and filling applications with the appropriate authorities for obtaining the requisite approvals, liaison with appropriate authorities to obtain the requisite approvals, entering into contracts, arrangements, memoranda, documents for appointing of agencies for managing, listing and trading for equity shares arising on conversion of said shares and to take all steps which are incidental & ancillary in this connection, without being required to seek any further consent or approval of the shareholders or otherwise with the intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution and do all things and give such directions as may be necessary, expedient or desirable;

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and they are hereby approved, ratified and confirmed in all respects."

- To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to Sections 55, 62, 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendments to or re-enactment thereof) (**"Act"**) read with Rule 9 of

Companies (Share Capital and Debentures) Rules, 2014 and the Articles of Association of the Company and such other consents and approvals, if any, as may be necessary and subject to such conditions and modifications as may be prescribed in granting such consents and approvals and which may be agreed to by the Board of Directors (hereinafter referred to as "the Board" which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Members of the Company be and is hereby accorded to offer, issue and allot 41,00,000 11% Non-Convertible, Cumulative, Redeemable Preference Shares ("**the said shares**") of the face value of ₹ 10/- each for cash at par to the Promoters, their nominees, in the manner set out below:

RESOLVED FURTHER THAT;

- i. the offer, issue and allotment of the said shares shall be made at such time or times as the Board may in its absolute discretion decide subject however, to the applicable statutory regulatory provisions and the guidelines issued, if any;
- ii. the said shares issued as stated aforesaid shall qualify for dividend that may be declared for the financial year in which the allotment is made, pro-rata for the period commencing from the date on which the allotment is made and proportionate to the amount paid up on the said shares;
- iii. the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Directors or any other officer or officers of the Company to give effect to the aforesaid resolution;
- iv. the said shares will rank pari-pasu to the existing Preference Shares of the Company and shall be redeemable at par at the end of 13 (thirteen) years from the date of allotment or earlier on the terms and conditions as may be deemed fit by the Board of Directors of the Company, subject to the approval of the Regulatory Authorities wherever applicable;
- v. the Board be and is hereby authorized to vary, modify or alter any terms and conditions of issue including but not limited to, redemption period, rate of dividend, as it may deem expedient, subject however to compliance with the applicable laws, guidelines, notifications, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board acting on its own or through a Committee, be and is hereby authorized to do all acts, matters, deeds and things and to take all steps and do all things and give such directions as may be necessary, expedient or desirable and also to settle any question or difficulties that may arise, in such manner as the Board/ Committee/such authorize person in its/his7 absolute discretion may deem fit and take all steps which are incidental

and ancillary in this connection, without being required to seek any further consent or approval of the shareholders or otherwise with the intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board of Directors

Vishal Totla
Company Secretary

May 23, 2014.

CIN: L99999MH1950PLC008152

Registered Office
69, Tardeo Road,
Mumbai- 400 034

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company duly completed and signed not less than 48 hours before the commencement of the Meeting. Pursuant to Section 105 of the Companies Act, 2013 a person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Members holding more than 10% of the total share capital of the company may appoint a single person as proxy, who shall not act as proxy for any other Member. A proxy form is annexed to this report.
2. Proxies submitted on behalf of limited Companies, Societies and Corporate Members must be supported by an appropriate resolution /authority, as applicable
3. The Register of Members and Share Transfer books of the Company will remain closed from August 4, 2014 to August 8, 2014 (both days inclusive). The Book closure dates have been fixed in consultation with the Stock Exchanges
4. The Companies Act, 2013 ("**2013 Act**") has been enacted and made applicable from April 1, 2014. Pursuant to Section 129 of 2013 Act, the Financial Statements shall be in the form or forms as may be provided for different class of Companies in Schedule III to the 2013 Act. However Ministry of Corporate Affairs vide its circular bearing number 1/19/2013-CL-V dated April 4, 2014 had clarified that for the financial year ended on March 31, 2014 the Balance Sheet, Statement of Profit and Loss, Board Report can be prepared in the formats of the Companies Act, 1956. ("**1956 Act**"), hence presented in the 1956 Act formats.

5. Members are requested to:
 - (a) intimate any change in their addresses to the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078
 - (b) quote client ID and DP ID numbers in respect of shares held in dematerialized form and ledger folio number in respect of shares held in physical form in all the correspondence.
 - (c) to bring their Annual Report to the Meeting and attendance slip duly filled in. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
6. Members who have multiple folios in identical names or joint names in the same order are requested to send all the Share Certificates to the Registrar and Transfer Agents, M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) for consolidation of all such folios into one to facilitate better service.
7. Queries on accounts and operations of the Company, if any, may please be sent to the Company 10 days in advance of the meeting so that the information required can be made readily available at the meeting to the extent possible.
8. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):
 Pursuant to Sections 205A and 250C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividends, remaining unclaimed for a period of seven (7) years from the date it became due for payment, in relation to the Company have to be transferred to IEPF and no claim shall lie against the Company for the amounts so transferred. Members who have not yet encashed their dividend warrant(s) pertaining to final dividend for the financial year 2006-07 are requested to make their claim without any delay. It may be noted that the unclaimed final dividend for the financial year 2006-07 declared by the Company on July 30, 2007 can be claimed by the shareholders by August 5, 2014.
9. The facility for making nominations is available for shareholders and fixed deposit-holders in respect of the shares and fixed deposits held by them. Nomination forms can be obtained from the Company's Registrars & Transfer Agents, M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) or from the Company and also through email id investors@paeltd.com
10. Members may refer Report on Corporate Governance for particulars of Directors' appointment/re-appointment at the Annual General Meeting.
11. Shareholding of Directors seeking appointment / re-appointment:
 Mr. Arvind R. Doshi holds 26,55,728 Equity Shares, 40,00,000 Preference Shares of the Company, Dr. Mrs. Pratibha A. Doshi holds 12,45,656 Equity Shares of the Company.
 Mr. Dilip J. Thakkar, Mr. John O Band, Mr. Karthikeyan Muthuswamy and Dr. Rajendra Nath Mehrotra do not hold any shares in the Company.
 The Independent Directors of the Company are not inter-se related to each other or to any Executive and Non-Executive Director belonging to Promoter Group of the Company.
12. According to the Circular nos.17/2011 dated 21.4.2011 and no.18/2011 dated 29.4.2011 on "Green Initiative in Corporate Governance" issued by the Ministry of Corporate Affairs introducing paperless compliances allowing service of documents through electronic mode. The Companies are now permitted to send various notices/documents to its shareholders through electronic mode which would be sufficient compliance under Section 53 of the Companies Act, 1956. In order to support the Green Initiative, Notice of AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless Member has requested for a physical copy of the same. Members who have not registered their e-mail addresses, physical copies are being sent to them by the permitted mode.
13. To support Green Initiative the Members who have not registered their e-mail address are requested to register the same with our Registrars & Transfer Agents, M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400078 or with their respective Depositories.
14. Investor Grievance Redressal:
 The Company has designated an exclusive e-mail ID viz. investors@paeltd.com to enable investors to register their complaints, if any.
15. The Securities and Exchange Board of India ("**SEBI**") has mandated the submission of Permanent Account Number ("**PAN**") by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to M/s. Link Intime India Pvt. Ltd.
16. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days except Saturdays, between 11.00 a.m. to 1.00 p.m. up to the date of the Meeting.

17. Pursuant to Section 107 of the Companies Act, 2013 read with Companies made thereunder, every listed Company has to provide its Member facility for E-Voting and if the voting is carried out electronically then the Resolution at the Meeting will be carried by Poll, hence all the aforesaid Resolutions will be put to vote on a Poll at the 64th Annual General Meeting of the Company.

18. Voting through electronic means:
In compliance with the provisions Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the members are provided with the facility to cast their vote electronically at the 64th Annual General Meeting through the services provided by Central Depository Securities Limited ("CDSL"), on all the resolutions set forth with in this notice.

The instructions for e-voting are as under:

A. In case a Member receives an e-mail from CDSL (for Members whose e-mail addresses are registered with the Company/Depositories):

- i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii) Log on to the e-voting website www.evotingindia.com.
- iii) Click on "Shareholders" tab to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with PAE Limited from the drop down menu and click on "SUBMIT".
- v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two digit of their name and last two digits of the demat account/folio number in the PAN filed. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the number of shares held by you as on the cut off date in the DOB column or in the Dividend Bank details field.

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ %& *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- viii) Click on the relevant EVSN on which you choose to vote.
- ix) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
- i) Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.
 - ii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- C. Other Instructions:
- i) The voting period begins on August 2, 2014 at 10.00 a.m. IST and ends on August 4, 2014 at 5.00 p.m. IST During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the (cut-off date) of July 4, 2014 of record date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
 - iii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on July 4, 2014.
 - iv) Mr. Ninad Awachat, Practicing Company Secretary (Membership No. ACS 26995, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - v) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - vi) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.paelttd.com and on the website of CDSL www.cdsl.co.in within two days of the passing of

the resolutions at the 64th AGM of the Company on August 8, 2014 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

- ix) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.paelttd.com and on the website of CDSL www.cdsl.co.in within two days of the passing of the resolutions at the 64th AGM of the Company on August 8, 2014 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4 to 7:

Pursuant to the provisions of section 149 of the Companies Act, 2013 ("2013 Act") which came into effect from April 1, 2014, every listed Company is required to have at least one-third of the total number of Directors as Independent Directors, who are not liable to retire by rotation. The Securities and Exchange Board of India ("SEBI") vide its circular has directed that these Independent Directors are required to be appointed for 5 consecutive years and for maximum two term of such five years and those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. The Board of Directors at its meeting held on May 23, 2014 has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the 2013 Act and the SEBI circular. In effect the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceeds 5 years.

A Short brief about the Independent Directors is mentioned below:

Mr. Dilip J. Thakkar is a Chartered Accountant and partner of M/s. Jayantilal Thakkar & Associates, Mumbai and M/s. Jayantilal Thakkar & Company, Mumbai. He is a well known personality in the Indian corporate world. He is 76 years by age and appointed as Director of the Company w.e.f. July 28, 2000. He is Chairman of Audit Committee of the Directors of the Company and a Member of Nomination & Remuneration and Borrowing Committee Board of Directors of the Company.

Mr. John O. Band is a fellow member of Institute of Chartered Accounts of England & Wales and also done M.A. in Economics from Cambridge University. Currently he is working as a private equity investor in various businesses in India. He is 60 years by age and appointed as Director of the Company w.e.f. June 28, 2002. He is Chairman of Nomination & Remuneration and Stakeholders Relationship Committee and a Member of Audit and Borrowing Committee of the Board of Directors of the Company.

Mr. Karthikeyan Muthuswamy is working as a Portfolio and Investment Manager. He is a commerce graduate and also holds a degree of Certified Financial Analysts ("CFA"). He is 39 years by age and appointed as Director of the Company w.e.f. April 29, 2005. He is a member of Audit, Nomination & Remuneration and Borrowing Committee of the Board of Directors of the Company.

Dr. Rajendra Nath Mehrotra is an Electrical and Mechanical Engineer with Masters and Ph.D. He has the Degree in Management from the University of Mumbai and a Post Graduate Diploma in Industrial Management from the Research Institute of Management Studies, Delft, (now called Maastricht School of Management), Netherlands. He is 68

years of age and appointed as director of the Company w.e.f. October 10, 2007.

In terms of Section 149 and any other applicable provisions of the 2013 Act, Mr. Dilip J. Thakkar, Mr. John O Band, Mr. Karthikeyan Muthuswamy and Dr. Rajendra Nath Mehrotra being eligible and offering themselves for appointment, are proposed to be as an Independent Director on the Board of the Company for five consecutive years for a term upto August 7, 2019.

Except, Mr. Dilip J. Thakkar, Mr. John O Band, Mr. Karthikeyan Muthuswamy and Dr. Rajendra Nath Mehrotra, appointees none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise.

Item No. 8:

Pursuant to the Companies Act, 2013 read with the Companies (Appointment and Qualification) Rules, 2014 it is mandatory for a listed Company to appoint a Woman Director on the Board of the Company. In this regard the Board of Directors at its meeting held on May 23, 2014 had identified and appointed Dr. Mrs. Pratibha A. Doshi who had consented to act, as an Additional (Non-Executive) Director of the Company liable to retire by rotation w.e.f. May 23, 2014 subject to approval of Members of the Company at the ensuing Annual General Meeting of the Company. Pursuant to Section 161(1) of the Company Act, 2013 she holds the Office upto this Annual General Meeting.

Dr. Mrs. Pratibha A. Doshi is 72 years by age. She is a well known social worker and a medical practitioner. Notice has been received from a Member signifying its intention to propose the name of Dr. Mrs. Pratibha A. Doshi for appointment as a Director of the Company. Dr. Mrs. Pratibha A. Doshi is currently holding directorship in two other private limited companies i.e. Rajubai Investment Private Limited and Assure Insurance Advisory Private Limited.

Dr. Mrs. Pratibha A. Doshi is currently holding directorship in one other private limited company which is a subsidiary of a Public Listed Company i.e PAE Infrastructure Private Limited.

Dr. Mrs. Pratibha A. Doshi holds 12,45,656 Equity shares in the Company as on date.

Except, Mr. Arvind R. Doshi, Mr. Pritam A. Doshi, Mrs. Sohini P. Doshi, Ms. Priyadarshani A. Doshi and Dr. Mrs. Pratibha A. Doshi an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise.

Item No. 9 & 10:

The Present Authorised Share Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crores) divided into 1,50,00,000 (One Crore Fifty lacs) Equity Shares of ₹ 10/- (Ten) each and 50,00,000 (Fifty) Preference Shares of ₹ 10/- (each). In order to augment resources to facilitate expansion of existing Battery business, long term working capital

requirements of the Company, businesses, projects and other general corporate purposes the Company needs more funds. It is proposed to issue Preference Shares to promoters who are providing the funds to the Company. The entire Preference Share Capital has already been issued, subscribed and paid up. The Board of Directors at its Meeting held on May 23, 2014 had decided to increase the Authorised Share Capital by creation of 50,00,000 (Fifty Lacs) Preference Shares of ₹ 10 each.

Consequent of Increase in Authorised Share Capital it is necessary to alter the Clause V of Memorandum of Association (Capital Clause) of the Company.

Hence the proposed resolutions are recommended for consideration of and approval by the Members of the Company.

Except, Mr. Arvind R. Doshi, Mr. Pritam A. Doshi, Mrs. Sohini P. Doshi, Ms. Priyadarshani A. Doshi and Dr. Mrs. Pratibha A. Doshi Promoters and their relatives to the extent of their shareholding, none of the Directors and Key Managerial Personnel of the Company and relatives are concerned or interested, financial or otherwise.

Item No. 11:

In accordance with the Schedule I, table F, Section 14 read with Incorporation of Companies Rule, 2014 and provisions of the new Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), in anticipation of the future business requirements and the existing Articles requires more amendments it is proposed to adopt the new set of Articles of Association of the Company in place of the existing set of Articles of Association.

A Copy of Memorandum and Articles of Association of the Company together with the proposed alterations would be available for the inspection by the Members at the registered office of the Company during the normal business hours on the working day till the date of Annual General Meeting of the Company.

Except, Mr. Arvind R. Doshi, Mr. Pritam A. Doshi, Mrs. Sohini P. Doshi, Ms. Priyadarshani A. Doshi and Dr. Mrs. Pratibha A. Doshi promoters and relatives of promoters to the extent they hold the shares, none of the Directors and Key Managerial Personnel of the Company and relatives are concerned or interested, financial or otherwise.

Item No. 12:

In order to augment resources to facilitate expansion of existing Battery business, long term working capital requirements of the Company, businesses, projects and other general corporate purposes, it is proposed to increase its paid up capital by way of infusion of further capital by issue of 9,00,000 11% Optionally Convertible, Cumulative, Redeemable Preference Shares ("**OCCRPS**") of face value of ₹ 10/- each at par.

The Board of Directors at its meeting held on May 23, 2014 had proposed to raise by way of issue of 9,00,000 11% optionally convertible cumulative Preference Shares to promoters of the Company who are infusing the said amount for further requirements of the Company by preferential allotment subject to approval of the Members at the ensuing Annual General Meeting and all necessary, regulatory approvals as may be necessary, required from time to time.

In terms of Chapter VII of the SEBI (Issue of Capital and Disclosure) Regulations, 2011 it is necessary to disclose the details of the allottees and certain other terms to the Members while seeking their approval for issue of convertible securities on Preferential basis. Hence the requisite approval of Members is being sought in terms of provisions of the Companies Act, 2013 and ICDR Regulations. The relevant disclosures /details of the proposed issue are given below:

- a. **Objects of the Preferential Issue:**
The Proposed issue is being made with an object of future expansion, working capital and general corporate purpose. Since the Company is making loss last three years it is hard to find any investor, hence Promoters themselves had decided to infuse capital for the said purpose.

Type & number of security offered:

The Company proposes to issue and allot 11% Optionally Convertible, Cumulative, Redeemable Preference Shares of ₹ 10/- each at par. The allotment of OCCRPS is subject to condition that the proposed allottees has not sold its shares in the Company during the six months preceding the Relevant Date.

- b. Any time after the date of allotment of OCCRPS but on or before the expiry of 18 months from the date of their allotment, the proposed allottees will be entitled in one or more tranches to apply for and obtain allotment of such number of equity shares of face value of ₹ 10/- each of the Company for each OCCRPS as would be calculated as per the relevant provisions of ICDR Regulations.
- c. Upon receipt of the OCCRPS conversion notice, the Board or a Committee thereof shall allot such number of equity shares of face value of ₹ 10/- each of the Company on the basis of conversion price of ₹ 10/- per equity share.
- d. The Equity Shares pursuant to conversion shall rank pari passu in all respects with the existing equity shares of the Company and shall be listed on all the Stock Exchanges where the existing Equity Shares are listed.
- e. The Equity Shares pursuant to conversion shall be subject to lock in period of 3 (three) years.
- f. Pre-issue and Post Issue Share holding Pattern of the Company:

Shareholder Category	% of the shareholding before the proposed preferential allotment (as on March 31, 2014)		% of Shareholding after the proposed preferential allotment	
	No. of Shares	%	No. of Shares	%
Promoter and Promoter Group	48,33,963	50.78	57,33,963	55.03
Public	46,85,637	49.22	46,85,637	44.97
Total	95,19,600	100.00	1,04,19,600	100.00

- Assuming allotment pursuant to conversion 9,00,000 OCCRPS into 9,00,000 equity shares;
 - Assuming that conversion will be opted subject to Take Over regulations i.e. upto a limit of 5% of the paid capital during the current financial year and remaining in the next financial year subject to the ceiling of 5% of the paid up capital from time to time.
- g. Proposed time within which allotment shall be completed:
The OCCRPS shall be allotted within a period of 15 days from the date of Members approval of the preferential issue provided that where the allotment of the said shares is pending on account of pendency of any approval for such allotment by any regulatory authority or the GOI, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such extended period as may be permitted under the ICDR Regulations.
- h. Identity of the proposed allottees and percentage of post preferential issue capital that may be held by them and change in control, if any in the issuer consequent to conversion of OCCRPS:

Sr. No	Name of allottees (Promoters)	The maximum number of shares proposed to be allotted	% of shareholding post allotment of equity shares on conversion
1	Mr. Pritam A. Doshi	450000	4.31
2	Mrs. Pratibha A. Doshi	450000	4.31

There is no change in control of the Company consequent to the preferential allotment and /or conversion of OCCRPS.

- i. Pricing:
Under Chapter VII of the ICDR Regulations, the proposed conversion price of the OCCRPS to be issued to Promoters is determined in accordance with the Regulation 76 (4) of SEBI ICDR Regulations i.e. at a price which is not less than the average of the weekly high and low of the closing prices of the related equity shares during the six months preceding the Relevant Date.

Except, Dr. Mrs. Pratibha A. Doshi, Mr. Pritam A. Doshi (allottees), Mr. Arvind R. Doshi, Mrs. Sohini P. Doshi and

Ms. Priyadarshani A. Doshi and Dr. Mrs. Pratibha A. Doshi Promoters and their relatives to the extent of their shareholding, none of the Directors and Key Managerial Personnel of the Company and relatives are concerned or interested, financial or otherwise.

Item No. 13:

In order to augment resources to facilitate expansion of existing Battery business, long term working capital requirements of the Company, businesses, projects and other general corporate purposes as mentioned above, it is proposed to increase its paid up capital by way of infusion of further capital by issue of 41,00,000 11% Non- convertible, Cumulative, Redeemable Preference Shares ("said shares") of face value of ₹ 10/- each at par.

The Board of Directors at its meeting held on May 23, 2014 has proposed to raise by way of issue of 41,00,000 11% Non-Convertible, Cumulative, Redeemable Preference Shares to promoters of the Company who are infusing the said amount for further requirement of the Company subject to approval of the Members at the ensuing Annual General Meeting and all necessary, regulatory approvals as may be necessary, required from time to time.

Section 62 of the Companies Act, 2013 inter alia provides that whenever it is proposed to increase the subscribed capital of the Company by further issue of shares, such shares shall be offered to the existing shareholders of the Company, unless the shareholders decide otherwise by a special resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 55, 62, 62 (1)(c) and all other applicable provisions of the Companies Act, 2013 and in terms of the Listing Agreements executed by the Company with the Stock Exchanges, authorizing Board to issue Preference Shares, as stated in the resolution, in one or more tranches, to persons who may not be shareholders of the Company.

The Special Resolution is recommended by the Board for the approval of the Members.

