



PAE LIMITED



TRANSFORMATION IS A JOURNEY

61st Annual Report 2010-2011

www.paeltd.com

Company Information

Board of Directors



(Left to Right)

1. Karthikeyan Muthuswamy - Director

2. John O. Band - Director

3. Arvind R. Doshi - Executive Chairman

4. Dilip J. Thakkar - Director

5. Dr. Rajendra Nath Mehrotra - Director

6. Pritam A. Doshi - Managing Director

Annual General Meeting

Day and Date: Saturday, the 30th day of July 2011

Venue: M.C. Ghia Hall, Bhogilal Hargovindas Building,
2nd Floor, 18/20, K. Dubhash Marg,
Mumbai - 400 001.

Time: 3.30 p.m.

Bankers

State Bank of India

Corporation Bank

Auditors

K. S. Aiyar & Co.

Registrar and Share Transfer Agent

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.

Registered and Corporate office

69, Tardeo Road,
Mumbai- 400 034, Maharashtra, India

Telephone: +91-22-66185799

Fax : +91-22-66185757

Chairman's Message

Dear Share-Owners,

I am very happy and proud to present to you the Sixty-First Annual Report and Accounts for the year ended March 2011.

This year has been one of transformation and change within the organization. First, we moved from a regional management concept to a vertical business unit concept that focused on each business segment and achieved higher penetration. Since then, we have done minor changes in this structure from what we learned in 2010-11. Second, we increased our presence in Tier-II cities and opened 10 new branches bringing our total network to 39 locations in India. We strongly believe that growth for businesses such as that of PAE will come from smaller cities going forward as the populations in these areas prosper and create a demand for our products and services.



These changes are yet to generate growth and profits to their full potential and hence have contributed to the decline in profits in 2010-11 for the time being.

With these changes in place, we are confident that they will add to PAE's growth in 2011-12 and the future. In 2010-11 PAE generated business from 3,300+ new customers, and also explored new business opportunities with nationwide corporates for their power backup requirements. PAE also completed its first large order of solar panels to a Government education project in Rajasthan.

Shurjo has not fared to our expectations in 2010-11 primarily due to the lower prices offered by Chinese panels in India. With domestic content requirements imposed by the Government of India in various megawatt projects, we are hopeful that Shurjo will perform better in the current year.

Our subsidiary "PAE Renewables Pvt. Ltd.," formed to focus on high quality service and solutions to its customers looking for power back up systems, has shown satisfactory progress. It has started contributing to the bottom line in its first full year of operations.

Going forward, we are gearing up for expansion in the solar business on various fronts and addressing various segments of the solar market in India. Therefore, 2011-12 and possibly 2012-13 will truly be years of transformation for PAE to help achieve its Vision and Mission defined and adopted by the entire PAE community. To get their long-term reward, all stakeholders may have to experience the pain associated with transformation and change. Transformation is a journey and success the destination.

The Ministry of Corporate Affairs (MCA), Government of India has taken a "Green Initiative in Corporate Governance" allowing paperless compliances by companies through electronic mode in the interest of environment protection and saving consumption of paper to propagate paperless communication between the company and its shareholders. I welcome this positive initiative. We, from PAE have also immediately notified it to share-owners for their consideration and response. I would earnestly request all our share-owners to inform their respective email IDs to paegogreen@linkintime.co.in and co-operate in the national movement, to protect our environment.

On behalf of the Board of Directors of PAE Limited, I thank you for your support and I specially take this opportunity to express our sincere gratitude to all the stakeholders for their loyalty towards the Company and the confidence they have reposed in us, year after year. I thank all my Board members for their continuous efforts in steering the direction of your company.

Regards,

Arvind R. Doshi
Executive Chairman

Management Team



Left to Right - Sitting

- | | |
|--------------------------|--|
| 1. V. Suresh | Head - Finance & Accounts |
| 2. V. P. Chandrasekharan | Business Manager |
| 3. Arvind R. Doshi | Executive Chairman |
| 4. Pritam A. Doshi | Managing Director |
| 5. Shashi Nair | Sr. Manager - Administration & Human Resources |
| 6. N. Vijaykumar | Business Manager |

Left to Right - Standing

- | | |
|---------------------|---|
| 1. Ramnathan Iyer | Business Manager |
| 2. G. Mahesh | Business Manager |
| 3. Prabhakar Posam | Head - Information Systems & Business Process |
| 4. Raghav Taneja | Business Manager |
| 5. C. S. Gopinath | Business Manager |
| 6. T. Radhakrishnan | Business Manager |
| 7. K. S. Prasanna | Business Manager |

- | | |
|--------------------|----------------------------------|
| 1. Nimesh S. Nandu | Company Secretary & Head - Legal |
| 2. Murali Menon | Sr. Manager - Internal Audit |
| 3. S. N. Patil | Head - Service |

NOTICE

NOTICE is hereby given that the Sixty First Annual General Meeting of the Members of PAE LIMITED will be held on Saturday, the 30th day of July, 2011 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. Dubhash Marg, Mumbai 400 001 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2011 and Profit & Loss Account for the year ended as on that date together with the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares of the Company.
3. To appoint a Director in place of Shri Karthikeyan Muthuswamy, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Rajendra Nath Mehrotra, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To re-appoint M/s. K.S. Aiyar & Company, Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 81 and Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 including any amendment thereto or re-enactment thereof (“the Act”) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with the Stock Exchange(s) and subject to all requisite approvals, consents, permissions, sanctions, guidelines etc., of the Securities and Exchange Board of India (hereinafter referred to as “SEBI”) and of such other appropriate authorities, as may be required under any statutory provisions, Guidelines, Rules, Regulations, Notifications or otherwise or under any agreements entered into by the Company, and further subject to such terms and conditions and modifications as may be prescribed or imposed while granting such sanctions, approvals, consents, permissions etc., and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “The Board”) which term shall be deemed to include any Committee of Directors, for the time being authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this Resolution, consent and approval of the Company be and is hereby accorded to the Board to offer, issue and allot upto 50,00,000 8% Redeemable Non-cumulative

Preference shares (“the Said Shares”) of the face value of Rs.10/- each, for cash at par, to the Promoters, their nominees, in the manner set out below and in the Explanatory Statement annexed hereto:-

RESOLVED FURTHER THAT;

- a) 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;
- b) 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;
- c) 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 resolutions;
- d) The Said Shares 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;
- e) 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 Resolutions, 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 authorized person in its/his 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

Pritam A. Doshi
Managing Director

Registered Office
69, Tardeo Road,
Mumbai- 400 034

Dated: June 18, 2011.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THIS ANNUAL GENERAL MEETING.
2. The Register of Members and Share Transfer books of the Company will remain closed from Thursday, July 21, 2011 to Saturday, July 30, 2011 (both days inclusive).
3. The dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid on or after August 6, 2011, to those persons or their mandates:
 - a) whose names appear as Beneficial Owners as at the end of the business hours on July 20, 2011 in the list of Beneficial Owners to be furnished to the Company by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form; and
 - b) whose names appear as Members in the Register of Members of the Company as on July 20, 2011.
4. The facility of electronic credit of dividend directly to the respective bank accounts of our shareholders, through Electronic Clearing Service (ECS) is arranged by the Company. This facility is currently available at the locations specified by RBI/SBI. This facility is in addition to the Bank Mandate Facility that already exists whereby bank account details are printed on the dividend warrants. Shareholders who would like to avail of the ECS Mandate Facility or the Bank Mandate Facility (if not done earlier) are requested to complete and submit the Mandate Form, available on request