Except, Mr. Arvind R. Doshi, Mr. Pritam A. Doshi, Mrs. Sohini P. Doshi, Ms. Priyadarshani A. Doshi and Dr. Mrs. Pratibha A. Doshi Promoters (allottees and their relatives) to the extent of their shareholding, none of the Directors and Key Managerial Personnel of the Company and relatives are concerned or interested, financial or otherwise.

By Order of the Board of Directors

Vishal Totla
Company Secretary

May 23, 2014.

CIN : L99999MH1950PLC008152
Registered Office
69, Tardeo Road,
Mumbai- 400 034

DIRECTORS' REPORT

To the Members,
PAE Limited

Your Directors wish to present the Sixty Fourth Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended March 31, 2014.

The Ministry of Corporate Affairs vide its Circular bearing number 1/19/2013-CL-V dated 4/4/2014 had clarified that for the financial year ended on March 31, 2014 the Balance Sheet, Statement of Profit and Loss, Board Report can be prepared in the formats of the Companies Act, 1956. ("1956 Act") hence all these reports are presented in the formats of 1956 Act.

FINANCIAL RESULTS

The financial highlights of the year are:

(₹ In Lacs)

Particulars	Consolidated		Standalone	
	March 2014	March 2013	March 2014	March 2013
Total Income	9,585.53	14,138.32	8,776.28	13,901.61
Profit/(loss) before Interest, Depreciation and Tax	(547.91)	(337.22)	(780.45)	(192.58)
Less Interest Expenses	(726.44)	(822.66)	(511.05)	(690.63)
Less Depreciation	(384.44)	(407.41)	(55.31)	(68.69)
Profit/(loss) before Tax	(1,658.79)	(1,567.29)	(1,346.81)	(951.90)
Less Provision for Taxation	30.38	74.43	00	6.52
Net Profit/(Loss) after Tax	(1,628.41)	(1,492.87)	(1,346.81)	(945.38)

PERFORMANCE REVIEW

During the financial year 2013-14 the total income decreased by 36.87% to ₹ 8,776.28 lacs as compared to last year's total income of ₹ 13,901.61 lacs. Loss before Tax increased accordingly by 42.46% to ₹ (1,346.81) lacs in the current year compared to ₹ (945.38) lacs in the previous year. This was due to the decrease in sales and other operational activities of the Company, on account of difficult market conditions and financial crunch.

DIVIDEND

The Board of Directors does not recommend dividend on equity shares for the current financial year.

The register of members and share transfer books will remain closed from Monday, August 4, 2014 to Friday, August 8, 2014 both days inclusive. The Annual General Meeting of the Company is scheduled to be convened on Friday August 8, 2014.

SHARE CAPITAL

AUTHORISED CAPITAL

The current Authorised Share Capital of the Company is ₹ 20,00,00,000 (Rupees Twenty Crore) divided into 1,50,00,000 (One Crore Fifty lacs) Equity shares of ₹ 10/- each and 50,00,000 (Fifty lacs) Preference shares of ₹ 10/- each.

The Board of Directors at its meeting held on May 23, 2014 had decided to increase the Authorised Capital to the tune of ₹ 5,00,00,000/- (Rupees Five Crores) by creation of 50,00,000 lacs Preference Shares of ₹ 10/- each ranking pari-passu to the existing Preference Shares.

EQUITY SHARES

The paid up Equity share capital of the Company as on March 31, 2014 was ₹ 9,51,96,000/- comprising of 95,19,600 equity shares of ₹ 10/- each.

PREFERENCE SHARES

The Company had redeemed 50,00,000 8% Non- Convertible, Non-Cumulative Redeemable Preference shares of ₹ 10/- each on request of Preference Shareholders out of the proceeds of issue of 50,00,000 11% Non-Convertible, Cumulative, Redeemable Preference shares of ₹ 10/- each at par.

The paid up Preference share capital of the Company as on March 31, 2014 was ₹ 5,00,00,000/- comprising of 50,00,000 11% Non-Convertible, Cumulative, Redeemable Preference shares of ₹ 10/- each.

The Board of Directors at its meeting held on May 23, 2014 had decided to issue and allot on Preferential basis

- i. 9,00,000 (Nine lacs) 11% optionally Convertible, Cumulative, Redeemable Preference shares of ₹ 10/- each at par and
- ii. 41,00,000 (Forty One lacs) 11% Non- Convertible, Cumulative, Redeemable Preference shares of ₹ 10/- each at par to the Promoters and/or their relatives subject to approval of Members at the ensuing Annual General Meeting of the Company.

The above increase in Authorised Capital and issuance of Preference Shares forms part of the notice convening the Annual General Meeting and the resolutions are recommended for your approval.

DIRECTORS

Pursuant to the provisions of Sections 149(13) and 152 of the Companies Act, 2013 and circular of Securities and Exchange Board of India ("SEBI") dated 12th February, 2014 Independent Directors of the Company are not liable to retire by rotation. The term of office of Independent Director is five consecutive years on the Board of the Company, but he shall be eligible for re-appointment on passing the Special Resolution. Hence all the Independent Directors of the Company will be appointed for term of Five years commencing from August 8, 2014 to August 7, 2019.

Pursuant to the Companies Act, 2013 and the Articles of Association of the Company Mr. Arvind R. Doshi, Whole Time Director (Executive Chairman) retire by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

Pursuant to the provisions of Companies Act, 2013 Dr. Mrs. Pratibha A. Doshi was appointed as an Additional Non-

Executive Woman Director of the Company liable to retire by rotation w.e.f. May 23, 2014. The Company has received notices under Section 160 of the Companies Act, 2013 from Members of the Company with requisite deposit signifying their intention to propose Mr. Dilip J. Thakkar, Mr. John O Band, Mr. Karthikeyan Muthuswamy Dr. Rajendra Nath Merothra and Dr. Mrs. Pratibha A. Doshi as Directors of the Company.

The above appointment / re-appointment forms part of the notice convening the Annual General Meeting and the resolutions are recommended for your approval.

Brief resume of the Directors proposed to be appointed and re-appointed and other information as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges are part of Corporate Governance Report.

PUBLIC DEPOSIT

The amount of Fixed Deposits accepted from the public during the year under review is ₹ 41.58 lacs (including renewals). At the end of the year, there were 55 matured deposits for ₹ 14.87 lacs, which were not claimed by the depositors as on date of this Report. There were no deposits during the year, which were claimed but not paid by the Company.

The unclaimed deposits/interest on deposits lying with the Company for more than seven years will be transferred to Investor Education & Protection Fund as per Section 205C of the Companies Act, 1956.

Financial Situations

Reserves and Surplus

As at March 31, 2014 Reserves and Surplus amounted to ₹ 463.83 lacs as compared to ₹ 1,832.96 lacs of previous year.

Long Term Borrowings

There has been increase in the Long Term Borrowings to ₹ 788.48 lacs as at March 31, 2014 as compared to ₹ 742.80 lacs as at March 31, 2013.

Short Term Borrowings

The Short Term Borrowings also increased to ₹ 2,302.70 lacs as at March 31, 2014 as compared to ₹ 1,799.28 lacs as at March 31, 2013.

Fixed Asset

Net Fixed Assets as at March 31, 2014 have decreased to ₹ 831.28 lacs as compared to ₹ 891.90 lacs in the previous year.

Investments

Investments are at ₹ 2,001.80 lacs as on March 31, 2014 as compared to last year ₹ 2,001.80 lacs.

Current Assets

Current Assets have decreased to ₹ 4,548.62 lacs as at March 31, 2014 from ₹ 5459.97 lacs as at March 31, 2013.

PARTICULARS OF EMPLOYEES

As permitted by the provisions of Section 219(1)(b)(iv) of the

Companies Act, 1956, the Annual Report does not contain the details required under the provisions of Section 217(2A) of the Companies Act, 1956, i.e. details of the names and other particulars of employees drawing remuneration aggregating to more than ₹ 60,00,000/- (Rupees Sixty Lacs only) per annum and ₹ 5,00,000/- (Rupees Five Lacs only) per month. Those interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office and the same will be sent by post. The statement is also available for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. till the date of Annual General Meeting.

SUBSIDIARY COMPANIES

Particulars of subsidiary Companies are as follows:

- Company continues to hold 85% stake in Shurjo Energy Private Limited.
- PAE Infrastructure Private Limited continues to be 100% subsidiary of PAE Limited.
- PAE Renewables Private Limited continues to be a 100% subsidiary of PAE Limited.
- PAE Renewables Pte Ltd., Singapore continues to be 100% subsidiary of PAE Renewables Private Limited.
- Sovox Renewables Pte. Ltd., Singapore continues to be 100% subsidiary of PAE Renewables Pte. Ltd. Singapore.
- Sovox Renewables Private Limited is the subsidiary of Sovox Renewables Pte. Ltd., Singapore.

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956 and General Circular No.2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, the Balance Sheet, Statement of Profit and Loss as on March 31, 2014 and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company subject to the consent of the Board of Directors of the Company. Accordingly the consent of the Board of Directors of the Company has been obtained at the Board Meeting of the Company held on May 23, 2014.

However, the financial information of the subsidiary Companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any Member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. till the date of Annual General Meeting. The Company shall furnish a copy of annual accounts of subsidiaries to any member on demand.

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Clause 32 of the Listing Agreement with the Stock Exchanges, the attached consolidated financial statements have been prepared in accordance with Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates.

PERSONNEL & INDUSTRIAL RELATIONS

The Industrial relations continue to be peaceful and cordial. Our employees are compassionate and committed for the success of the Company. We have set up a scalable recruitment and resource management process which enables us to attract and retain talent. The focus is on increasing the efficiency and effectiveness of the employees and thereby contributing to the organizational triumph in the competitive market.

We strongly believe that trained and motivated people determine the future augmentation of the Company. Your Company endeavors to attract and recruit best possible talent and considers the quality of its human resources to be most important.

EMPLOYEE SAFETY

Employee safety is of paramount importance for the Company. All the executives in the Company have a personal objective of ensuring a safe working environment for its employees. The safety performance is analyzed in all important forums.

The Company and its Management value the dedication of its employees and acknowledge their contribution in attaining short and long term goals of the Company. The Company has been encouraging employees by providing better working environment, opportunities and training in various fields.

CORPORATE GOVERNANCE

As required by the existing Clause 49 of the Listing Agreement with the Stock Exchanges, a detailed report on Corporate Governance is included in the Annual Report. The Auditors of the Company have certified the Company's compliance of the requirements of Corporate Governance in terms of Clause 49 of the Listing Agreement and the same is annexed to the Report of the Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 ("the Act"), with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit/loss of the Company for the year ended on that date;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts of the Company on a "going concern basis".

The Company is in compliance with various accounting and financial reporting requirements in respect of the financial statements for the year under review.

MANAGEMENT DISCUSSION & ANALYSIS

During the year 2013-14 the management has further optimized the Branch operations by Warehouse Consolidation.

❖ Benefits of Warehouse Consolidation:

- Lower Shipment Costs.
- No Capital Investment done.
- Lower Inventory Level.

This has indeed helped your company face the current economic scenario.

❖ Infrastructure:

- Each state now has one centralized warehouse.
- The sales and service offices are retained in all the locations by giving more thrust towards better coverage of the sales team and just in time service support.

❖ Mobile Application:

Mobile application (TBS Mobile) played key role in the restructuring process.

- Order to invoice automated process.
- Minimum Manual Intervention.
- Order to Dispatch Tracking.
- On time Inventory.
- Customer Management.
- Travel Management.

The sales team is provided with our **TBS Mobile Application** which allows the team to conduct effective ordering and payment updating, while they are in the field with distributors and customers. The sales team is now fully market centric.

The company is now on a firm footing in expanding the battery business since full range of batteries are made available to the market. The distribution channel is very much active and the promotional activities to develop the secondary sales are underway. Going forward, detailed plans of a dedicated drive to increase the distributors pan India basis is worked out. With the consolidation of warehouse and successful implementation of mobile application the company is now envisaging increasing the sales force in the rural market to tap the growing tractor and inverter market.

❖ Power

With the strength of last four decades marketing and distribution experience in Automotive and Industrial Batteries, your Company's new brand of batteries "ZENIDE" has now gained momentum since the acceptability have now increased and the confidence has been rebuilt by persistent market penetration during the year 2013-14.

Despite the current challenges in economic scenario, we are confident more than ever that our business in this segment will improve systematically and will become

more active and will turnaround when the economy rebounds.

Our Power vertical consists of major segments as below.

➤ **Automotive Batteries**

The Aftermarket Business of Four wheeler and Two Wheeler

Initiatives:

During the year 2013-14 our marketing team spent more time on largely enhancing the network and increasing the visibility of our brand. We now have a fairly active network of distributors. The distributors have also enlarged their base with the appointment of dealers and mechanics under them with our support.

We will further grow in this business since we have the budget in place to increase the network of distributors by another 150 nos and dealers under them by another 450 nos during the year 14-15. Our visibility is now effectively noticed in the tier-1 cities with our dealer boards and wall painting and innovative campaigns and Zenide occupying shelf space. The regular contacts with the workshops and electricians are adding value to the secondary sales. For 2014-15, we have ambitious plans to appoint dealers in tier-2 cities and rural areas for marketing tractor batteries.

The sale of 2 wheeler vehicles are growing very fast in India. India is currently the second largest two wheeler market in the world. During 2013-14 we have added full range of motor cycle batteries in VRLA segment for the new generation vehicles. The quality and the cosmetics are well accepted by the dealers and customers and we foresee quantum jump in sales.

➤ **Industrial Batteries**

• **Inverter Tubular Batteries:**

During the year 2013-14, though we had limitations in fulfilling the supply chain for the Inverter tubular batteries, it gives us confidence that our order booking has increased considerably.

• **UPS VRLA Batteries:**

We have started bagging bulk orders in the UPS VRLA batteries segment. As per the plan in the year 2013-14 we have now obtained test certificates from reputed testing lab from Ahmedabad which will now help the team to quote for big installations.

• **C10 Tubular Batteries for Solar Application:**

With the growing demand in this segment your company is now geared up with the complete range of batteries with 60 Months warranty to the customers. The batteries are also under testing for MNRE approval at National Institute of Solar Energy (NISE) in Gurgaon.

❖ **Institutional Business:**

A new team is formed to concentrate in the Institutional Business with the Key Customers Pan India, who will

target all the fleet/travel/logistics operators apart from the small and medium generator and UPS manufacturers. This will also enable your company to grow in the revenue.

❖ **Export:**

The Company has been getting good enquiries and is confident of bringing Export Revenue starting from 2014-15.

➤ **Power Back-up Systems:**

Company continues to make headway in getting prestigious orders in this segment in our Brand of **Power Zen** power back up systems. This only speaks the topmost quality of the products and also the services offered to the customers. Depending on the type of application, PAE/PAER (PAE Renewables Pvt. Ltd.) designs the system custom made, sells to channel partners and end users. PAER also provides a comprehensive range of installation, commissioning and annual maintenance services to the end customers. During the year 2013-14 the company obtained competitive pricing from the vendors which resulted in bagging the orders in this highly price competitive market.

No doubt, Government is making all out efforts to ensure the supply of power to Agriculture, Industries and domestic. We are also aware that there is a wide gap between the demand and supply. Hence the dependence on the Power backup devices will continue.

There was acute shortage of power in many parts of India and the Battery Industry is reaping big benefits with their top line is increasing. There is big increase in the purchase of Inverters/UPS/Batteries in households to make sure their kids gets uninterrupted supply of power for the studies and comfort. Earlier this was purely a status symbol but now this has become a necessity. The usage of UPS/Batteries is growing due to various applications such as lifts / Hospital Equipment's / Computer etc.

❖ **Strengths and Opportunities:**

- Your company has now established full range of batteries in a short time with Pan India Distributors and Dealers.
- The Company has grown in numbers. We have crossed a sale of one Lakh units of automotive batteries and one lakh units of two wheeler batteries. With the plan for increasing the visibility and also investment in branding the sales is definitely going to go up.
- Zenide is now a registered brand. The discerning dealers and customers are making this as a strong choice.
- The Consolidation of warehouse and implementation of Mobile application has now enabled your company to become lean and will leverage to expand the sales team.
- The Organized Sector battery industry is growing and because of the strong reputation of your company in the Automobile industry there will more and more channel partners joining us to make Zenide their favorite brand.

- Experienced Marketing Team with wide knowledge of Battery business, product launches, market contacts and fast decision making.
- Extensive network of 34 sales and service offices throughout the country with battery charging/checking.
- The unprecedented sales of new cars during the year 2010-11, continue to help the industry to grow in percentage and this will be highest in the year 2014-15 as all the batteries life will end by then.
- With the Computer education reaching the rural areas, the banks on their target on expansion of branches/ATMs there will be much demand of UPS and UPS batteries.
- The battery management rule continues to be strict with the wide awareness of the disposal of used battery through proper mechanism by pollution control board. By the fear of legal actions and penalty becoming very rigid there is a big shift of rebuilders opting for promoting organized sector batteries. This will also help your company to get further share.

❖ **Threats and Weaknesses:**

- Inverter Tubular and Flat plate battery segment is largely seasonality driven and is unpredictable.
- The fluctuation lead price will change the market dynamics.
- The change in Govt policies in duties, Taxes and import regulations will be a big challenge.
- Any downward pricing and high velocity schemes to the market by Industry leaders will directly hit our bottom line to stay competitive.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company has instituted an internal control system for all its branches to ensure efficiency of operations, financial reporting, proper recording and safeguarding of assets, compliance with applicable laws and regulations, etc. The Company has its own team for Internal Audit purpose, who review the various functions of the Company thoroughly and report to the Audit Committee.

The adequacy of the same has been reported by the Statutory Auditors of your Company in their report as required under the Companies (Auditor's Report) Order, 2003.

AUDITORS & AUDITORS' REPORT

M/s. K. S. Aiyar & Co., Chartered Accountants, the Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under the provisions of the Companies Act, 2013 and also that their firm is not disqualified within the meaning of Section 141 of the Companies Act, 2013, for such appointment.

The Audit Committee and the Board of Directors therefore recommend the appointment of M/s. K. S. Aiyar & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2014-2015 for the approval of the Members.

With regard to the Auditor's remarks on the investment made by the Company in its Subsidiary *Shurjo Energy Pvt. Ltd. (SEPL)*, SEPL has been manufacturing solar panels, an industry currently in a challenging situation worldwide. As at March 31, 2014, the accumulated losses in SEPL have exceeded its net worth by ₹ 309.58 lacs. The Company is actively pursuing the revival of its subsidiary *Shurjo Energy Pvt. Ltd. (SEPL)* by diversifying its activities. Towards this end, the company has applied to Faltta Special Economic Zone for removing the 100% E.O.U. status to facilitate the diversification. Company is also exploring the induction of a strategic investor for trading in power back up systems and lead smelting activity. It is of the opinion that losses suffered during the initial years by SEPL are temporary in nature and no provision for diminution in the value of investment of ₹ 785.66 lacs is considered necessary at this juncture. Also the loans and advances of ₹ 717.30 lacs due from SEPL as at the balance sheet date are considered as fully recoverable.

RECONCILIATION OF SHARE CAPITAL AUDIT

In compliance of circular no. D&CC/FITTC/CIR-16/2002 dated 31st December, 2002 further amended by Circular No. CIR/MRD/DP/30/2010 dated 6th September, 2010 issued by the Securities and Exchange Board of India ("SEBI"), Reconciliation of Share Capital Audit has been carried out at the specified intervals by a Practising Company Secretary and have been submitted to the Stock Exchanges where the Company is listed within due dates.

ACKNOWLEDGMENT

Your Directors take this opportunity to thank all investors, clients, vendors, banks, regulatory, Government authorities and Stock Exchanges for their continued support and co-operation. The Directors also wish to place on record their appreciation of the contribution made by the business partners / associates at all levels.

For and on behalf of Board of Directors

Arvind R. Doshi
Executive Chairman

Place : Mumbai
Date : May 23, 2014

ANNEXURE TO THE DIRECTORS' REPORT CORPORATE GOVERNANCE REPORT

As required by Annexure IC to Clause 49 of the Listing Agreement entered into with the Stock Exchanges).

1. Company's philosophy on the Code of Governance

PAE Limited ("PAE") believes that Corporate Governance is a thorough process by which Companies are directed to control and enhance their wealth generating capacity. PAE endeavors to virtually create value for its stakeholders, be it Customers, Employees, Shareholders or the Society at large. PAE focuses on adopting the highest standard of Corporate Governance and moral business practices based on the following main principles to maintain transparency, accountability and ethics:

- Constitution of a Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities and duties.
- Ensuring timely inflow of information to the Board and its Committees to enable them to discharge their functions effectively.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders.
- A sound system of risk management and internal control.
- Transparency and accountability.
- Compliance with applicable rules and regulations.
- Fair and equitable treatment of all its stakeholders.

This chapter, along with the chapter on Management Discussion and Analysis reports indicates PAE's compliances with the revised guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges from time to time. The Ministry of Corporate Affairs vide its Circular bearing number 1/19/2013-CL-V dated 4/4/2014 had clarified that for the financial year ended on March 31, 2014 the Balance Sheet, Statement of Profit and Loss, Board Report can be prepared in the formats of the Companies Act, 1956. ("**1956 Act**") hence all these reports are presented in the formats of 1956 Act.

2. Board of Directors

The present strength of the Company's Board is 7 (seven) Directors. The Chairman is the Promoter and Executive Director of the Company.

Among 7 Directors, the Company has 2 Executive Directors and all others are Non-Executive Directors. Of the 5 Non-Executive Directors, 4 Directors are Independent Directors and One Director is Non-executive belonging to Promoter Group. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The Directors are appointed or re-appointed with the approval of the Shareholders. All the Executive Directors and Non

Executive Director belonging to Promoter Group are liable to retire by rotation unless otherwise specifically approved by the Shareholders. Pursuant to Companies Act, 2013 the Independent Directors are not liable to retire by rotation. The Independent Directors on the Board are highly experienced and competent persons from their respective fields. The Independent Directors take active part at the Board Meetings and Committee Meetings which add value in the decision making process of the Board of Directors. All Directors have intimated periodically about their Directorship and Membership in various Board and Committee positions of other Companies, which are within permissible limits of the 1956 Act and Corporate Governance Code. The Board normally meets once in a quarter and additional meetings are held as and when required.

During the year under review, the Board of Directors met five times i.e. on April 3, 2013, May 27, 2013, July 30, 2013, October 30, 2013 and February 7, 2014. The dates of Board Meetings were generally decided in advance with adequate notice to all Board Members.

The details as regard to attendance of Directors at Board Meeting, number of Directorships held in public limited companies and the position of Membership / Chairmanships of Committees in such public limited companies are given below:

Name of the Director	Category	No. of Board Meetings attended out of 5 Meetings held		No. of Directorship(s)/ Committee(s) positions held in other public Company and subsidiary of Public Company as on March 31, 2014		
		Board	Last AGM	Director ship	Committee Chairmanship	Committee Membership
Mr. Arvind R. Doshi	Promoter & Executive Chairman	5	Yes	1	1	2
Mr. Pritam A. Doshi	Managing Director (Promoter & Executive)	5	Yes	-	-	-
Mr. Dilip J. Thakkar	Independent Non Executive	5	Yes	12	4	4
Mr. John O. Band	Independent Non Executive	4	No	-	-	-
Mr. Karthikeyan Muthuswamy	Independent Non Executive	3	Yes	1	-	1
Dr. Rajendra Nath Mehrotra	Independent Non Executive	4	Yes	1	2	1
Dr. Mrs. Pratibha A. Doshi*	Non-Executive (Promoter)	NA	N.A.	-	-	-

*Dr. Mrs. Pratibha A. Doshi was appointed as an Additional Director on the Board of the Company w.e.f. May 23, 2014, subject to Members approval at the ensuing Annual General Meeting.

As required by the 1956 Act and clause 49 of the listing agreement with stock exchanges, none of the Directors hold Directorship in more than 15 Public Companies, membership of Board Committees (Audit & Investor Grievance

Committees) in excess of 10 and Chairmanship of Board Committee in excess of 5.

Information supplied to the Board

To enable the Board members to discharge their responsibilities effectively and to take informed decisions, a comprehensive Agenda folder with explanation on each item is sent to each Director well in advance of the Board meeting. All the agenda items are backed by necessary supporting information and documents to enable the Board to take informed decisions. All the Agenda items are discussed in detail during the Board meeting. The Board members have complete access to any information within the Company and to any employee of the Company. At the meetings, the Board is provided with all the relevant information on important matters affecting the working of the Company as well as the related details that require deliberation by the members of the Board.

The information as specified in Annexure 1A to Clause 49 is made available to the Board from time to time.

None of the Independent Directors have any material pecuniary relationship or transactions with the Company.

3. BOARD COMMITTEES

To enable better and more focused attention on the affairs of the Company, the Board delegates particular matters to committees of the Board set up for the purpose. These committees prepare the groundwork for decision-making and report the same to the Board at the subsequent meetings. Currently, the Board has four Committees viz. Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee and Borrowing Committee.

I. Audit Committee

The Company has an Independent Audit Committee comprising of 3 (three) Independent Directors and 1(one) Executive Director. Mr. Dilip J. Thakkar, is the Chairman of the Committee and Mr. John O. Band, Mr. Karthikeyan Muthuswamy (Independent Directors) and Mr. Pritam A. Doshi, Managing Director of the Company are Members of the Committee. All the members of the Audit Committee are financially literate. In view of their professional qualification and experience in finance, all are considered to have financial management and accounting related expertise.

Four meetings of the Audit Committee were held during the financial year under review i.e. on May 27, 2013, July 30, 2013, October 30, 2013 and February 7, 2014. The gap between two consecutive meetings did not exceed four months. The necessary quorum was present for all the meetings.

The Head Finance & Accounts, Head Internal Audit and the Statutory Auditors are invitees to the meetings. The Company Secretary acts as the Secretary to the Committee and attended all the meetings of the Audit Committee. Minutes of each Audit Committee are placed and discussed in the next meeting of the Board.

The Statutory Auditors and Head Internal Audit have attended all the Audit Committee meetings held during the year. The

Chairman of the Audit Committee was present at the previous Annual General Meeting held on July 30, 2013. The Audit Committee covers all the areas mentioned in clause 49 of the listing agreements of stock exchanges and Section 292A of the Companies Act, 1956, which includes the following:

- a. Recommending to the Board the appointment and removal of external auditor, fixation of audit fee etc.
- b. Reviewing major accounting entries based on exercise of judgment by management and reviewing significant adjustments arising out of audit.
- c. Reviewing of the unaudited and audited financial results of the Company.
- d. Reviewing with external and internal Auditors the adequacy of the internal control systems and ensuring their compliance.
- e. Compliance with listing and other legal requirements relating to financial statements.
- f. Overseeing the Company's financial reporting process and the disclosure of its financial information.
- g. Reviewing changes, if any, in accounting policies and practices and the reasons for the same.
- h. Reviewing the company's financial and risk management policies.
- i. Reviewing any Qualifications in the draft audit report.
- j. Reviewing the statement of significant related parties.
- k. Note the observations submitted by Internal Auditors on Branch Reports made by them during their branch audits.

II. Stakeholder Relationship Committee (formerly known as The Shareholders' Grievances & Share Transfer Committee)

Pursuant to Section 178 of the Companies Act, 2013 the Board of Directors at its meeting held on May 23, 2014 renamed the Committee as Stakeholder Relationship Committee. The Committee comprises of Mr. John O. Band as its Chairman, Mr. Arvind R. Doshi and Mr. Pritam A. Doshi as its members. The Company Secretary acts as the Compliance Officer. The minutes of the Stakeholders Relationship Committee meetings are reviewed and noted by the Board from time to time.

During the year under review, the Committee met on July 30, 2013 and February 7, 2014. All committee members were present on both meetings. The Stakeholder Relationship Committee deals with the matters relating to delay, if any in transfer of shares, demat, non-receipt of annual account, split, duplicate, transmission etc. of the shares issued by the Company. The Secretarial Department of the Company, under the supervision of the Company Secretary, who is also nominated by the Company as the "Compliance Officer" as required under SEBI Regulations/ Listing Agreement, and the Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd., attend to all grievances of the Stakeholders and the investors. The Company and M/s. Link Intime India Pvt. Ltd., are making further attempts to ensure that the grievances are expeditiously addressed and redressed to the full satisfaction of the Stakeholders.

Statement of the various complaints received and cleared during 2013-2014:

Sr. No.	Subject	Received (Nos.)	Cleared (Nos.)	Pending
1	Non receipt of Share Certificates	1	1	Nil
2	Non- receipt of Dividend/Int./ Redemption Warrants	6	6	Nil
3	Non Receipt of Annual Report	1	1	Nil
4	Non receipt of Rejected DRF	2	2	Nil
	TOTAL	10	10	Nil

All the complaints have been resolved and as on March 31, 2014 no complaint from stakeholder is pending. At the end of the year, no requests for shares transfers were pending for registration.

III. Nomination & Remuneration Committee (formerly known as Remuneration & Selection Committee)

Pursuant to Section 178 of the Companies Act, 2013 the Board of Directors at its meeting held on May 23, 2014 renamed the Committee as Nomination & Remuneration Committee. The Nomination & Remuneration Committee constitutes of Mr. John O. Band as Chairman, Mr. Dilip J. Thakkar, Mr. Karthikeyan Muthuswamy and Dr. Rajendra Nath Mehrotra as its members. The terms of reference of Nomination & Remuneration Committee involves determination on the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment. It also includes recommendation on revision of remuneration of top executives below the Board of Directors, granting and administration of Employees Stock Options, etc. The minutes of the Nomination & Remuneration Committee meetings are reviewed and noted by the Board from time to time.

The Company does not have any Employee Stock Option Scheme.

During the year 2013-2014, Company was not required to hold Nomination & Remuneration Committee meeting.

Details of Remuneration to Directors

Non-executive Directors are paid a sitting fees within the ceiling prescribed by Central Government for attending meetings of the Board, Audit and other committee meetings. Details of remuneration paid/payable to the Directors during the Financial Year 2013-14:

Director	Sitting Fees (₹)	Salaries, Perquisites & Contribution to funds (₹)	Commission (₹)
Mr. Arvind R. Doshi\$	Nil	33,92,760/-	Nil
Mr. Pritam A. Doshi*	Nil	51,97,400/-	Nil

Mr. Dilip J. Thakkar	70,000/-	Nil	Nil
Mr. John O. Band	59,000/-	Nil	Nil
Mr. Karthikeyan Muthuswamy	40,000/-	Nil	Nil
Dr. Rajendra Nath Mehrotra	40,000/-	Nil	Nil
Dr. Mrs. Pratibha A. Doshi#	Nil	Nil	Nil

\$ Remuneration paid to Mr. Arvind R. Doshi is in accordance with Section II clause 1 part C of Schedule XIII to the Companies Act, 1956. Further pursuant to Clause 2 (a) of Schedule XIII to the Companies Act, 1956 contribution to provident and superannuation fund ₹ 4,12,560/- to the extent the same is not taxable under the Income Tax Act, 1961 is paid to him which is excluded from the computation of the ceiling on remuneration specified in part c of clause 1.

*Remuneration paid to Mr. Pritam A. Doshi is in accordance with the approval granted by Ministry of Corporate Affairs, The Government of India ("GOI") vide its letter dated August 13, 2013. Further pursuant to clause 2 (a) of Schedule XIII to the Companies Act, 1956 contribution to provident and superannuation fund of ₹ 6,97,680/- to the extent the same is not taxable under the Income Tax Act, 1961 is paid to him which is excluded from the computation of the ceiling on remuneration specified by GOI.

Dr. Mrs. Pratibha A. Doshi was appointed as an Additional Director on the Board of the Company w.e.f. May 23, 2014, subject to Shareholder's approval at the ensuing Annual General Meeting.

None of the Independent Directors hold any shares in the Company.

IV. Borrowing Committee:

The Board of Directors of the Company vide Resolution passed at its meeting held on November 14, 2011 constituted Borrowing Committee with three members viz Mr. Arvind R. Doshi, Mr. Pritam A. Doshi and Mr. John O. Band.

1. To borrow such amount as may require from time to time for the purpose of the Business of the Company up to ceiling of ₹ 75 Crores.
2. To take decisions for the requirement of the funds and to make borrowings of the required amount within the ceiling from any bank and financial institution and to negotiate, settle and finalize all the terms and conditions for the borrowings.
3. To offer and provide security and to create/extend charges on the assets of the Company as the committee may consider appropriate in the interest of the Company.

During the year 1 meeting of Borrowing Committee was held on June 11, 2013. All the members were present for the meeting.

V. The attendance of each of the members at the meetings of the respective Committees is as under:

Name of the Director	Category	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee
Mr. Dilip J. Thakkar	Independent & Non-Executive Director	4	-	-
Mr. John O. Band		3	-	2
Mr. Karthikeyan Muthuswamy		2	-	-
Mr. Rajendra Nath Mehrotra	Director	-	-	-
Mr. Arvind R. Doshi	Whole time Director	-	-	2
Mr. Pritam A. Doshi	Managing Director	4	-	2

4. Code of Conduct

The Company has adopted a Code of Conduct for its Directors and Senior Management in compliance with Clause 49 of the Listing Agreement. The code is derived from three interlinked fundamental principles; viz. good corporate governance, good corporate citizenship and exemplary personal conduct and it is applicable to all Directors and Senior Management of the Company. The Board members and Senior Management personnel have affirmed their compliance with the code of conduct and a CEO certificate to the effect is annexed to this corporate governance report.

The said code of conduct is posted on the web site of the Company (www.paeldt.com).

TRADING IN THE COMPANY'S SHARES BY DIRECTORS AND DESIGNATED EMPLOYEES

As per SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company is required to have a Compliance Officer who is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Price Sensitive Information, pre-clearance of trade, monitoring of trades and implementation of code of conduct for trading in Company's securities under overall supervision of the Board. The Company Secretary is the Compliance Officer of the Company. All the Directors on the Board, employees at Senior Management levels at all locations and other designated employees who could be privy to unpublished price sensitive information of the Company are governed by this code. All the Directors, Employees at Senior Management levels and other designated employees of the Company are restricted from entering into opposite transactions i.e. buy or sell any number of shares during the next 6 months following the prior transactions.

5. CEO/CFO Certification

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Pritam A. Doshi - Managing Director & Mr. Rajesh B. Desai - Head Finance & Accounts certified to the Board the financial statements for the year ended March 31, 2014.

6. General Body Meetings

Details of previous General Meetings

Financial Year	Category	Date	Time	Location
2010-11	61 st AGM	July 30, 2011	3.30 p.m.	M. C. Ghia Hall Bhogilal Hargovindas Bldg. 2 nd floor, 18/20. K. Dubhash Marg Mumbai 400 001
2011-12	62 nd AGM	August 31, 2012	3.30 p.m.	M. C. Ghia Hall Bhogilal

				Hargovindas Bldg. 2 nd floor, 18/20. K. Dubhash Marg Mumbai 400 001
2012-13	63 rd AGM	July 30, 2013	3.30 p.m.	M. C. Ghia Hall Bhogilal Hargovindas Bldg. 4 th floor, 18/20. K. Dubhash Marg Mumbai 400 001

Special resolutions passed in previous 3 years

- a. **AGM July 30, 2011**
Issue of 50,00,000 8% Redeemable Non-cumulative Preference shares to promoters and their nominees.
- b. **AGM August, 2012**
 - i. Reappointment of Mr. Arvind R. Doshi as Executive Chairman;
 - ii. Payment of remuneration to Mr. Pritam A. Doshi – Managing Director in the inadequacy of profit.
- c. **AGM August, 2013**
Issue and allot 50,00,000 11% Non- Convertible, Cumulative, Redeemable Preference shares of face value of ₹10/- each for cash at par to promoters, their nominees, for the purpose of redemption of existing 50,00,000 8% Non-Convertible, Non-Cumulative, Redeemable Preference shares of the Company.

During the year no resolution passed by way of postal ballot.

7. Disclosures

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

Details of significant related party transactions, i.e. transactions of the Company of material nature with it's Promoters, Directors or the Management, their subsidiary companies or relatives, etc. as per Accounting Standard 18 "Related Party Disclosures" are presented under Note 31 of the Balance Sheet. All material transaction (Financial and/or Commercial) where Directors may have potential interest are provided to the Board. The interested Directors neither participate nor vote on such matters. During the year under review there were no related party transactions of material nature that may have a potential conflict with interests of the Company.

The Audit Committee has reviewed the related party transactions as mandatorily required under Clause 49 of the Listing Agreement.

(b) Risk Management Frame work

The Company has in place mechanisms to inform the Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk through means of a properly identified framework. The risk management issues are discussed in Management Discussion & Analysis.

(c) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the provisions of Listing Agreement with Stock Exchange and regulations and guidelines of SEBI, as applicable from time to time. There were no instances of non-compliance of any matter related to the capital markets during the last three years.

(d) Non-mandatory Requirements

- i. The Company is fully compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and adoptions of non mandatory requirements under Clause 49 of the Listing Agreement are being reviewed periodically.
- ii. Although it is not mandatory, the Board of Directors of the Company has constituted a Borrowing Committee, the details of which have been provided under Section 'Borrowing Committee'.
- iii. No penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or other statutory authorities on any matter related to the capital market from the date of listing.
- iv. The Company currently has adopted a Whistle Blower policy.
- v. Risk management is an ongoing process and the Audit Committee periodically reviews risk mitigation measures.

(e) Auditor's Certificate on Corporate Governance

The Company has obtained a certificate from the Statutory Auditors testifying to the compliance with the provisions relating to Corporate Governance laid out in Clause 49 of the Listing Agreement with the Stock Exchanges. The Certificate is annexed to this Report and the same will be sent to the Stock Exchanges along with the Annual Report.

8. Means of communication

The Company has published its quarterly results and audited financial results in The Financial Express (English) & Mumbai Lakshdeep (Marathi -Vernacular), the quarterly, half yearly and yearly results were also made available on the Company's website – www.paeltld.com soon after its submission to the Stock Exchanges.

There was no presentation made to major institutional investors or to the analysts during the year.

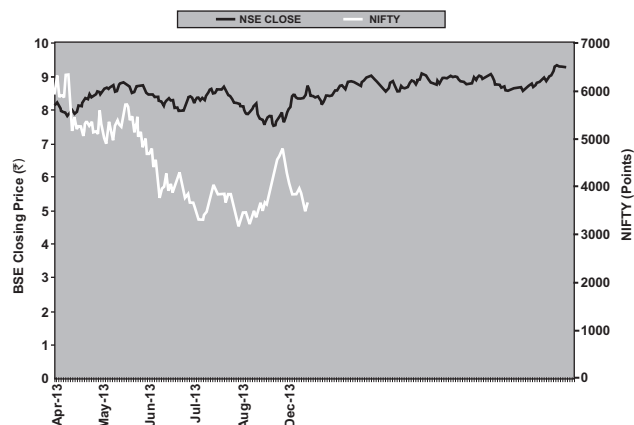
Company releases official news on its website from time to time, however there was no official news released or presentation made to institutional investors and analyst by the Company during the year. *Management Discussion and Analysis forms the part of the Annual Report.*

9. General Shareholder information

i)	Annual General Meeting:	
	Date	August 8, 2014
	Time	3.30 P.M.
	Venue	Babasaheb Dahanukar Sabhagriha, Orion House, 6 th floor, 12, K. Dubhash Marg, Fort, Mumbai 400 001.
ii)	Financial Calendar:	April 1 to March 31
	Financial Year	
	Financial reporting of results:	
	a. Quarterly unaudited results	Within forty five days from the end of the quarter
	b. Annual audited results	Within sixty days from the end of the last quarter
iii)	Book Closure date	From : August 4, 2014 To : August 8, 2014 (both days inclusive)
iv)	Last Date of Receipt of Proxy	August 6, 2014 before 3.30 p.m. at the Registered Office of the Company
v)	Listing on Stock Exchanges and Scrip Code	The Bombay Stock Exchange Limited (Code: 517230) The National Stock Exchange of India Limited (Code: PAEL)
vi)	Demat ISIN No. for Equity Shares: Corporate Identification Number (CIN) of the Company	INE 766A01018 L99999MH1950PLC008152
vii)	Market price data:	Monthly high & low quotations of shares traded at Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the year 2013-2014:

BSE Share Price

Month	Month's High Price (in ₹)	Month's Low Price (in ₹)	Total Turnover (₹ in lacs)	BSE Sensex High	BSE Sensex Low
Apr-13	10.50	7.37	1.26	19,622.68	18,144.22
May-13	8.74	6.85	3.02	20,443.62	19,451.26
Jun-13	8.20	5.25	1.32	19,860.19	18,467.16
Jul-13	6.30	5.25	0.28	20,351.06	19,126.82
Aug-13	6.05	5.20	0.51	19,569.20	17,448.71
Sep-13	6.11	5.51	0.58	20,739.69	18,166.17
Oct-13	5.85	4.80	0.63	21,205.44	19,264.72
Nov-13	5.56	4.81	0.41	21,321.53	20,137.67
Dec-13	5.77	5.00	0.76	21,483.74	20,568.70
Jan-14	6.30	5.40	0.90	21,409.66	20,343.78
Feb-14	6.33	5.00	0.91	21,140.51	19,963.12
Mar-14	6.05	5.32	0.31	22,467.21	20,920.98



Source: NSE Website

NSE Share Price

Month	Month's High Price (in ₹)	Month's Low Price (in ₹)	Total Turnover (₹ in lacs)	NSE Sensex High	NSE Sensex Low
Apr-13	9.20	7.05	2.03	5,962.30	5,500.30
May-13	8.40	6.60	1.33	6,229.45	5,910.95
Jun-13	7.80	5.30	1.90	6,011	5,566.25
Jul-13	6.20	5.50	0.03	6,093.35	5,675.75
Aug-13	5.25	4.55	0.00	5,808.50	5,118.85
Sep-13	5.85	5.40	0.00	6,142.50	5,318.90
Oct-13	5.50	4.55	0.00	6,309.05	5,700.95
Nov-13	5.00	4.60	0.00	6,342.95	5,972.45
Dec-13	5.70	5.00	0.00	6,415.25	6,129.95
Jan-14	6.85	5.95	0.00	6,358.30	6,027.25
Feb-14	6.55	5.70	0.00	6,282.70	5,933.30
Mar-14	5.70	5.00	0.00	6,730.05	6,212.25

Registrar & Transfer Agents :

M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L. B. S. Marg,
Bhandup (West), Mumbai – 400 078
Phone : 022-25946970 - 78 Fax : 022-25946969
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

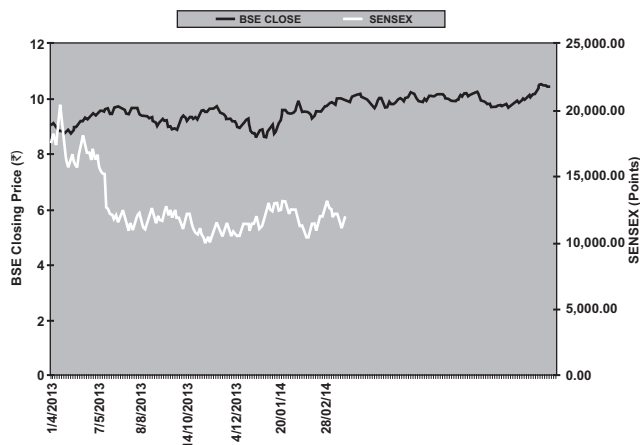
Share Transfer System:

Share transfers in physical form have to be lodged with the Registrar and Transfer Agents. All shares received for transfer are registered and returned within a period of thirty days from the date of lodgment, provided the documents are valid and complete in all respects.

In accordance with the SEBI guidelines, the Company offers the facility of transfer-cum-demat to shareholders after share transfers are affected in physical form.

xi) Distribution of shareholding as on March 31, 2014

No. of Shareholders	% to Total	Holding	No. of shares	% to Total
11,127	89.49	Upto 500	17,18,090	18.05
703	5.65	501-1000	5,75,767	6.05
309	2.49	1001-2000	4,65,610	4.89
100	0.80	2001-3000	2,51,089	2.64
60	0.48	3001-4000	2,11,216	2.22
29	0.23	4001-5000	1,31,487	1.38
52	0.42	5001-10000	3,83,368	4.03
54	0.43	10001 and above	57,82,973	60.79
12,434	100.00	TOTAL	95,19,600	100.00



Source: BSE Website

Distribution of shareholding by ownership as on March 31, 2014

Category	No. of Shares held	Share holding %
Promoters	48,33,963	50.78
FII's/NRI	42,868	0.45
Insurance Companies	15,225	0.16
Mutual Funds/UTI/Banks	76,750	0.81
Bodies Corporate	3,21,919	3.38
Individuals/others	42,28,875	44.42
Total	95,19,600	100.00

*Pursuant to regulations of Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, Promoter Group and persons acting in concert consists of Mr. Arvind R. Doshi, Dr. Mrs. Pratibha A. Doshi, Mr. Pritam A. Doshi, Mrs. Sohini P. Doshi and Ms. Priyadarshani A. Doshi.

- x) **Dematerialization of Shares** : Trading in Equity Shares of the Company is permitted only in dematerialized form. Approximately 90.48 % of the shares issued by the Company have been dematerialized up to March 31, 2014.
- xi) **Outstanding GDR/ Warrants or any Convertible instruments** : NA
- xii) **Plant Locations** : The Company does not have manufacturing or processing plants, as it is a distribution and marketing company.
- xiii) **Address for correspondence** : *Mr. Vishal Totla, Company Secretary*
PAE Limited, 69, Tardeo Road, Mumbai 400034
Phone: 022-66185799 Fax No. 022 - 66185757
Website : www.paeltd.com
Email: investors@paeltd.com

Declaration on code of conduct

The Board of Directors
PAE Limited
69, Tardeo Road, Mumbai- 400 034

Dear Sirs,

This is to confirm that the Board has laid down a code of conduct for all Board Members and Senior Management Personnel of the Company. The code of conduct has also been posted on the website of the Company.

It is further confirmed that all Directors and Senior Management Personnel of the Company have affirmed compliance within the Code of Conduct of the Company for the year ended March 31, 2014, as envisaged in Clause 49 of the Listing Agreement with stock exchanges.

For and on behalf of the Board Directors

Arvind R. Doshi
Executive Chairman

Place : Mumbai
Date : May 23, 2014

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To The Members,
PAE LTD.
Mumbai - 400 034

We have examined the compliance of conditions of Corporate Governance by PAE Limited for the financial year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K. S. Aiyar & Co.,
Chartered Accountants
Registration No. 100186W

Sachin A. Negandhi
Partner
Place : Mumbai
Date : May 23, 2014

Membership No. 112888

**DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING
(In pursuance of Clause 49 of the Listing Agreement and Section 149(13) of The Companies Act, 2013)**

Name of Director	Mr. Arvind R. Doshi	Mr. Karthikeyan Muthuswamy	Dr. Rajendra Nath Mehrotra	Mr. Dilip J. Thakkar	Mr. John O. Band	Dr. Mrs. Pratibha Doshi
Date of Birth	November 26, 1939	June 6, 1974	January 26, 1945	October 1, 1936	August 11, 1952	June 5, 1942
Date of Initial Appointment	April 16, 1994	April 29, 2005	October 10, 2007	July 28, 2000	June 28, 2002	May 23, 2014
Expertise in specific functional areas	Mr. Arvind R. Doshi, besides having brilliant academic career in Engineering and in Management also has rich experience in the field of Engineering Industry and in Automobile Sector.	Portfolio Manager Investment Manager	Dr. Rajendra Nath Mehrotra is an Electrical and Mechanical Engineer with Masters and Ph.D. He has the Degree in Management from the University of Mumbai and a Post Graduate Diploma in Industrial Management from the Research Institute of Management Studies, Delft, (now called Maastricht School of Management), Netherlands.	Mr. Dilip J. Thakkar is an eminent Chartered Accountant and partner of M/s. Jayantilal Thakkar & Associates, Mumbai and M/s. Jayantilal Thakkar & Company, Mumbai. He is a respected personality in the Indian corporate world.	Mr. John O. Band has an M.A. Degree in Economics from Cambridge University and is a fellow member of Institute of Chartered Accounts of England & Wales. Currently he is a private equity investor in various businesses in India.	Dr. Mrs. Pratibha Doshi, aged 72 years, is a Bachelor in Science from Mumbai University and done her Post Graduation in MBBS from Mumbai. She is a well known Social Worker.
Qualifications	Civil & Sanitary Engineer and Diploma in Business Management.	BBA, CFA	Electrical & Mechanical Engineer.	Chartered Accountant	FCA (England & Wales)	MBBS
Other Public Companies in which Directorship is held as on March 31, 2014.	1. Sadhana Nitro Chem Ltd.	Subex Ltd.	Novartis India Limited	1. Poddar Developers Ltd. 2. Panasonic Energy India Company Ltd. 3. Essar Oil Ltd. 4. Ruby Mills Ltd. 5. Himatsingka Seide Ltd. 6. Indo Count Industries Ltd. 7. Walchandnagar Industries Ltd. 8. Garware Polyester Ltd. 9. Essar Ports Ltd. 10. Modern India Ltd. 11. Premier Ltd. 12. Westlife Development Ltd.	Nil	Nil
Chairman of Committees formed by Board of other Companies on which he is a Director as on March 31, 2014.	Remuneration Committee: 1. Sadhana Nitro Chem Ltd.	Nil	Shareholder Grievances Committee: Novartis India Limited Remuneration Committee: Novartis India Limited	Audit Committee: 1. Panasonic Energy India Co. Ltd., 2. Essar Oil Ltd., 3. Walchand Nagar Industries Ltd. 4. Himatsingka Seide Ltd.	Nil	Nil
Member of Committees formed by Board of other Companies on which he is a Director as on March 31, 2014.	Audit Committee: 1. Sadhana Nitro Chem Ltd. Share Transfer / Investor Grievances Committee: 1. Sadhana Nitro Chem Ltd.	Remuneration Committee: Subex Ltd.	Audit Committee: Novartis India Limited	Audit Committee : 1. Premier Ltd 2. Westlife Development Ltd. Shareholder Grievances Committee: 1. Walchandnagar Industries Ltd. 2. Essar Oil Ltd.	Nil	Nil
Shareholding in the Company as on March 31, 2014	26,55,728	Nil	Nil	Nil	Nil	12,45,656

INDEPENDENT AUDITORS' REPORT

To the Members of PAE Limited

Report on the Financial Statements

We have audited the accompanying financial statements of PAE Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entities internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

The company has made Long Term Investment of ₹ 785.66 lacs in its subsidiary, Shurjo Energy Private Limited (SEPL). It has also given loans and advances of ₹ 717.30 lacs which is recoverable as at end of current year. The subsidiary has made a loss of ₹ 92.84 lacs in the current year. Its accumulated losses as at the end of the year amounting to ₹ 1004.35 lacs and has exceeded its Net Worth. Despite this, for the reasons

mentioned in note 34 to financial statements, the Company considers that the losses in SEPL are temporary in nature and no diminution is required in the value of its investment in the subsidiary. Also the loans and advances given to SEPL are considered as fully recoverable. However we do not have appropriate audit evidence to determine the extent of adjustments that may be required to the carrying value of the said investment or to the value of loans and advances recoverable from SEPL.

Opinion

Subject to the extent of adjustment that may be required as aforesaid, in our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;*
- in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and*
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order;
- As required by section 227(3) of the Act, we report that:
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs;
 - on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For K.S.Aiyar & Co;
Chartered Accounts
Registration No.100186W

Sachin A. Negandhi
Partner

Membership No.: 112888

Place : Mumbai
Date : May 23, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2014 of **PAE Limited**.)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) A substantial portion of fixed assets have been physically verified by the management during the year. In our opinion the same is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) During the year the Company has not disposed off any substantial part of its fixed assets.
- (ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals.
- (b) The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
- (c) In our opinion and according to the explanation given to us, The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and properly dealt within the books of accounts.
- (iii) (a) During the year the Company has taken unsecured loan in the form of inter-corporate deposit from a company covered in the register maintained under Section 301 of the Companies Act, 1956, wherein balance payable at the year end is ₹ 597.99 lacs (Previous year ₹ 484.28 lacs). Maximum balance during the year was ₹ 606.23 lacs (Previous year ₹ 978.43 lacs.)
- (b) Based on the information and explanations given to us, we are of the opinion that the rate of interest and other terms and conditions of loan taken from such party covered in the Register maintained under Section 301 is not prima facie prejudicial to the interests of the Company.
- (c) The Company has not granted during the year any loans, secured or unsecured to companies covered in the Register maintained under Section 301 of the Act. Hence the provisions of clause (iii)(b),(c),(d) of paragraph 4 are not applicable to the Company.
- (iv) (a) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control.
- (v) (a) According to the information and explanations provided by management, we are of the opinion that the particulars of contracts or arrangements

that are referred to in Section 301 have been entered in the register required to be maintained under that section.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 are not applicable to the activities of the company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it and there are no arrears outstanding as at the year end for a period of more than six months from the date they became payable.
- (b) According to the records of the company, there are no disputed Wealth Tax, Customs Duty, Service Tax or Cess. The details of dues in respect of Sales Tax, which have not been deposited on account of any dispute are given below:

Name of the Statute	Nature of the dues	Period to which the amount relates	Sales Tax Commissioner (₹ in lacs)
VAT Acts	VAT, penalty and interest	2006-07	2.89
VAT Acts	VAT, penalty and interest	2007-08	9.88
VAT Acts	VAT, penalty and interest	2008-09	16.17
VAT Acts	VAT, penalty and interest	2009-10	27.86
Central Sales Tax and Various State VAT Acts	Sales Tax, penalty and interest	2010-11	31.39
Central Sales Tax and Various State VAT Acts	Sales Tax, penalty and interest	2011-12	3.23
		Total	91.42

- (x) The Company has accumulated losses as per the Balance Sheet as at the end of the financial year. The Company has incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of Clauses 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) The Company has given a corporate guarantee for loans taken by Shurjo Energy Private Limited and PAE Renewables Private Limited from the bank. However, the terms and conditions thereof are not prejudicial to the interest of the company.
- (xvi) The term loan has been applied for the purpose for which it was raised.
- (xvii) According to the information and explanations given to us, and on an overall examination of Balance Sheet of the Company, we report that ₹ 219.14 lacs of short term funds have been used for long term investments (upon excluding the current maturities of ₹ 267.51 lacs of long term loans raised, this is not the case).
- (xviii) During the year under audit the Company has made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956. The price at which the warrants have been issued has been determined as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, which in our opinion is not prejudicial to the interest of the Company.
- (xix) The Company has not issued any debentures during the financial year.
- (xx) The Company has not raised any money during the year by public issue.
- (xxi) As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For K.S.Aiyar & Co;
Chartered Accounts
Registration No.100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place : Mumbai
Date : May 23, 2014

STANDALONE BALANCE SHEET AS AT MARCH 31, 2014

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	2	1,451.96	1,451.96
Reserves and surplus	3	463.83	1,832.96
(2) Non-current liabilities			
Long-term borrowings	4	788.48	742.80
Other long term liabilities	5	54.39	54.39
Long-term provisions	6	25.77	34.70
(3) Current liabilities			
Short-term borrowings	7	2,302.70	1,799.28
Trade payables	8	1,403.02	1,399.71
Other current liabilities	9	952.55	1,107.21
Short-term provisions	10	109.69	120.45
TOTAL		7,552.39	8,543.46
II ASSETS			
(1) Non-current Assets			
Fixed assets			
Tangible assets	11	825.88	882.88
Intangible assets		5.40	9.02
Non-current investment	12	2,001.80	2,001.80
Long-term loans and advances	13	169.33	166.24
Other non-current assets	14	1.36	23.55
(2) Current assets			
Inventories	15	669.07	1,178.21
Trade receivables	16	1,842.65	1,803.51
Cash and cash balances	17	374.97	456.89
Short-term loans and advances	18	1,597.91	1,994.85
Other current assets	19	64.02	26.51
TOTAL		7,552.39	8,543.46
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report attached

For and on behalf of Board of Directors

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Rajesh B. Desai
Head Finance and Accounts

Arvind R. Doshi
Executive Chairman

Sachin A. Negandhi
Partner
Membership No. 112888

Vishal Totla
Company Secretary

Pritam A. Doshi
Managing Director

Date: May 23, 2014
Mumbai

Dilip J. Thakkar
Dr. Rajendra Nath Mehrotra
Karthikeyan Muthuswamy
Directors

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in lacs)

Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
I Revenue from operations	20	8,655.17	13,570.92
II Other income	21	121.11	330.69
III Total revenue (I+II)		<u>8,776.28</u>	<u>13,901.61</u>
IV EXPENSES			
Purchases of stock-in-trade	22	7,315.62	11,750.49
(Increase) / decrease in inventory of stock-in-trade	23	501.36	229.01
Employee benefits expense	24	742.05	874.39
Finance costs	25	511.05	690.63
Depreciation and amortization expense		55.31	68.69
Other expenses	26	997.70	1,240.30
Total expenses		<u>10,123.09</u>	<u>14,853.51</u>
V Profit/(Loss) before tax		(1,346.81)	(951.90)
VI Tax Expense			
Previous year's taxes (net)		-	(6.52)
Current tax		-	-
Deferred Tax		-	-
VII Profit/(Loss) for the period		<u>(1,346.81)</u>	<u>(945.38)</u>
VIII Earnings per equity share (Nominal value of share ₹ 10/- each)	27		
Basic		(14.32)	(9.93)
Diluted		(14.32)	(9.93)
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report attached

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Date: May 23, 2014
Mumbai

Rajesh B. Desai
Head Finance and Accounts

Vishal Totla
Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Dilip J. Thakkar
Dr. Rajendra Nath Mehrotra
Karthikeyan Muthuswamy
Directors

CASH FLOW STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(A) Cash flow from operating activities		
Net profit/(loss) before tax and extraordinary items	(1,346.81)	(951.90)
Adjustments for :		
Depreciation and amortisation	55.31	68.69
Finance cost	511.05	690.63
Interest income	(64.66)	(286.63)
Dividend income	(0.20)	(0.27)
Unrealised foreign exchange gain	(12.07)	0.93
Bad debts written off	39.96	48.55
Loss on sale of fixed assets(net)	2.45	1.53
	<u>531.84</u>	<u>523.43</u>
Operating profit before working capital changes	(814.97)	(428.47)
Adjustments for :		
(Increase) / decrease in trade receivables	(79.10)	780.09
(Increase) / decrease in loans and advances and other assets	255.56	95.02
(Increase) / decrease in inventories	509.14	319.88
(Increase) / decrease in trade payables and other liabilities	113.30	1,116.32
(Increase) / decrease in provisions	(19.68)	(23.67)
(Increase) / decrease in margin money and other deposits	26.30	28.40
	<u>805.52</u>	<u>2,316.04</u>
Cash generated from operations	(9.45)	1,887.57
Income taxes paid, (net of refund)	<u>(21.95)</u>	<u>(29.41)</u>
Net cash flow from operating activities	(31.40)	1,858.16
(B) Cash flow from investing activities		
Purchase of fixed assets	(20.50)	(8.83)
Proceeds from sale of fixed assets	1.04	3.25
Sale of investment (net)	-	(460.08)
Interest received	187.39	61.66
Dividend received	0.20	0.27
Net cash used in investing activities	<u>168.13</u>	<u>(403.73)</u>
(C) Cash flow from financing activities		
Issue of preference shares	-	500.00
Proceeds from long term borrowing (net)	(231.13)	(216.29)
Proceeds from short term borrowings (net)	503.41	(1,138.28)
Finance cost	(486.67)	(582.95)
Unpaid dividend bank balance	0.15	0.70
Dividend paid	(0.15)	(0.70)
Net cash used In financing activities	<u>(214.39)</u>	<u>(1,437.52)</u>
Net increase in cash and cash equivalents	(77.66)	16.91
Opening balance as at beginning of the year	325.42	308.51
Closing balance as at end of the year	<u>247.76</u>	<u>325.42</u>
	<u>(77.66)</u>	<u>16.91</u>

Notes:

1. Previous year figures have been regrouped/reclassified wherever necessary.

As per our report attached

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Date: May 23, 2014
Mumbai

Rajesh B. Desai
Head Finance and Accounts

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For and on behalf of Board of Directors

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Dilip J. Thakkar
Dr. Rajendra Nath Mehrotra
Karthikeyan Muthuswamy
Directors

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014:**1. Significant Accounting Policies:****a) Basis of preparation:**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies(Accounting Standards) Rules 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of significant uncertainties.

The Accounting Policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

b) Use of estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the end of the reporting period. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of statements. The actual results may differ from these estimates.

c) Tangible fixed assets:

- i. Fixed assets except in case of buildings and ownership flats which have been revalued on 01.12.2007, are stated at cost, net of accumulated depreciation and accumulated losses if any. Cost comprises of purchase price and any cost attributable to bring the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
- ii. On 01.12.2007 the company has revalued building and ownership flats existing as on that date. These building are measured at fair value less accumulated depreciation.
- iii. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day maintenance and repairs expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

d) Depreciation on tangible fixed assets:

- i. Depreciation is provided on written down value method in accordance with Schedule XIV of the Companies Act, 1956. Depreciation is provided from/upto the month of addition/disposal.
- ii. Depreciation on value written up on revaluation of Buildings and Ownership flats has been provided on straight line method on the basis of estimated life determined by the valuer and equivalent amount of depreciation has been transferred from Revaluation Reserve to statement of profit and loss.

e) Intangible assets:

- i. Intangible assets are amortised on a straight line basis over the estimated useful economic life of the asset.
- ii. Computer software forming part of intangible assets is amortised over a period of five years.

f) Impairment of assets:

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to statement of profit and loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

g) Investments:

Investments are classified as non current and current investments. Investments which are readily realisable and not intended to be held for not more than one year from the date of investments are classified as current investments. All other investments are classified as non current investments. Long-term investments are shown at cost or written down value (in case of other than temporary diminution) and current investments are shown at cost or fair value whichever is lower.

h) Inventories:

Inventories are valued after providing for obsolescence, if any, as under:-

- a) Traded Goods are valued at lower of cost or net realizable value. Cost is determined on the basis of FIFO method.
- b) Goods in Transit are valued at cost.

i) Revenue recognition:

- a) Sales are recognized on dispatch of goods. Sales are net of trade discounts, sales tax/VAT and returns.
- b) Service income is recognized on execution of orders.
- c) Rent income is recognized on accrual basis in accordance with the terms of the respective agreements. Interest income is recognized on accrual basis.
- d) Dividend is recognised on receipt basis.

j) Foreign currency transactions:

Foreign currency transactions are accounted on the basis of rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities are restated at the year end exchange rates. Gains/ losses arising out of exchange rate differences are recognized as profit or loss in the period in which they arise. Exchange rate differences arising out of forward contracts are charged to the statement of profit and loss over the period of the contract.

k) Employee benefits

- i. Defined Contribution Plan: The Group makes defined contribution to Provident Fund, ESI and Superannuation Schemes which are recognized as an expense in the statement of profit and loss as they are incurred.
- ii. Defined Benefit Plan and long term benefits: Group's liabilities towards gratuity and long term benefit in the form of leave encashment are recognised on the basis of actuarial valuation using the projected unit credit method as at Balance Sheet date. Actuarial gains/losses are recognized immediately in the statement of profit and loss.

l) Leases:

Leases in which the company does not transfer substantially all the risk and benefits of ownership of assets are classified as operating leases.

Lease payments under operating lease are recognized as an expense in the statement of profit and loss on straight line basis over the lease term.

Assets leased out under operating lease are capitalized. Rental income is recognized on accrual basis over the lease term.

m) Income taxes:

Tax expenses comprises of current and deferred tax. Provision for current tax is made based on the liability computed in accordance with the Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the tax liability are those that are enacted or substantively enacted at the reporting date. Deferred tax is recognized on the basis of timing differences arising between the taxable income and accounting income computed using the tax rates and the laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognized only if there is a virtual certainty that they will be realized. The deferred tax assets / liabilities are reviewed for the appropriateness of their carrying values at each balance sheet date.

n) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Provisions, contingent liabilities and contingent assets:

- i. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes after careful evaluation of facts and legal aspects of the matter involved. Contingent Assets are neither recognized nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.
- ii. Warranty Provisions: Provisions for warranty related cost are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty cost is revised annually.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
2 Share Capital:		
Authorised		
1,50,00,000 Equity Shares of ₹ 10/- each	1,500.00	1,500.00
(Previous Year: 1,50,00,000 Equity Shares of ₹ 10/- each)		
50,00,000 Preference Shares of ₹ 10/- each	500.00	500.00
(Previous Year: 50,00,000 Preference Shares of ₹ 10/- each)	2,000.00	2,000.00
Issued, subscribed and fully paid up		
95,19,600 Equity Shares of ₹ 10/- each fully paid up	951.96	951.96
(Previous Year: 95,19,600 Equity Shares of ₹ 10/- each)		
50,00,000 11% Redeemable Cumulative Preference Shares of ₹ 10/- each fully paid up	500.00	500.00
(Previous year 50,00,000 8% Redeemable Non-cumulative Preference Shares of ₹ 10/- each fully paid up)	1,451.96	1,451.96

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

(i) **Equity shares:**

Number of shares outstanding at the beginning and at the end of the year remain same.

Preference Shares:	March 31, 2014		March 31, 2013	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	50,00,000	5,00,00,000	-	-
Issued during the year	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Redeemed during the year	50,00,000	5,00,00,000	-	-
Outstanding at the end of the year	50,00,000	5,00,00,000	50,00,000	5,00,00,000

(b) **Terms/rights attached to equity / preference shares**

- (i) The company has equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (ii) During the year ended March 31, 2014, the Company issued 50,00,000 (fifty lacs) 11% Non-convertible, cumulative, redeemable preference shares(NCRPS) of ₹ 10/- each fully paid up. The NCRPS holder shall have a right to vote on resolution placed before the company which directly affect the rights attached to his preference share only, and any resolution for the winding up of the company or repayment or reduction of its equity or preference share capital, provided that where the dividend is not paid for two or more years such class of NCRPS holders shall have right to vote on all resolutions placed before the company. The NCRPS shall be redeemed by the company at par on expiry of 13 years from the date of allotment, or on the request of NCRPS holders, which ever is earlier. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Details of shareholders holding more than 5% shares in the company	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shareholders				
i Arvind Raoji Doshi	26,55,728	27.90	26,55,738	27.88
ii Pratibha Arvind Doshi	12,45,656	13.09	12,45,656	13.09
iii Pritam Arvind Doshi	9,04,199	9.50	6,89,536	7.06
Preference Shareholders				
i Arvind Raoji Doshi	40,00,000	80.00	40,00,000	80.00
iii Pritam Arvind Doshi	10,00,000	20.00	10,00,000	20.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

		(₹ in lacs)	
		As at March 31, 2014	As at March 31, 2013
3 Reserves and Surplus:			
Capital reserve		0.09	0.09
Securities premium account		531.22	531.22
Revaluation reserve		507.37	529.69
Less: Depreciation on revaluation of assets transferred to statement of profit & loss		22.32	22.32
		<u>485.05</u>	<u>507.37</u>
General Reserve			
Balance as per last financial statement		842.21	842.21
Transfer from profit & loss account		842.21	842.21
Surplus/(Deficit) in the statement of profit and loss			
Balance as per last financial statements		(47.93)	897.45
Add: Profit/(Loss) for the year		(1,346.81)	(945.38)
Net surplus/(deficit) in the statement of profit and loss		<u>(1,394.74)</u>	<u>(47.93)</u>
		<u>463.83</u>	<u>1,832.96</u>
4 Long-Term Borrowings:			
Secured			
Motor vehicle loan (a)		7.09	6.72
Unsecured			
Fixed deposits from related parties (b)		142.25	5.00
Fixed deposits from shareholders (c)		7.77	13.89
Fixed deposits from others (c)		160.37	365.19
From enterprise controlled by key management personnel (d)		471.00	352.00
		<u>788.48</u>	<u>742.80</u>
<p>(a) During the year ₹ 40 lacs (previous year nil) was taken as loan against refinance of existing motor vehicles owned by the company from Kotak Mahindra Prime Ltd. This loan carries an interest of 18.08% p.a. and is payable in 24 installments alongwith interest from the date of the loan. The period of maturity w.r.t. balance sheet date is 1 year and 7 month with EMI of ₹ 2.80 lacs for 3 months, with EMI of ₹ 1.88 lacs for 8 months and with EMI of ₹ 1.08 lacs for 8 months respectively.</p> <p>(b) Fixed deposits from related parties carry interest @ 11% to 11.75% p.a.(previous year 11% to 11.75% p.a.) and are repayable after 3 years from the respective dates of deposit.</p> <p>(c) Fixed deposits from shareholders and others carry interest ranging from 11% to 11.75% p.a. (previous year 11% to 11.75% p.a.) and are repayable after 2 years and 3 years from the respective dates of deposit.</p> <p>(d) Unsecured loan from related party having a tenure of 3 years was an interest bearing loan carrying interest @14% and 16.50% p.a. till 31.12.2013. The loan has been converted into interest free loan w.e.f. 01.01.2014.</p>			
5 Other Long-Term Liabilities:			
Sundry creditors for expenses		54.39	54.39
		<u>54.39</u>	<u>54.39</u>
6 Long-Term Provisions:			
Provision for employee benefits (refer note no. 28)			
Leave encashment		25.77	34.70
		<u>25.77</u>	<u>34.70</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
7 Short Term Borrowings:		
Secured		
Working capital loan from banks repayable on demand (a)	1,994.15	1,652.05
	<u>1,994.15</u>	<u>1,652.05</u>
Unsecured		
Fixed deposits from others	1.55	10.23
Inter-corporate deposit	307.00	137.00
	<u>2,302.70</u>	<u>1,799.28</u>
(a) Working capital loan from banks is secured by hypothecation of current assets and all movables, both present and future and with a collateral charge on immovable and movable properties.		
8 Trade Payables (including acceptances)	1,403.02	1,399.71
9 Other Current Liabilities:		
(a) Current maturities of long term debts		
Current maturity of motor vehicle loan	21.34	25.59
Current maturity of unsecured loan from bank	-	7.13
Current maturity of fixed deposits from related parties	-	138.00
Current maturity of fixed deposits from shareholders	7.02	48.59
Current maturity of fixed deposits from public	239.15	325.02
(b) Interest accrued but not due	156.69	132.31
(c) Unclaimed dividend *	25.22	25.37
(d) Unclaimed matured fixed deposits (including interest)	15.22	10.15
(e) Other payables		
Sundry creditors for expenses	224.36	176.35
Dealer deposits	176.33	120.53
Rent deposit	2.00	6.75
Advance from customers	36.62	10.76
Statutory dues payable	48.60	80.66
Total	<u>952.55</u>	<u>1,107.21</u>
*There is no amount due & outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund.		
10 Short-Term Provisions:		
Provision for employee benefits (Refer Note No.28)		
Leave encashment	10.50	15.70
Gratuity (net of planned asset)	8.20	10.56
	<u>18.70</u>	<u>26.26</u>
Provision for warranties (refer note no. 32)	<u>90.99</u>	<u>94.19</u>
	<u><u>109.69</u></u>	<u><u>120.45</u></u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note No 11 : Fixed Assets

(₹ in lacs)

GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
Particulars	As At 01.04.2013	Additions This Year	Sales / Adjustment This Year	As At 31.03.2014	As At 01.04.2013	Adjustment On Revaluation	Depreciation/ Amortisation This Year	Sales / Adjustment This Year	As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
Tangible Assets											
Building And Ownership Flats *	948.90	-	-	948.90	239.01	22.32	10.12	-	271.45	677.45	709.89
Other Plant & Machinery	22.06	0.49	1.81	20.74	12.44	-	1.46	1.07	12.83	7.91	9.62
Furniture & Fixtures	196.14	10.13	8.55	197.72	147.34	-	10.14	7.84	149.64	48.08	48.80
Office Equipments	100.28	3.17	8.01	95.44	56.65	-	6.49	6.63	56.52	38.92	43.63
Computers	197.21	6.69	23.73	180.17	174.23	-	11.04	23.07	162.20	17.97	22.98
Motor Vehicles	156.38	0.02	0.55	155.85	108.42	-	12.44	0.56	120.30	35.55	47.96
Sub Total	1,620.97	20.50	42.65	1,598.82	738.10	22.32	51.69	39.17	772.94	825.88	882.88
Previous Year Sub Total	1,638.86	8.83	26.72	1,620.97	673.62	22.32	64.12	21.97	738.09	882.88	
Intangible Assets											
Software	33.78	-	-	33.78	24.75	-	3.62	-	28.37	5.40	9.02
Sub Total	33.78	-	-	33.78	24.75	-	3.62	-	28.37	5.40	9.02
Previous Year Sub Total	33.78	-	-	33.78	20.19	-	4.58	-	24.75	9.02	
Total	1,654.75	20.50	42.65	1,632.60	762.85	22.32	55.31	39.17	801.31	831.28	891.90
Previous Year Total	1,672.64	8.83	26.72	1,654.75	693.81	22.32	68.70	21.97	762.85	891.90	

* Ownership flats includes ₹ 0.01(previous year ₹ 0.01) being the value of 15 shares in co-operative housing societies.

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
12 Non Current Investment :		
Trade investments:		
Investment in equity instruments		
Investment in subsidiary companies (unquoted)		
Shurjo Energy Pvt. Ltd. (refer note no.36)	785.66	785.66
3,87,85,424 (Previous Year: 3,87,85,424) Equity shares of ₹ 1/- each fully paid		
PAE Renewables Pvt. Ltd. (refer note no.36)	1,176.00	1,176.00
93,85,000 (previous year: 93,85,000) Equity shares of ₹ 10/- each fully paid		
PAE Infrastructure Pvt. Ltd.	35.20	35.20
3,52,000 (previous year: 3,52,000) Equity shares of ₹ 10/- each fully paid		
	<u>1,996.86</u>	<u>1,996.86</u>
Other investments (quoted)		
Pal Credit & Capital Ltd.	87.64	87.64
8,53,305 (previous year: 8,53,305) Equity shares of ₹ 10/- each fully paid		
Less: Provision for diminution in value	<u>85.34</u>	<u>85.34</u>
	2.30	2.30
South India Paper Mills Ltd.	1.18	1.18
8000 (previous year: 8,000) Equity shares of ₹ 10/- each fully paid		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
Exide Industries Ltd. 216 (previous year: 216) Equity shares of ₹ 1/- each fully paid	0.01	0.01
Finolex Cables Ltd. 50 (previous year: 50) Equity Shares of ₹ 2/- each fully paid	0.01	0.01
Bosch Ltd. 10 (previous year: 10) Equity shares of ₹ 10/- each fully paid (Formerly known as Mico Industries Company Ltd.)	0.02	0.02
Gabriel India Ltd. 1000 (previous year: 500) Equity shares of ₹ 1/- each fully paid	0.01	0.01
	3.53	3.53
Other investments (unquoted)		
Jain Sahakari Bank Ltd. 40 (previous year: 40) Equity shares of ₹ 25/- each fully paid	0.01	0.01
Stiefel Und Shuh Ltd. 1,100 (previous year: 1,100) Equity shares of ₹ 10/- each fully paid	0.11	0.11
Less: Provision for diminution in value	0.10	0.10
	0.01	0.01
Kongarar Integrated Fibres Ltd. 1,200 (previous year: 1200) Equity shares of ₹ 10/- each fully paid (Formerly known as Kongarar Textiles Ltd.)	0.52	0.52
Less: Provision for diminution in value	0.51	0.51
	0.01	0.01
	0.03	0.03
Investment in Mutual Funds 8,000 (previous year: 8,000) Units of Unit Trust of India Balance Fund	1.38	1.38
	1.38	1.38
	2,001.80	2,001.80
Aggregate book value of investments		
Quoted Investments	88.87	88.87
Unquoted Investments	1,998.89	1,998.89
Provision for diminution in value	85.96	85.96
(Market value of quoted investments ₹ 17.85 lacs (previous year: ₹ 10.85 lacs))	2,001.80	2,001.80
13 Long-Term Loans and Advances:		
Unsecured considered good		
Capital advances	0.12	0.12
Sundry deposits	119.31	138.16
Advance income tax	49.16	27.21
Other advances	0.74	0.75
	169.33	166.24
14 Other Non-Current Assets:		
Non current bank balances		
Margin money deposits with bank	1.36	1.57
Other deposits with bank	-	21.98
	1.36	23.55

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in lacs)

	Ast at March 31, 2014	As at March 31, 2013
15 Inventories:		
Traded goods	660.03	1,161.40
Goods-in-transit (at cost)	9.04	16.81
	<u>669.07</u>	<u>1,178.21</u>
16 Trade Receivables: (Unsecured, considered good unless otherwise stated)		
Outstanding over six months	150.00	241.08
Others	1,692.65	1,562.43
	<u>1,842.65</u>	<u>1,803.51</u>
17 Cash and Bank Balances:		
Cash and cash equivalents		
Balances with banks		
On current account	16.04	20.14
Deposit with maturity of less than/upto three months	43.73	13.00
Cash in hand	4.49	22.91
Cheques deposited in CMS facility	90.79	152.23
Cheques/ Drafts in hand	92.71	117.14
	<u>247.76</u>	<u>325.42</u>
Other bank balances		
Margin money deposits with maturity of less than/upto three months (a)	-	26.13
Unpaid dividend account	25.22	25.37
Margin money deposit with maturity of more than 3 months and upto 12 months (b)	80.01	25.97
Deposits with maturity of more than 3 months and upto 12 months (c)	21.98	54.00
	<u>127.21</u>	<u>131.47</u>
	<u>374.97</u>	<u>456.89</u>
(a) Margin money deposits with maturity of less than/upto three months is against letter of credit and bank guarantees.		
(b) Margin money deposits with maturity more than three months and upto 12 months is against bank guarantees.		
(c) Deposits with maturity of more than three months and upto 12 months of Nil (previous year ₹ 54 Lacs) is kept as collateral against cash credit limits with banks.		
18 Short-Term Loans and Advances:		
Unsecured considered good		
Loans and advances to subsidiaries	1,550.53	1,927.61
Others		
Sundry deposits	12.59	18.14
Advances receivable in cash or kind or for value to be received	34.79	49.10
	<u>1,597.91</u>	<u>1,994.85</u>
19 Other Current Assets:		
Claims/Incentives receivables	61.67	24.72
Interest accrued but not due on margin money and fixed deposit	1.09	1.79
Premium on forwarding contract	1.26	-
	<u>64.02</u>	<u>26.51</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
20 Revenue from Operations:		
Net sale of traded goods less returns (Note No. (i))	8,563.77	13,365.51
Other operating revenues:		
Incentive/Turnover discounts from suppliers	59.07	145.77
Cash discount from suppliers	-	22.61
Bad debts recovered	16.25	15.03
Others	16.08	22.00
	<u>91.40</u>	<u>205.41</u>
	<u>8,655.17</u>	<u>13,570.92</u>
(i) Details of traded goods		
Power products	7,390.11	8,383.05
Other auto products	1,144.54	4,861.25
Solar products	29.12	121.21
	<u>8,563.77</u>	<u>13,365.51</u>
21 Other Income		
Interest	64.66	286.63
Rent Income	29.79	15.95
Dividend earned	0.20	0.27
Foreign exchange fluctuation (net)	21.97	-
Other non operating income	4.49	27.84
	<u>121.11</u>	<u>330.69</u>
22 Details of Purchase of Traded Goods:		
Power products	6,455.63	7,393.80
Other auto products	853.67	4,227.13
Solar products	6.32	129.56
	<u>7,315.62</u>	<u>11,750.49</u>
23 Changes in Inventories Stock-in-Trade:		
Closing stock (*)	660.03	1,161.40
Opening stock	1,161.39	1,390.41
(Increase)/decrease in stock	<u>501.36</u>	<u>229.01</u>
(*) Details of Inventory:		
Traded goods		
Power products	612.93	847.47
Other auto products	15.16	255.61
Solar products	31.94	58.31
	<u>660.03</u>	<u>1,161.39</u>
24 Employee Benefits Expense:		
Salaries and wages	634.56	737.32
Contribution to provident and other funds	50.54	71.26
Staff welfare expenses	56.95	65.81
	<u>742.05</u>	<u>874.39</u>
25 Finance Costs:		
Interest expense	456.55	636.11
Bank charges	54.50	54.52
	<u>511.05</u>	<u>690.63</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
26 Other Expenses:		
Stationery, postage, advertisement, telephone, electricity, etc.	468.41	467.30
Clearing and forwarding agency charges	9.19	64.71
Packing and forwarding (inward and outward)	139.18	253.09
Rent	87.42	102.60
Rates and taxes	34.56	53.03
Cash discount	34.73	33.16
Incentive/Turnover discounts	27.25	30.86
Repairs to		
(i) Buildings	9.11	6.51
(ii) Others	29.84	34.48
	38.95	40.99
Insurance	20.25	18.09
Payment to auditor		
As auditor:		
(i) Audit fees	7.89	8.08
(ii) Tax audit fees	2.25	2.29
(iii) Limited review	5.06	5.06
In other capacity:		
(iv) Other services (certification fee)	2.25	2.86
(v) For reimbursement of expenses	0.23	0.63
	17.67	18.91
Miscellaneous expenses	75.58	79.11
Foreign currency fluctuation (net)	-	25.84
Directors' fees	2.09	2.59
Loss on assets sold/discarded (net)	2.45	1.47
Bad debts written off	39.96	48.55
	997.70	1,240.30
27 Earnings Per Share (EPS):		
Profit/(Loss) after tax	(1,346.81)	(945.38)
Less: Preference dividend on cumulative preference shares	(14.16)	-
Less: Tax on preference dividend	(2.41)	-
Net loss attributable to the equity share holders	(1,363.38)	(945.38)
Weighted average number of equity share outstanding	9,519,600	9,519,600
Basic and diluted earnings per share (in Rupees)	(14.32)	(9.93)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

28 Employee Defined Benefits:

(₹ in lacs)

Particulars	2013-14		2012-13	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Funded)	(Non Funded)	(Funded)	(Non Funded)
I. Reconciliation of opening and closing balances of Defined Benefit Obligation:				
Liability at the beginning of the year	117.63	50.40	110.18	54.30
Current service cost	7.46	6.94	8.28	9.15
Interest Cost	9.70	4.16	9.37	4.62
Past Service cost (vested benefit) incurred during the period	-	-	-	-
Benefits paid	(23.86)	(16.74)	(15.43)	(23.49)
Actuarial (gain)/loss	(13.47)	(8.48)	5.23	5.82
Liability at the end of the year	97.46	36.28	117.63	50.40
II. Reconciliation of opening and closing balances of fair value of plan assets:				
Fair value of plan assets at the beginning of the year	107.07	-	113.15	-
Expected return on plan assets	9.32	-	9.73	-
Contributions	-	-	-	-
Benefits paid	(23.86)	-	(15.43)	-
Actuarial(gain)/loss on plan assets	(3.27)	-	(0.38)	-
Fair value of plan assets at the end of the year	89.26	-	107.07	-
Net actuarial (gain)/loss to be recognised	(10.21)	(8.48)	5.61	5.82
Actuarial return on plan assets:				
Expected return on plan assets	9.32	-	9.73	-
Actuarial gain/(loss) on plan assets	(3.27)	-	(0.38)	-
Actuarial return on plan assets	6.05	-	9.35	-
III. Reconciliation of fair value of assets and obligations:				
Liability at the end of the year	97.46	36.28	117.63	50.40
Fair value of plan assets at the end of the year	89.26	-	107.07	-
Amount recognised in the balance sheet under "Provisions for retirement benefits"	8.20	36.28	10.56	50.40
IV. Expenses recognised in the profit and loss account:				
Current service cost	7.46	6.94	8.28	9.15
Interest Cost	9.70	4.16	9.37	4.62
Expected return on plan assets	(9.32)	-	(9.73)	-
Past Service cost (vested benefit) incurred during the period	-	-	-	-
Net Actuarial (gain)/loss to be recognised	(10.21)	(8.48)	5.61	5.82
Expense recognised in the profit and loss account under "Contribution to provident, gratuity and other funds"	(2.37)	2.62	13.53	19.59
V. Principal assumptions:	In Percent	In Percent	In Percent	In Percent
Mortality table LIC	1994-96	1994-96	1994-96	1994-96
Discount rate	9.31	9.31	8.25	8.50
Expected return on plan assets	8.70	-	8.70	-
Rate of escalation in salary	5	5	5	5
Attrition rate	2	2	2	2

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

29 Leases:

Disclosure as required by Accounting Standard 19, "Leases", issued by the Institute of Chartered Accountants of India, are given below:

a Where the company is a lessee:

The company has taken various office and godown premises under leave and licence agreements. These are not non cancellable and range between 11 months and 5 years under leave and licence and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free security deposits under certain agreements. Amounts paid during the year under such agreements are ₹ 87.42 lacs (previous year ₹102.60 lacs) and are recognised in the statement of profit and loss account under "Rent" Note no.26.

b Where company is a lessor:

The company has given its own office and residential premises under leave and licence agreements. These are not non cancellable and range between 11 months and 5 years under leave and licence and are renewable by mutual consent on mutually agreeable terms. The company has taken refundable interest free security deposits under certain agreements. Amounts received during the year under such agreements are ₹ 29.79 lacs (previous year ₹15.95 lacs) and are recognised in the statement of profit and loss account under 'Rent Income' in Note no. 21.

30 Segment Information:

The company has defined its business segments as Power Products, Other Auto Products and Solar Products, taking into account the nature of products, and differential risks and returns.

As per the Accounting Standard 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India, the segment disclosures are as follows:

(₹ in lacs)

	Particulars	Year ended 31.03.2014	Year ended 31.03.2013
A	SEGMENT REVENUE		
1	Sales (net of VAT) and operating income		
	Power products	7,423.65	8,493.93
	Other auto products	1,170.08	4,918.75
	Solar products	29.11	121.21
	Unallocated operating income	32.33	37.03
	Net sales and operating income A	8,655.17	13,570.92
B	RESULT		
1	Segment Result		
	Power products	733.47	1,175.86
	Other auto products	75.96	362.20
	Solar products	(3.58)	16.33
	Unallocated operating income	32.33	37.03
	Gross Segment Result B	838.18	1,591.42
2	Less: allocated expenses		
	Power products	1,088.12	985.84
	Other auto products	168.52	568.76
	Solar products	4.29	23.41
	Total allocated expenses C	1,260.93	1,578.01
3	Net Segment Result B - C	(422.75)	13.41
	Less:		
4	Unallocated expenses (net)	357.70	205.99
5	Depreciation and amortisation	55.31	68.69
6	Finance expense	511.05	690.63
7	Profit from ordinary activities	(1,346.81)	(951.90)
8	Net profit/(loss) before tax	(1,346.81)	(951.90)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

9	Segment assets		
	Power products	2,397.14	2,007.49
	Other auto products	82.37	742.75
	Solar products	59.44	292.54
	Unallocated assets	5,013.44	5,500.68
	Total Assets	7,552.39	8,543.46
10	Segment liabilities		
	Power products	847.16	543.37
	Other auto products	528.52	764.31
	Solar products	27.34	97.01
	Unallocated liabilities	4,233.58	3,853.86
	Total	5,636.60	5,258.55

The assets and liabilities of the company not being specifically identifiable with a particular segment, cost related thereto and other common expenses have been shown as unallocated items. Operating income not identifiable with a particular segment has been disclosed as unallocated.

31 Related Party Disclosure as per AS-18:**A Particulars of subsidiary companies**

Shurjo Energy Pvt. Limited
PAE Renewables Pvt. Ltd.
(Formerly known as Sky Naturenergy Pvt. Ltd.)
PAE Infrastructure Pvt. Ltd.
Sovox Renewables Pvt. Ltd.
PAE Renewables Pte Ltd., Singapore
Sovox Renewables Pte. Ltd., Singapore

B Particulars of Enterprises controlled by any person described as Key Management Personnel:

Name of the related party	Nature of relationship
Rajubai Investment Pvt. Ltd.	Controlled through key management personnel
Assure Insurance Advisors Pvt. Ltd.	
Arvind R. Doshi HUF	
Pritam A. Doshi HUF	

C Key Management Personnel:

Name of related party	Nature of relationship
Mr. Arvind R. Doshi	Executive Chairman
Mr. Pritam A. Doshi	Managing Director

D Relatives of Key Management Personnel:

Name of relatives	Nature of relationship
Mrs. Pratibha A. Doshi	Wife of Mr. Arvind R. Doshi
Ms. Priyadarshani A. Doshi	Daughter of Mr. Arvind R. Doshi
Mrs. Sohini P. Doshi	Wife of Mr. Pritam A. Doshi
Master Viraj P. Doshi	Son of Mr. Pritam A. Doshi
Baby Nitya P. Doshi	Daughter of Mr. Pritam A. Doshi

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

E Details of transactions with related parties:

(₹ in lacs)

Particulars	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
Remuneration:				
Mr. Arvind R. Doshi			33.93 (60.00)	
Mr. Pritam A. Doshi			57.33 (34.04)	
Rent received:				
PAE Renewables Pvt. Ltd.	2.20 (2.61)			
Rent paid:				
PAE Infrastructure Pvt. Ltd.	2.11 (1.92)			
Sales:				
PAE Renewables Pvt. Ltd.	53.66 (25.91)			
Sovox Renewables Pvt. Ltd.	0.17 (3.09)			
Purchases:				
PAE Renewables Pvt. Ltd.	4.42 (2.35)			
Shurjo Energy Pvt. Ltd.	- (158.17)			
Goods in transit:				
PAE Renewables Pvt. Ltd.	1.05 (-)			
Sale of fixed assets:				
Shurjo Energy Pvt. Ltd.	- (0.18)			
Sovox Renewables Pvt. Ltd.	- (0.07)			
Other receipts/payments (net):				
PAE Infrastructure Pvt. Ltd.	0.29 (-)			
PAE Renewables Pvt. Ltd.	22.14 (-)			
Shurjo Energy Pvt. Ltd.	139.82 (537.66)			
Sovox Renewables Pvt. Ltd.	158.87 (64.60)			
Interest paid on fixed deposits:				
Arvind R. Doshi HUF		2.53 (7.40)		
Pritam A. Doshi HUF		1.25 (3.08)		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in lacs)

Particulars	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
Mrs. Pratibha A. Doshi				1.50 (3.59)
Ms. Priyadarshani A. Doshi				0.14 (0.33)
Nitya P. Doshi				- (0.08)
ICD received: Rajubai Investment Private Limited		119.00 (400.00)		
Interest paid on ICD Rajubai Investment Private Limited		52.15 (123.23)		
ICD given/repaid: Rajubai Investment Private Limited		- (545.00)		
Shurjo Energy Pvt. Ltd.	- (45.10)			
Sovox Renewables Pvt. Ltd.	- (260.80)			
ICD taken/repaid: Shurjo Energy Pvt. Ltd.	718.02 (53.45)			
Sovox Renewables Pvt. Ltd.	40.00 (710.53)			
Interest received on ICD: Shurjo Energy Pvt. Ltd.	- (118.66)			
Sovox Renewables Pvt. Ltd.	43.79 (153.90)			
Investment: PAE Renewables Pvt. Ltd.	- (460.00)			
Preference shares issued (11% redeemable cumulative preference shares): Mr. Arvind R. Doshi			400.00 (400.00)	
Mr. Pritam A. Doshi			100.00 (100.00)	
Preference shares redeemed (8% redeemable non-cumulative preference shares): Mr. Arvind R. Doshi			400.00 (-)	
Mr. Pritam A. Doshi			100.00 (-)	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in lacs)

Amount outstanding on balance sheet date	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
Mr. Arvind R. Doshi HUF		74.00 (74.00)		
Mr. Pritam A. Doshi HUF		30.00 (30.00)		
Mrs. Pratibha A. Doshi				35.00 (35.00)
Ms. Priyadarshani A. Doshi				3.25 (3.25)
Nitya P. Doshi				- (0.75)
Interest payable(net of TDS)				
Rajubai Investment Pvt. Ltd.		126.99 (132.29)		
PAE Renewables Pvt. Ltd.				
Outstanding debit/(credit)				
Shurjo Energy Pvt. Ltd.	619.16 (480.47)			
Sovox Renewables Pvt. Ltd.	396.63 (317.80)			
PAE Renewables Pvt. Ltd.	71.90 (5.71)			
PAE Infrastructure Pvt. Ltd.	(1.27) (0.34)			
ICD outstanding alongwith interest (net of TDS) :				
Shurjo Energy Pvt. Ltd.	98.14 (816.15)			
Sovox Renewables Pvt. Ltd.	466.93 (467.52)			
Rajubai Investment Pvt. Ltd.		597.99 (352.00)		
Corporate guarantee given & outstanding :				
Shurjo Energy Pvt. Ltd.	350.00 (350.00)			
PAE Renewables Pvt. Ltd.	125.00 (100.00)			
Figures for the previous year have been given in brackets.				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

32 Provision for Warranties:

As per AS-29, Provisions, Contingent Liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India, given below are the movements in the warranty provision account:

	March 31, 2014	March 31, 2013
At the beginning of the year	94.18	121.40
Provision for warranty made during the year	55.65	94.19
Utilised during the year	(58.84)	(121.41)
Closing provision for warranty as at the end of the year	<u>90.99</u>	<u>94.18</u>

33 Contingent liabilities:

- Disputed sales tax demand of ₹ 114.27 lacs (previous year ₹ 112.71 lacs). The management has been advised that there will be no liability arising on this account.
- Counter indemnities given by the company in respect of guarantees issued by the bank ₹ 36.93 lacs (previous year ₹ 48.14 lacs).
- The company has given a corporate guarantee to a bank for ₹ 350 lacs and ₹ 125 lacs for secured loans availed by its subsidiary namely, Shurjo Energy Pvt Ltd and PAE Renewables Pvt. Ltd (previous year ₹ 350 lacs & ₹ 100 lacs for secured loan availed by its subsidiary Shurjo Energy Pvt. Ltd. and PAE Renewables Pvt Ltd respectively.)

34 Investment in subsidiary, Shurjo Energy Pvt. Ltd

The company's subsidiary Shurjo Energy Pvt. Ltd. (SEPL) has been manufacturing solar panels, an industry currently in a challenging situation worldwide. As at March 31, 2014, the accumulated losses in SEPL have exceeded its net worth by ₹ 309.58 lacs. The company is actively pursuing the revival of its subsidiary Shurjo Energy Pvt. Ltd. (SEPL) by diversifying its activities. Towards this end, the company has applied to Fata Special Economic Zone for removing the 100% E.O.U. status to facilitate the diversification. Company is also exploring the induction of a strategic investor for trading in power back up systems and lead smelting activity. It is of the opinion that losses suffered during the initial years by SEPL are temporary in nature and no provision for diminution in the value of investment of ₹ 785.66 lacs is considered necessary at this juncture. Also the loans and advances of ₹ 717.30 lacs due from SEPL as at the balance sheet date are considered as fully recoverable.

35 [Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 :

	March 31, 2014	March 31, 2013
Principle amount remaining unpaid and interest due thereon:]		(₹ in lacs)
Principle amount	3.55	0.51
Interest accrued and due on above	0.27	0.03
Payment made to suppliers beyond appointed day during the year	-	-
Interest paid to suppliers under MSMD Act.	-	-
Interest due and payable to suppliers under MSMD Act towards payments already made.	-	-
Interest accrued and remaining unpaid at the end of the account year	0.27	0.03

This information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

36 Value of imports calculated on CIF basis

	March 31, 2014	March 31, 2013
i) Traded goods	2,480.09	1,311.18
ii) Expenditure in Foreign Currency:		
Foreign Tour Expenses	10.49	6.41
	<u>10.49</u>	<u>6.41</u>

37 Derivative Instruments and Un-hedged foreign currency exposure :

a Unhedged foreign currency exposure as at year end:

(₹ in lacs)

Nature of Transactions	currency	March 31, 2014		March 31, 2013	
		Amount in foreign currency	Equivalent amount at the year end	Amount in foreign currency	Equivalent amount at the year end
Amount payable in foreign currency for import of goods for trading	USD	50,997.34	30.90	65,167.67	35.78

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

b Forward contract outstanding : (₹ in lacs)

Nature of Transaction	Currency	March 31, 2014		March 31, 2013	
		Amount in foreign currency	Equivalent amount at the year end	Amount in foreign currency	Equivalent amount at the year end
Hedge of underlying payables					
Others Payables	USD	495,577.84	305.33	-	-

38 Disclosure as per clause 32 of the Listing Agreement regarding Loans and advances in the nature of loans and advances/ICD given to subsidiaries and associates and firms/companies in which directors are interested.

Name of the company	2013-14		2012-13	
	Outstanding balance as on 31.03.2014	Maximum balance during the period	Outstanding balance as on 31.03.2013	Maximum balance during the period
Shurjo Energy Pvt. Ltd.	717.30	1,428.88	1,296.63	1,230.76
Sovox Renewables Pvt. Ltd.	863.56	782.80	624.51	1,318.95
PAE Renewables Pvt. Ltd.	71.90	55.83	6.13	6.13
PAE Infrastructure Pvt. Ltd.	(1.27)	0.46	0.34	3.10
Total	1,651.49	2,267.97	1,927.61	2,558.94

39 Revaluation of assets

The company had revalued certain buildings and ownership flats at fair market value as at December 1, 2007 on the basis of valuation reports submitted by the registered valuer, the details of which are as follows:

Particulars	(₹ in lacs)
Original Cost as at 01.12.2007	139.10
Fair Market Value as at 01.12.2007	765.50
Amount written up as at 01.12.2007	626.40
Depreciation on Revalued Portion from 01.04.2013 to 31.03.2014	22.32
Accumulated depreciation on revalued portion as on 31.03.2014	141.35
WDV as on 31.03.2014	485.05

40 Others

Figures of the previous year have been regrouped and recast wherever necessary.

As per our report attached

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Date: May 23, 2014
Mumbai

Rajesh B. Desai
Head Finance and Accounts

Vishal Totla
Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Dilip J. Thakkar
Dr. Rajendra Nath Mehrotra
Karthikeyan Muthuswamy
Directors

Independent Auditors' Report

To the Board of Directors of PAE Limited

We have audited the accompanying Consolidated financial statements of **PAE Limited** ("the Company"), and its Subsidiaries ("The PAE Group") which comprise the consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated Cash flow of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and Presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of certain Subsidiaries whose financial statements reflect total assets of ₹ 4,388.73 lacs as at March 31, 2014, Company's share in Revenue of ₹ 908.07 lacs and Net cash inflows of ₹ 105.27 lacs, for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the said audited subsidiaries, is based solely on the reports of the other auditors.

For K. S. Aiyar & Co.
Chartered Accounts
Registration No.100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place : Mumbai
Date : May 23, 2014

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

(₹ in lacs)			
Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
Share capital	2	1,451.96	1,451.96
Reserves and surplus	3	(584.69)	1,066.04
(2) Non-current liabilities			
Long-term borrowings	4	2,009.98	1,400.95
Other long term liabilities	5	54.39	54.39
Long-term provisions	6	26.56	35.62
(3) Current liabilities			
Short-term borrowings	7	2,492.07	1,896.14
Trade payables	8	1,436.11	1,418.68
Other current liabilities	9	1,376.41	1,410.32
Short-term provisions	10	110.12	121.62
TOTAL		8,372.91	8,855.72
(II) ASSETS			
(1) Non-current assets			
Fixed assets			
Tangible assets	11	3,704.84	3,933.69
Intangible assets		511.89	686.64
Deferred tax asset	12	67.41	34.04
Non-current investment	13	37.51	36.88
Long-term loans and advances	14	186.87	180.54
Other non-current assets	15	101.09	113.51
(2) Current assets			
Inventories	16	794.03	1,339.33
Trade receivables	17	1,968.77	1,747.44
Cash and cash balances	18	736.22	637.89
Short-term loans and advances	19	80.18	116.99
Other current assets	20	184.10	28.77
TOTAL		8,372.91	8,855.72
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report attached

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Date: May 23, 2014
Mumbai

Rajesh B. Desai
Head Finance and Accounts

Vishal Totla
Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Dilip J. Thakkar
Dr. Rajendra Nath Mehrotra
Karthikeyan Muthuswamy
Directors

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 31.03.2014

(₹ in lacs)

Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
I Revenue from operations	21	9,478.89	14,074.19
II Other income	22	106.65	64.13
III Total Revenue (I+II)		<u>9,585.54</u>	<u>14,138.32</u>
IV EXPENSES			
Purchases of stock-in-trade	23	7,547.14	11,798.29
Cost of material consumed	24	12.09	53.47
(Increase) / Decrease in inventory	25	524.70	217.89
Employee benefits expense	26	830.89	985.44
Finance costs	27	726.45	822.66
Depreciation and amortization expense		384.44	407.41
Other expenses	28	1,218.62	1,420.45
Total expenses		<u>11,244.33</u>	<u>15,705.61</u>
V Profit/(Loss) before tax		(1,658.79)	(1,567.29)
VI Tax expense			
Previous year's taxes (net)		-	(6.52)
Current tax		3.00	-
Deferred Tax		(33.38)	(67.91)
VII Profit/(Loss) for the period		<u>(1,628.41)</u>	<u>(1,492.87)</u>
VIII Earnings per equity share (Nominal value of share ₹ 10/- each)	29		
Basic		(17.28)	(15.68)
Diluted		(17.28)	(15.68)
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report attached

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Date: May 23, 2014
Mumbai

Rajesh B. Desai
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For and on behalf of Board of Directors

Arvind R. Doshi
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Dr. Rajendra Nath Mehrotra
Karthikeyan Muthuswamy
Directors

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(A) Cash flow from operating activities		
Net Profit/(Loss) before tax and extraordinary items	(1,658.79)	(1,567.29)
Adjustments for :		
Depreciation and amortisation	384.44	407.41
Finance cost	726.44	822.66
Interest income	(43.35)	(20.10)
Unrealised foreign exchange gain	(12.07)	0.93
Bad Debts written off	39.96	48.55
Loss on sale of fixed assets (net)	11.32	1.38
	<u>1,106.74</u>	<u>1,260.83</u>
Operating Profit before working capital changes	(552.05)	(306.46)
Adjustments for :		
(Increase) / decrease in trade receivables	(261.29)	1,726.08
(Increase) / decrease in loans and advances and other assets	(99.62)	90.08
(Increase) / decrease in Inventories	545.31	363.56
(Increase) / decrease in trade payables and other liabilities	169.76	(77.40)
(Increase) / decrease in provisions	(20.56)	(22.02)
(Increase) / decrease in margin money and other deposits	(277.88)	304.31
	<u>55.71</u>	<u>2,384.61</u>
Cash generated from operations	(496.34)	2,078.15
Income taxes paid (net of refund)	(23.19)	(28.25)
Net cash flow from operating activities	<u>(519.53)</u>	<u>2,049.90</u>
(B) Cash flow from investing activities		
Purchase of fixed assets	(24.58)	(125.19)
Proceeds from sale of fixed assets	10.10	3.69
Sale of investment (net)	(0.63)	(7.31)
Interest received	39.09	24.31
Dividend received	0.45	0.31
Net cash used in investing activities	<u>24.43</u>	<u>(104.19)</u>
(C) Cash flow from financing activities		
Issue of preference shares	-	500.00
Proceeds from long term borrowing (net)	415.77	(181.71)
Proceeds from short term borrowings (net)	595.94	(1,458.92)
Finance cost	(707.19)	(709.85)
Unpaid dividend bank balance	0.16	(0.70)
Dividend paid	(0.16)	0.70
Net Cash used In financing activities	<u>304.52</u>	<u>(1,850.48)</u>
Net increase in cash and cash equivalents	(190.58)	95.23
Opening balance as at beginning of the year	506.22	410.99
Closing balance as at end of the year	<u>315.64</u>	<u>506.22</u>
	<u>(190.58)</u>	<u>95.23</u>

Notes:

1. Previous year figures have been regrouped/reclassified wherever necessary.

As per our report attached

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Date: May 23, 2014
Mumbai

Rajesh B. Desai
Head Finance and Accounts

Vishal Totla
Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi
Executive Chairman

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Dr. Rajendra Nath Mehrotra
Karthikeyan Muthuswamy
Directors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2014.

1. SIGNIFICANT ACCOUNTING POLICIES:

(a) Principles of consolidation:

The Consolidated Financial Statements relate to PAE Limited ("the company") and its subsidiaries. The company and its subsidiaries constitute the "Group". The financial statements of the company and its subsidiaries are consolidated on line by line basis after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per the Accounting Standard (AS) 21.

Exchange profit or loss arising on investments made in overseas subsidiary companies are (i) if on integral basis is recognized in the statement of profit and loss and (ii) if on non-integral basis is recognized in the balance sheet.

The excess cost of the company's investment in subsidiaries over the company's portion of equity as at the date on which the transaction in subsidiary companies are made is recognized in financial statement as "Goodwill". The "Minority Interest" consists of the amount of equity attributable to minority at the date on which investment in subsidiary is made.

Details of subsidiaries whose assets, liabilities, income and expenses are included in the consolidation and the Company's holdings thereon are as under:

Entity	Incorporated in	Proportion of Groups interest (%)	Date of acquisition/ control
Held directly:			
PAE Renewables Private Limited	India	100%	18-03-2010
Shurjo Energy Private Limited	India	85%	27-01-2010
PAE Infrastructure Private Limited	India	100%	19-04-2011
Held indirectly:			
PAE Renewables Pte Limited	Singapore	100%	20-06-2011
Sovox Renewables Pte Limited	Singapore	100%	08-07-2011
Sovox Renewables Private Limited	India	100%	08-07-2011

(b) Basis of Accounting:

The financial statements are prepared on historical cost basis and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and the applicable Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956. All income and expenditure having material bearing on the financial statements are recognized on accrual basis.

(c) Use of estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from estimates.

(d) Fixed assets and depreciation/amortization:

(i) Tangible fixed assets and depreciation:

Tangible Fixed assets acquired by the Group are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

Depreciation in the case of project assets of a subsidiary company carrying the activity of generation of solar power are provided at 5.28% on straight line basis for the first 12 years and the balance apportioned equally over the remaining life of the assets.

All other tangible fixed assets of the project company as well as other Indian subsidiary companies are depreciated as per the rates provided in Schedule XIV of the Companies Act 1956 on written down value basis.

(ii) Intangible assets and depreciation:

Intangible assets are valued at cost less amortization as under:

Item	Estimated useful life (years)
Software	5 to 8
Accreditation	5
Technical Know-how	8
Goodwill	5

(e) Impairment of asset:

The carrying value of assets is reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying cost of the assets exceed its recoverable value. An impairment loss, if any, is charged to statement of profit and loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in the prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

(f) Investments:

Long term investments are valued at cost less provision for diminution in value if any other than temporary. Current investments are valued at lower of cost or fair value.

(g) Inventory:

Inventories are valued as below:

- Raw materials, stores & spares, work-in-progress, packing materials are valued at lower of cost and net realizable value.
- Goods in transit are valued at cost.
- Finished goods and traded goods are valued at lower of cost or net realizable value and the cost is determined based on FIFO method.

Net realizable value is estimated at the expected selling price less estimated completion cost.

(i) Foreign currency transactions:

Foreign currency transactions are accounted on the basis of rates prevailing on the date of transaction, foreign currency assets and liabilities are restated at the year end exchange rates. Gains/losses arising out of exchange rate differences are recognized as per profit or loss in the period they arise. Exchange rate differences arising out of forward contracts are charged to the statement of profit and loss over the period of the contract.

(j) Employee benefits:

- Defined Contribution Plan: The Group makes defined contribution to Provident Fund, ESI and Superannuation Schemes which are recognized as an expense in the statement of profit and loss as and when they are incurred.
- Defined Benefit Plan and long term benefits: Group's liabilities towards gratuity and long term benefit in the form of leave encashment are recognized on the basis of actuarial valuation using the projected unit credit method as at Balance Sheet date. Actuarial gains/losses are recognized immediately in the statement of profit and loss.

(k) Leases:

Lease payments under operating lease are recognized as an expense in the statement of profit and loss on straight line basis over lease term.

Assets leased out under operating lease are capitalized. Rental income is recognized on accrual basis over the lease term.

(l) Revenue recognition:

The group has the following method of revenue recognition for its stream of income:

- Sale of manufactured and traded goods is recognized on dispatch. Sales are net of trade discounts, sales tax/VAT returns.
- Service income is recognized on execution of orders.

- Sale of power is recognized on transmission of net power to the grid.
- Rental income is recognized on accrual basis in accordance with the terms of the respective agreements.
- Dividend is recognized on receipt basis and interest income is recognized on accrual basis.

(m) Financial income and borrowing costs:

Financial income and borrowing costs include interest income in deposits with bank and interest expense on loan. Income from interest-bearing assets is recognized on accrual basis over the life of the asset. Borrowing costs are recognized in the period in which they relate, regardless of how the funds have been utilized excepting where it relates to financing of development of assets requiring substantial period of time for their intending future use when interest is capitalized up to the date when the asset is ready for its intended use.

(n) Tax on income:

Provision for current tax and wealth tax is based on the liability computed in accordance with the relevant tax rates and tax laws. Deferred tax is recognized on the basis of timing differences arising between the taxable income and the accounting income computed using the rates and the laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognized only if there is a virtual certainty that they will be realized and reviewed for the appropriateness of their carrying values at each balance sheet date.

(o) Subsidy:

Government subsidy is recognised when there is a reasonable assurance that the same will be received. Revenue subsidy towards sales is shown separately in statement of profit and loss.

Capital subsidy relating to specific fixed assets is reduced from the gross value of the respective fixed assets.

(p) Earning per share:

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Group by weighted average number of equity shares outstanding during the year.

(q) Provisions, contingent liabilities and contingent assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes after careful evaluation of facts and legal aspects of the matter involved. Contingent Assets are neither recognized nor disclosed. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2014.

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
2 Share Capital:		
Authorised		
1,50,00,000 Equity Shares of ₹ 10/- each	1,500.00	1,500.00
(Previous Year: 1,50,00,000 Equity Shares of ₹ 10/- each)		
50,00,000 Preference Shares of ₹ 10/- each	500.00	500.00
(Previous Year: 50,00,000 Preference Shares of ₹ 10/- each)	2,000.00	2,000.00
Issued, Subscribed and Fully Paid Up		
95,19,600 Equity Shares of ₹ 10/- each fully paid up	951.96	951.96
(Previous Year: 95,19,600 Equity Shares of ₹ 10/- each)		
50,00,000 11% Redeemable Cumulative Preference Shares of ₹ 10/- each fully paid up	500.00	500.00
(Previous year 50,00,000 8% Redeemable Non-cumulative Preference Shares of ₹ 10/- each fully paid up)	1,451.96	1,451.96

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

(i) **Equity shares:**

Number of shares outstanding at the beginning and at the end of the year remain same.

Preference Shares:	March 31, 2014		March 31, 2013	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	50,00,000	5,00,00,000	-	-
Issued during the year	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Redeemed during the year	50,00,000	5,00,00,000	-	-
Outstanding at the end of the year	50,00,000	5,00,00,000	50,00,000	5,00,00,000

(b) **Terms/rights attached to equity / preference shares**

- (i) The company has equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (ii) During the year ended March 31, 2014, the Company issued 50,00,000 (fifty lacs) 11% Non-convertible, cumulative, redeemable preference shares(NCRPS) of ₹ 10/- each fully paid up. The NCRPS holder shall have a right to vote on resolution placed before the Company which directly affect the rights attached to his preference share only, and any resolution for the winding up of the Company or repayment or reduction of its equity or preference share capital, provided that where the dividend is not paid for two or more years such class of NCRPS holders shall have right to vote on all resolutions placed before the Company. The NCRPS shall be redeemed by the Company at par on expiry of 13 years from the date of allotment, or on the request of NCRPS holders, which ever is earlier. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Details of shareholders holding more than 5% shares in the company	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shareholders				
i Arvind Raoji Doshi	26,55,728	27.90	26,55,738	27.88
ii Pratibha Arvind Doshi	12,45,656	13.09	12,45,656	13.09
iii Pritam Arvind Doshi	9,04,199	9.50	6,89,536	7.06
Preference Shareholders				
i Arvind Raoji Doshi	40,00,000	80.00	40,00,000	80.00
iii Pritam Arvind Doshi	10,00,000	20.00	10,00,000	20.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2014.

	(₹ in lacs)	
	As at March 31, 2014	As at March 31, 2013
3 Reserves and Surplus:		
Capital reserve	0.09	0.09
Securities premium account	531.22	531.22
Revaluation reserve	507.37	529.69
Less: Depreciation on revaluation of assets transferred to Statement of Profit & Loss	22.32	22.32
	<u>485.05</u>	<u>507.37</u>
General Reserve:		
Balance as per last Financial Statement	842.21	842.21
Transfer from Profit & Loss Account	-	-
	<u>842.21</u>	<u>842.21</u>
Surplus/(Deficit) in the statement of profit & loss		
Balance as per last financial statements	(814.85)	678.02
Add: Profit/(Loss) for the year	<u>(1,628.41)</u>	<u>(1,492.87)</u>
Net Surplus/(Deficit) in the statement of Profit & Loss	<u>(2,443.26)</u>	<u>(814.85)</u>
	<u>(584.69)</u>	<u>1,066.04</u>

4 Long-Term Borrowings:**Secured**

Motor vehicle loan (a)	7.09	6.72
Loan from Power Finance Corporation Ltd. (b)	564.80	635.40
Loan from PFC Green Energy Ltd. (c)	656.70	-
Loan from bank (d)	-	22.75

Unsecured

Fixed deposits from related parties (e)	142.25	5.00
Fixed deposits from shareholders (f)	7.77	13.89
Fixed deposits from others (f)	160.37	365.19
From enterprise controlled by key management personnel (g)	471.00	352.00
	<u>2,009.98</u>	<u>1,400.95</u>

- (a) During the year ₹ 40 lacs (previous year nil) was taken as loans against refinance of existing motor vehicles owned by the company from Kotak Mahindra Prime Ltd. This loan carries an interest of 18.08% p.a. and is payable in 24 installments alongwith interest from the date of the loan. The period of maturity w.r.t. balance sheet date is 1 year and 7 month with EMI of ₹ 2.80 lacs for 3 months, with EMI of ₹ 1.88 lacs for 8 months and with EMI of ₹ 1.08 lacs for 8 months respectively.
- (b) The loan from Power Finance Corporation Ltd. has been secured over the entire present and future assets and project documents pertaining to its Rajasthan project. The charge has been registered with Registrar of Companies for amounting ₹ 7,20,00,000 in favor of Power Finance Corporation Ltd. for the above said loan
- (c) The loan from PFC Green Energy Ltd. has been secured over the immovable property situated at Rajkot and over the entire present and future assets and project documents pertaining to its Punjab project. The charge has been registered with Registrar of Companies amounting to ₹ 8,00,00,000/- in favor of PFC Green Energy Ltd. for the said loan
- (d) Mortgage loan of ₹.70 lacs was taken from Jain Sahakari Bank Ltd. during the financial year 2011-12 and carries interest @14.50% p.a. The loan is repayable in 36 equated monthly installments each along with interest, from the date of the loan. The loan is secured by buildings belonging to PAE Limited and PAE Infrastructure Pvt. Ltd. and cash collateral of ₹ 5 lacs.
- (e) Fixed deposits from related parties carry interest @ 11% to 11.75% p.a.(previous year 11% to 11.75% p.a.) and are repayable after 3 years from the respective dates of deposit.
- (f) Fixed deposits from shareholders and others carry interest ranging from 11% to 11.75% p.a.(previous year 11% to 11.75% p.a.) and are repayable after 2 years and 3 years from the respective dates of deposit.
- (g) Unsecured loan from related party having a tenure of 3 years was an interest bearing loan carrying interest @14% and 16.50% p.a. till 31.12.2013. The loan has been converted into interest free loan w.e.f. 01.01.2014.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2014.

(₹ in lacs)		
	As at March 31, 2014	As at March 31, 2013
5 Other Long-Term Liabilities:		
Sundry creditors for expenses	54.39	54.39
	<u>54.39</u>	<u>54.39</u>
6 Long-Term Provisions:		
Provision for employee benefits		
Leave encashment	26.56	35.62
	<u>26.56</u>	<u>35.62</u>
7 Short Term Borrowings:		
Secured		
Working capital loan from banks repayable on demand (a)	2,094.56	1,748.91
Unsecured		
Fixed deposits from others	1.55	10.23
Inter-corporate Deposit	395.96	137.00
	<u>2,492.07</u>	<u>1,896.14</u>
(a) Working capital loan from banks is secured by hypothecation of current assets and all movables, both present and future and with a collateral charge on immovable and movable properties.		
8 Trade Payables (including acceptances)	1,436.11	1,418.68
9 Other Current Liabilities:		
(a) Current maturities of long term debts		
Current maturity of motor vehicle loan	21.34	25.59
Current maturity of unsecured loan from bank	-	7.13
Current maturity of fixed deposits from related parties	-	138.00
Loan from Power Finance Corporation Ltd.	70.60	-
Loan from PFC Green Energy Ltd.	79.60	-
Current maturity of fixed deposits from shareholders	7.02	48.59
Current maturity of fixed deposits from public	239.15	325.02
Current maturity of mortgage loan	22.27	94.34
(b) Interest accrued but not due	156.69	137.44
(c) Unclaimed dividend *	25.22	25.37
(d) Unclaimed matured fixed deposits (including interest)	15.22	9.80
(e) Other payables		
Sundry creditors for expenses	316.48	340.02
Dealer Deposits	206.33	120.53
Rent Deposit	2.00	6.75
Advance from customers	41.11	36.54
Statutory dues payable	68.61	95.20
Other Payables	104.77	-
Total	<u>1,376.41</u>	<u>1,410.32</u>

* There is no amount due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2014.

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
10 Short-Term Provisions:		
Provision for employee benefits		
Leave encashment	10.61	15.80
Gratuity	8.52	11.43
	<u>19.13</u>	<u>27.23</u>
Provision for warranties	90.99	94.39
	<u>110.12</u>	<u>121.62</u>

11 Fixed Assets:

GROSS BLOCK						DEPRECIATION / AMORTISATION					NET BLOCK	
Particulars	As At 01.04.2013	Added On Revaluation	Additions This Year	Sales / Adjustment This Year	As At 31.03.2014	As At 01.04.2013	Adjustment On Revaluation	Depreciation/ Amortisation This Year	Sales / Adjustment This Year	As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
Tangible Assets												
Freehold Land	60.71	-	-	-	60.71	-	-	-	-	-	60.71	60.71
Building And												
Ownership Flats *	1,188.60	-	-	-	1,188.60	252.09	22.32	21.46	-	295.87	892.73	936.51
Other Plant & Machinery	2,961.44	-	4.37	15.45	2,950.36	228.45	-	143.35	7.29	364.51	2,585.85	2,732.99
Electrical Installations	15.65	-	-	9.05	6.60	6.86	-	0.77	5.42	2.21	4.39	8.79
Furniture & Fixtures	226.04	-	10.13	24.20	211.97	164.69	-	11.19	16.61	159.27	52.70	61.35
Office Equipments	122.74	-	3.37	8.01	118.10	65.35	-	8.44	6.63	67.16	50.94	57.39
Computers	208.75	-	6.69	23.73	191.71	183.74	-	11.85	23.07	172.52	19.19	25.01
Motor Vehicles (Del Van)	156.38	-	0.02	0.55	155.85	108.42	-	12.43	0.54	120.31	35.54	47.96
Motor Vehicles (Motor Car)	-	-	-	-	-	-	-	-	-	-	-	-
Other Renewal												
Energy Devices	3.09	-	-	-	3.09	0.10	-	0.20	-	0.30	2.79	2.99
Sub Total	4,943.40	-	24.58	80.99	4,886.99	1,009.71	22.32	209.69	59.56	1,182.15	3,704.84	3,933.69
Previous Year Sub Total	4,845.85	-	124.73	27.18	4,943.40	784.73	22.32	224.76	22.11	1,009.71	3,933.69	
Intangible Assets												
Goodwill	780.04	-	-	-	780.04	156.01	-	156.01	-	312.02	468.02	624.03
Technical Knowhow	79.46	-	-	-	79.46	44.14	-	7.95	-	52.09	27.37	35.32
Iec Certification	35.52	-	-	-	35.52	26.76	-	3.36	-	30.12	5.40	8.76
Software	70.10	-	-	-	70.10	51.57	-	7.43	-	59.00	11.10	18.53
Sub Total	965.12	-	-	-	965.12	278.48	-	174.75	-	453.23	511.89	686.64
Previous Year Sub Total	964.66	-	0.46	-	965.12	95.81	-	182.67	-	278.48	686.64	
Total	5,908.51	-	24.58	80.99	5,852.11	1,288.18	22.32	384.44	59.56	1,635.38	4,216.73	4,620.33
Previous Year Total	5,810.51	-	125.19	27.18	5,908.51	880.55	22.32	407.43	22.11	1,288.18	4,620.33	

* Ownership flats includes ₹ 0.01 (previous year ₹ 0.01) being the value of 15 shares in co-operative housing societies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2014.

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
12 Deferred Tax Asset/Liability (net):		
Deferred tax asset:		
Provision for employee benefits	0.36	(15.32)
Unabsorbed depreciation	48.44	-
Unabsorbed losses	100.98	-
Gross deferred tax asset	149.78	(15.32)
Deferred tax liability:	82.37	0.50
Depreciation	-	48.86
Gross deferred tax liability	82.37	49.36
Net deferred tax asset/(liability) at the year end	67.41	34.04
13 Non Current Investment:		
Other investment		
(a) Investment in property		
Land at Rajasthan	22.19	22.19
Property at Rajkot	7.23	7.23
	29.42	29.42
(b) Investment in equity instruments (quoted)		
Pal Credit & Capital Ltd.	87.64	87.64
8,53,305 (previous year: 8,53,305) Equity shares of ₹ 10/- each fully paid		
Less: Provision for diminution in value	85.34	85.34
	2.30	2.30
South India Paper Mills Ltd.	1.18	1.18
8000 (previous year: 8,000) Equity shares of ₹ 10/- each fully paid		
Exide Industries Ltd.	0.01	0.01
216 (previous year: 216) Equity shares of ₹ 1/- each fully paid		
Finolex Cables Ltd.	0.01	0.01
50 (previous year: 50) Equity shares of ₹ 2/- each fully paid		
Bosch Ltd.	0.02	0.02
10 (previous year: 10) Equity shares of ₹ 10/- each fully paid (Formerly known as Mico Industries Company Ltd.)		
Gabriel India Ltd.	0.01	0.01
	3.53	3.53
1000 (previous year: 500) Equity shares of ₹ 1/- each fully paid		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2014.

(₹ in lacs)

	As at March 31, 2014	As at March 31, 2013
(c) Investment in equity instruments (unquoted)		
Jain Sahakari Bank Ltd.	3.16	2.53
12620 (previous year: 10120) Equity shares of ₹ 25/- each fully paid		
Stiefel Und Shuh Ltd.	0.11	0.11
1,100 (previous year: 1,100) Equity Shares of ₹ 10/- each fully paid		
Less: Provision for diminution in value	0.10	0.10
	0.01	0.01
Kongarar Integrated Fibres Ltd.	0.52	0.52
1,200 (previous year: 1200) Equity shares of ₹ 10/- each fully paid (Formerly known as Kongarar Textiles Ltd.)		
Less: Provision for diminution in value	0.51	0.51
	0.01	0.01
	3.18	2.55
(d) Investment in Mutual Funds		
8,000 Units of Unit Trust of India Balance Fund	1.38	1.38
	1.38	1.38
	37.51	36.88
Aggregate book value of investments		
Quoted investments	88.87	88.87
Unquoted investments	34.59	33.96
Provision for diminution in value	85.96	85.95
(Market value of quoted investments ₹ 17.85 lacs [Previous Year: ₹ 10.85 lacs])	37.51	36.88
14 Long-Term Loans and Advances:		
Unsecured considered good		
Capital Advances	4.56	4.56
Sundry Deposits	128.45	142.31
Advance Income Tax	53.12	32.92
Other advances	0.74	0.75
	186.87	180.54
15 Other Non-Current Assets		
Non current bank balances		
Margin money deposits with bank	17.36	6.57
Other deposits with bank	-	21.98
Store and spares	81.08	84.96
VAT and service tax receivable	2.65	-
	101.09	113.51

Margin money deposits with original maturity of more than 12 months of ₹ 16 lacs (previous year- ₹ 5 lacs) is against mortgage term loan, and balance margin money deposit of ₹ 1.36 lacs (previous year ₹ 1.57 lacs) is against letter of credit and bank guarantees.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2014.

(₹ in lacs)		
	As at March 31, 2014	As at March 31, 2013
16 Inventories:		
Raw material	729.13	82.27
Packing material	3.33	3.46
<u>Work-in-progress</u>		
Solar photovoltaic panel	14.49	14.49
Finished / Traded goods	34.71	1,218.22
Stores and spares	4.08	4.08
Goods-in-transit(at cost):	8.29	16.81
	<u>794.03</u>	<u>1,339.33</u>
17 Trade Receivables: (Unsecured, considered good unless otherwise stated)		
Outstanding over six months	50.39	241.97
Others	1,918.38	1,505.47
	<u>1,968.77</u>	<u>1,747.44</u>
18 Cash and Bank Balances:		
Cash and cash equivalents		
On current account	63.66	200.10
Deposit with maturity of less than/upto three months	43.73	13.00
Cash in hand	4.75	23.75
Cheques deposited in CMS facility	90.79	152.23
Cheques/Drafts in hand	112.71	117.14
	<u>315.64</u>	<u>506.22</u>
Other bank balances		
Margin money deposits with maturity of less than/upto three months	-	26.13
Unpaid dividend account	25.22	25.37
Deposits with maturity of more than 3 months and upto 12 months	240.35	54.20
Margin money deposit with maturity of more than 3 months and upto 12 months	155.01	25.97
	<u>420.58</u>	<u>131.67</u>
	<u>736.22</u>	<u>637.89</u>
(a) Margin money deposits with maturity of less than/upto three months is against letter of credit and bank guarantees.		
(b) Margin money deposits with maturity more than three months and upto 12 months is against bank guarantees.		
(c) Deposits with maturity of more than three months and upto 12 months of nil (previous year ₹ 54 Lacs) is kept as collateral against cash credit limits with banks.		
19 Short-Term Loans and Advances		
Unsecured considered good		
Others		
Sundry deposits	36.27	26.73
Advances receivable in cash or kind or for value to be received	43.91	90.26
	<u>80.18</u>	<u>116.99</u>
20 Other Current Assets:		
Claims/Incentives receivables	61.67	24.71
Interest accrued but not due	6.37	2.56
Subsidy receivable from MNRE	114.80	1.50
Premium on forwarding contract	1.26	-
	<u>184.10</u>	<u>28.77</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2014.

(₹ in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
21 Revenue from Operations:		
Net Sale of traded goods less returns (note no.(i))	8,888.11	13,865.72
Net sale of power	390.43	-
Other operating revenues:		
Incentive/turnover discounts from suppliers	59.07	147.95
Cash discount from suppliers	-	22.63
Bad debts recovered	16.25	15.02
Subsidy on solar projects	103.40	1.50
Others	21.63	21.37
	<u>9,478.89</u>	<u>14,074.19</u>
(i) Details of traded goods		
Power products	7,471.70	8,478.70
Other auto products	1,144.54	4,861.25
Solar products	242.75	152.28
Solar power generation	29.12	373.49
	<u>8,888.11</u>	<u>13,865.72</u>
22 Other Income:		
Interest	42.90	19.79
Rent income	27.58	13.34
Dividend earned	0.45	0.31
Foreign exchange fluctuation (net)	18.50	-
Other non operating income	17.22	30.69
	<u>106.65</u>	<u>64.13</u>
23 Purchase of traded goods		
Power products	6,563.62	7,461.33
Other auto products	853.67	4,227.13
Solar products	129.85	109.83
	<u>7,547.14</u>	<u>11,798.29</u>
24 Cost of Material Consumed:		
Opening stock:		
Raw material	82.27	135.71
Packing material	3.46	3.49
	<u>85.73</u>	<u>139.20</u>
Add: Purchases:		
Raw material	-	-
Packing material	-	-
Less: Stock at close:		
Raw material	70.31	82.27
Packing material	3.33	3.46
	<u>73.64</u>	<u>85.73</u>
	<u>12.09</u>	<u>53.47</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2014.

(₹ in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Details of material Consumed		
Solar Cells	-	10.94
Solar tempered glass	-	6.03
Aluminium extruded profile	11.96	5.45
EVADNP sheet	-	5.81
Tape	-	10.45
Others	0.13	14.78
	<u>12.09</u>	<u>53.46</u>
25 (Increase)/Decrease in Inventories:		
Closing stock of stock in trade	693.52	1,232.70
Closing stock of work in progress	14.49	-
Opening stock of stock in trade	1,218.22	1,450.59
Opening stock of work in progress	14.49	-
(Increase)/Decrease in stock	<u>524.70</u>	<u>217.89</u>
Details of Inventory		
Traded goods		
Power products	618.46	854.77
Other auto products	15.16	255.61
Solar products	59.90	122.32
	<u>693.52</u>	<u>1,232.70</u>
26 Employee Benefits Expense:		
Salaries and wages	718.79	836.75
Contribution to provident and other funds	50.19	76.62
Staff welfare expenses	61.91	72.07
	<u>830.89</u>	<u>985.44</u>
27 Finance Costs:		
Interest expense	662.36	710.51
Bank charges	64.09	112.15
	<u>726.45</u>	<u>822.66</u>
28 Other Expenses:		
Stationery, postage, advertisement, telephone, electricity, etc.	533.96	565.44
Clearing and forwarding agency charges	9.19	64.72
Packing and forwarding (inward and outward)	145.62	254.48
Rent	100.14	122.14
Rates and taxes	39.85	59.54
Cash discount	34.73	33.16
Incentive/Turnover discounts	27.25	31.41
Repairs to		
(i) Buildings	9.11	6.51
(ii) Others	38.92	39.86
	<u>48.03</u>	<u>46.37</u>
Insurance	24.91	22.71

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2014.

(₹ in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Payment to auditor		
As Auditor:		
(i) Audit fees	13.90	13.34
(ii) Tax audit fees	3.03	2.45
(iii) Limited review	5.06	5.06
In other capacity:		
(iv) Other services (certification fee)	2.58	3.41
For reimbursement of expenses	0.23	0.63
	<u>24.80</u>	<u>24.89</u>
Miscellaneous expenses	123.99	116.00
Foreign currency fluctuation (net)	-	27.07
Commission paid	52.78	-
Directors' fees	2.09	2.59
Loss on assets sold/discarded (net)	11.32	1.38
Bad Debts written off	39.96	48.55
	<u>1,218.62</u>	<u>1,420.45</u>

29 Earnings Per Share (EPS):

Profit/(Loss) after tax	(1,628.41)	(1,492.87)
Less: Preference dividend for cumulative preference shares	(14.16)	-
Less: Tax on preference dividend	(2.41)	-
Net loss attributable to the equity share holders	<u>(1,644.98)</u>	<u>(1,492.87)</u>
Weighted average number of equity share outstanding	9,519,600	9,519,600
Basic and diluted earnings per share (in Rupees)	(17.28)	(15.68)

30 Contingent Liabilities:

Contingent liabilities not provided for in respect of:

- Disputed sales tax demand of ₹ 152.13 lacs (previous year ₹ 149.01 lacs). The management has been advised that there will be no liability arising on this account.
- Disputed excise duty of ₹ 30.63 lacs (previous year ₹ 15.63 lacs) under Central Excise Act, 1944 is pending with Asst. Commissioner, Central Excise, Kalyani
- Disputed service tax demand of ₹ 5.35 lacs (previous year ₹ 5.35 lacs).
- Counter indemnities given by the company in respect of guarantees issued by the bank ₹ 111.93 lacs (previous year ₹ 48.14 lacs).
- The company has given a corporate guarantee to a bank of ₹ 350 lacs and ₹ 125 lacs for secured loan availed by its subsidiary, Shurjo Energy Pvt. Ltd., and PAE Renewables Pvt. Ltd., respectively (previous year ₹ 350 lacs & ₹100 lacs for secured loan availed by its subsidiary Shurjo Energy Pvt. Ltd., and PAE Renewables Pvt. Ltd., respectively.)

31 Segment information:

The company has defined its business segments as Power Products, Other Auto Products and Solar Products, taking into account the nature of products, and differential risks and returns.

As per the Accounting Standard 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India, the segment disclosures are as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2014.

		(₹ in lacs)	
		Year ended 31.03.2014	Year ended 31.03.2013
A	SEGMENT REVENUE		
1	Sales (net of VAT) and operating income		
	Power products	7505.24	8591.78
	Other auto products	1170.08	4918.75
	Solar products	375.27	152.28
	Solar power generation	390.42	373.49
	Unallocated operating income	37.87	37.89
	Net sales and operating income A	9478.88	14074.19
B	RESULT		
1	Segment Result		
	Power products	707.07	1207.90
	Other auto products	75.97	362.20
	Solar products	183.62	23.07
	Solar power generation	390.42	373.49
	Unallocated operating income	37.87	37.89
	Gross segment result B	1394.95	2004.55
2	Less: Allocated expenses		
	Power products	1138.77	1053.77
	Other auto products	168.52	568.06
	Solar products	147.05	120.02
	Solar power generation	110.42	116.75
	Total allocated expenses C	1564.76	1858.60
3	Net segment result B - C	(169.81)	145.95
	Less:		
4	Unallocated expenses (net)	378.10	483.17
5	Depreciation and amortisation	384.44	407.41
6	Finance expense	726.44	822.66
7	Profit from ordinary activities	(1658.79)	(1567.29)
8	Net Profit/(Loss) before tax	(1658.79)	(1567.29)
9	Segment assets		
	Power products	2,321.80	2,008.00
	Other auto products	82.37	742.75
	Solar products	522.31	422.38
	Solar power generation	3,356.71	3,322.77
	Unallocated assets	2,089.72	2,359.82
	Total assets	8,372.91	8,855.72
10	Segment liabilities		
	Power products	847.54	543.00
	Other auto products	528.52	764.31
	Solar products	71.41	190.58
	Solar power generation	357.23	837.51
	Unallocated liabilities	5,700.94	4,002.33
	Total	7,505.64	6,337.73

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2014.

32 Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for is Nil (previous year ₹ 0.86 lacs). Advance paid against these contracts is Nil (previous year ₹ 0.83 lacs).

33 Related party disclosure as per AS-18:**A Particulars of enterprises controlled by any person described as Key Management Personnel:**

Name of the Related Party	Nature of Relationship
Rajubai Investment Pvt. Ltd.	Controlled through key management personnel
Assure Insurance Advisors Pvt. Ltd.	
Walchand Institute of Technology	
Seth Sakharan Nemchand Jain Aushadhalay Trust	
Arvind R. Doshi HUF	
Pritam A. Doshi HUF	

B Key Management Personnel:

Name of the Related Party	Nature of Relationship
Mr. Arvind R. Doshi	Executive Chairman
Mr. Pritam A. Doshi	Managing Director
Mr. Bhuvan Ajmera	Director
Mr. C.S. Gopinath	Executive Director

C Relatives of Key Management Personnel:

Name of Relatives	Nature of Relationship
Mrs. Pratibha A. Doshi	Wife of Mr. Arvind R. Doshi
Ms. Priyadarshani A. Doshi	Daughter of Mr. Arvind R. Doshi
Mrs. Sohini P. Doshi	Wife of Mr. Pritam A. Doshi
Master Viraj P. Doshi	Son of Mr. Pritam A. Doshi
Baby Nitya P. Doshi	Daughter of Mr. Pritam A. Doshi

D Details of transactions with related parties:

(₹ in lacs)

Particulars	Enterprises mentioned in 'A' above	Key Management Personnel	Relatives of Key Management Personnel
Remuneration			
Mr. Arvind R. Doshi		33.93 (60.00)	
Mr. Pritam A. Doshi		57.33 (34.04)	
Sale of Goods			
Walchand Institute of Technology	38.64 (8.96)		
Expenses Reimbursement C S Gopinath		1.70 (4.07)	
Advance received towards sale of goods			
Walchand Institute of Technology	- (10.00)	-	

Interest on deposits Arvind R. Doshi HUF	2.53 (7.40)		
Pritam A. Doshi HUF	1.25 (3.08)		
Mrs. Pratibha A. Doshi			1.50 (3.59)
Ms. Priyadarshani A. Doshi			0.14 (0.33)
Nitya P. Doshi			0.00 (0.08)
ICD Received Rajubai Investment Pvt. Ltd.	199.00 (400.00)		
Interest paid on ICD Rajubai Investment Pvt. Ltd.	52.15 (123.23)		
ICD Rajubai Investment Pvt. Ltd.		(545.00)	
Preference shares issued (11% redeemable cumulative preference shares): Mr. Arvind R. Doshi		400.00 (400.00)	
Mr. Pritam A. Doshi		100.00 (100.00)	
Preference shares redeemed (8% redeemable non-cumulative preference shares): Mr. Arvind R. Doshi		400.00 (-)	
Mr. Pritam A. Doshi		100.00 (-)	
Amount outstanding on balance sheet date	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
Fixed deposits outstanding Arvind R. Doshi HUF	74.00 (74.00)		
Pritam A. Doshi HUF	30.00 (30.00)		
Mrs. Pratibha A. Doshi			35.00 (35.00)
Ms. Priyadarshani A. Doshi			3.25 (3.25)
Nitya P. Doshi			- (0.75)
Interest payable (net of TDS) Rajubai Investment Pvt. Ltd.	130.56 (132.29)		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2014.

(₹ in lacs)

Particulars	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
ICD outstanding Rajubai Investment Pvt. Ltd.	681.56 (352.00)		
Outstanding debit/(credit) Seth Sakharam Nemchand Jain Aushadhalay Trust	0.00 (3.96)		
Figures for the previous year have been given in brackets.			

34 Figures of the previous year have been regrouped and recast wherever necessary.

As per our report attached

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Date: May 23, 2014
Mumbai

Rajesh B. Desai
Head Finance and Accounts

Vishal Totla
Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Dilip J. Thakkar
Karthikeyan Muthuswamy
Dr. Rajendra Nath Mehrotra
Directors

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

(₹ in lacs)

Particulars	Shurjo Energy Pvt. Ltd.*	PAE Renewables Pvt. Ltd.*	PAE Renewables Pte Ltd., Singapore#	Sovox Renewables Pte. Ltd. Singapore ##	Sovox Renewables Pvt. Ltd. ###	PAE Infrastructure Pvt. Ltd. *
A) The financial year of the Subsidiary Companies	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
B) Shares of the subsidiary held by PAE Limited on the above dates:						
1) Number and face value	38,785,424 shares of ₹ 1/-	93,85,000 shares of ₹ 10/-	19,10,072 shares of of USD 1	2,00,100 shares of USD 1	71,60,913 shares of ₹ 10/-	3,52,000 shares of ₹ 10/-
	each fully paid up	each fully paid up	each fully paid up	each fully paid up	each fully paid up	each fully paid up
2) Extent of holding	84.98%	100%	100%	100%	100%	100%
C) Net aggregate of profits/(losses) of the subsidiary company so far as it relates to PAE Limited:						
i) Dealt with in the accounts of PAE Limited for the year ended March 31, 2014 amounted to						
- for the subsidiaries financial year ended as above	-	-				
ii) Not dealt with in the accounts of PAE Limited for the year ended March 31, 2014 amounted to						
- for the subsidiaries financial year ended as in A above	(92.84)	24.13	44.03	(56.01)	(53.16)	0.30

* Shurjo Energy Pvt. Ltd., PAE Renewables Pvt. Ltd., and PAE Infrastructure Pvt. Ltd., are direct subsidiaries of PAE Limited

PAE Renewables Pte Ltd., is a wholly owned subsidiary of PAE Renewables Pvt. Ltd.,

Sovox Renewables Pte Ltd., is a wholly owned subsidiary of PAE Renewables Pte. Ltd.,

Sovox Renewables Pvt. Ltd., is a subsidiary of Sovox Renewables Pte. Ltd.,

STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

(₹ in lacs)

Sr. No.	Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in subsidiary	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend
1	Shurjo Energy Private Limited	456.48	(766.06)	476.71	786.29	-	0.54	(92.84)	-	(92.84)	-
2	PAE Renewables Private Limited	938.50	216.82	1,508.03	352.71	3.13	376.57	16.61	(7.52)	24.13	-
3	PAE Renewables Pte Limited, Singapore	914.14	56.54	989.17	18.49	-	-	44.03	-	44.03	-
4	Sovox Renewables Pte Limited, Singapore	310.81	(134.02)	720.65	543.86	-	-	(56.01)	-	(56.01)	-
5	Sovox Renewables Private Limited	946.09	(131.42)	3,357.49	2,542.82	29.42	390.43	(76.02)	(22.86)	(53.16)	-
6	PAE Infrastructure Private Limited	35.20	(1.72)	33.60	0.12	0.01	2.11	0.30	-	0.30	-

As per our report attached

For and on behalf of Board of Directors

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Rajesh B. Desai
Head Finance and Accounts

Arvind R. Doshi
Executive Chairman

Sachin A. Negandhi
Partner
Membership No. 112888

Vishal Totla
Company Secretary

Pritam A. Doshi
Managing Director

Date: May 23, 2014
Mumbai

Dilip J. Thakkar
Dr. Rajendra Nath Mehrotra
Karthikeyan Muthuswamy
Directors

Financial Analysis

Year ending	2013-14	2012-13	2011-12	2010-11	2009-10
Profitability Items					
Gross Income	8776	13902	24715	26213	21918
PBDIT & Exceptional Income	(781)	(192)	160	772	932
Exceptional Income	-	-	-	-	-
EBIDITA	(781)	(192)	160	772	932
Depreciation	55	69	90	102	81
Interest	511	691	653	248	126
PBT	(1347)	(952)	(583)	422	725
Taxes	-	(7)	(15)	133	250
PAT	(1347)	(945)	(568)	289	475
Dividend (including tax on dividend distribution)	-	-	-	138	206

Balance Sheet Items

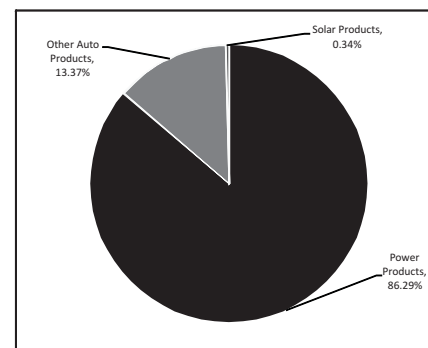
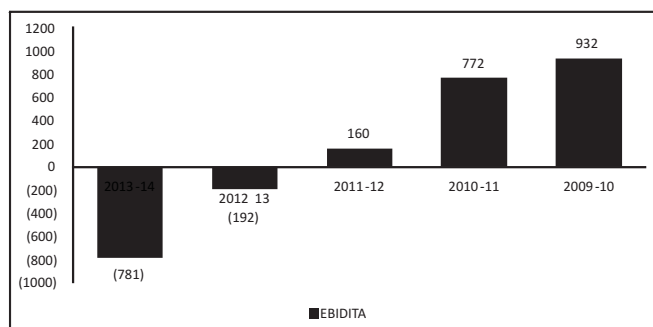
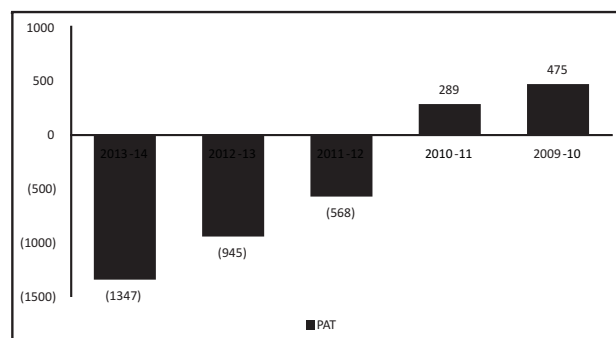
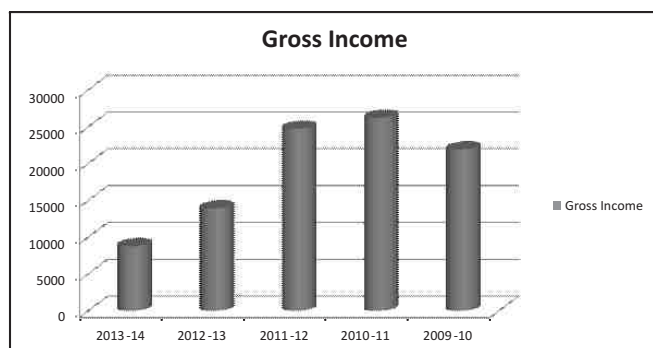
Net Fixed Assets	831	892	979	1049	988
Investments	2002	2002	1542	574	612
Net Current and Non Current Assets	1799	2476	5029	6823	2977
Total Capital Employed	4632	5370	7550	8446	4577
Shareholders Funds	1916	3285	3753	4342	4214
Borrowings (net)	2716	2085	3797	4092	346
Deferred Tax Liability	-	-	-	12	17
Sources of Funds	4632	5370	7550	8446	4577

Ratios

Book Value Per Share	20.13	34.51	39.42	45.61	44.27
CEPS	(13.74)	(9.20)	(5.02)	4.11	5.84
EPS	(14.32)	(9.93)	(5.97)	3.03	4.99

Pie diagram

	Net Sales	% of sale
Power Products	7390	86.29
Other Auto Products	1145	13.37
Solar Products	29	0.34





CIN: L99999MH1950PLC008152

Regd. Office: 69, Tardeo Road, Mumbai- 400 034. Tel.: +91-22-66185799 Website: www.paeltd.com

Attendance Slip

64 th Annual General Meeting
Name of the member(s): _____
Registered address: _____
E-mail Id: _____
Folio No/ Client Id: _____
DP ID: _____

I/We hereby record my/our presence at the 64th Annual General Meeting of the Company at Babasaheb Dahanukar Sabhagriha, Oricon House, 6th floor, 12, K. Dubhash Marg, Fort, Mumbai 400 001 on Friday August 8, 2014 at 3.30 p.m.

Member's/Proxy Name

Member's/Proxy's Signature

Note:

1. Please complete the Folio/DP-ID-Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at the Meeting Hall.
2. Electronic copy of the Annual Report for financial year 2013-14 along with the Notice of the 64th Annual General Meeting ("**AGM**"), Attendance Slip and Proxy Form is being sent to all the Members whose email address is registered with Depository Participant unless any Member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of the Attendance Slip.
3. Physical copy of the Annual Report for financial year 2013-14 along with the Notice of the AGM, Attendance Slip and Proxy Form is being sent in the permitted mode(s) to all Members whose email is not registered or who have requested for a hard copy.



CIN: L99999MH1950PLC008152

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PROXY FORM

MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management & Administration) Rules, 2014]

Name of the member(s): _____

Registered address: _____

E-mail Id: _____

Folio No/ Client Id: _____

DP ID: _____

I/We being the Member(s) of _____ Shares of the above named Company hereby appoint:

- 1) Name: _____ Address _____
Email ID: _____ Signature _____ or failing him;
- 2) Name: _____ Address _____
Email ID: _____ Signature _____ or failing him;
- 3) Name: _____ Address _____
Email ID: _____ Signature _____ or failing him;

As my/our proxy to attend and vote on poll for me/us and on my/our behalf at the 64th Annual General Meeting of the Company to be held on Friday, August 8, 2014 at 3.30 p.m.at Babasaheb Dahanukar Sabhagriha, Oricon House, 6th floor, 12, K. Dubhash Marg, Fort, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	*Optional	
Ordinary Business		For	Against
1.	Ordinary Resolution for adoption of Audited Financial Statements for the year ended March 31, 2014.		
2.	Ordinary Resolution to appoint a Director in place of Mr. Arvind R. Doshi, an Executive Director of the Company who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	Ordinary Resolution to appoint M/s. K. S. Aiyar & Company, Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2015 on such remuneration and out of pocket expenses as may be mutually agreed by them with the Board of Directors.		
Special Business			
4.	Special Resolution to appoint Mr. Dilip J. Thakkar as Independent Director of the Company under provisions of Sections 149, 150, 152 of the Companies Act, 2013.		
5.	Special Resolution to appoint Mr. John O. Band as Independent Director of the Company under provisions of Sections 149,150,152 of the Companies Act, 2013.		
6.	Special Resolution to appoint Mr. Karthikeyan Muthuswamy as Independent Director of the Company under provisions of Sections 149,150,152 of the Companies Act, 2013.		
7.	Special Resolution to appoint Dr. Rajendra Nath Mehrotra as Independent Director of the Company under provisions of Sections 149,150,152 of the Companies Act, 2013.		
8.	Ordinary Resolution to appoint Dr. Mrs. Pratibha A. Doshi as Non-Executive Director of the Company liable to retire by rotation, under provisions of Sections 149,152, 161(1) of the Companies Act, 2013.		
9.	Ordinary Resolution for Increase in Authorised Share Capital under Section 61 of the Companies Act, 2013.		
10.	Special Resolution for alteration in Clause V (Capital Clause) of Memorandum of Association of the Company under Section 13 of the Companies Act, 2013.		
11.	Special Resolution for adoption of new set of Articles of Association of the Company under Section 14 of the Companies Act, 2013.		

13.	Special Resolution for preferential allotment of 11% Optionally Convertible, Cumulative, Redeemable Preference Shares under Sections 55, 62, 62(1)(c) of the Companies Act, 2013 and ICDR Regulations.		
14.	Special Resolution for issue of 11% Non- Convertible, Cumulative, Redeemable Preference Shares under Sections 55, 62, 62(1)(c) of the Companies Act, 2013.		

Signed this _____ day of _____ 2014.

Signature of the Member: _____

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting;
2. For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 64th Annual general Meeting;
3. *It is optional to put 'X' in the appropriate Column against the Resolutions indicated in the Box. If you leave 'FOR' or 'Against' column blank for any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate;
4. Please complete all the details including the details of Member(s) in the above box before submission.

NOTES :

This image shows a single page of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page, leaving small margins at the top and bottom. There is no handwriting or other markings on the page.

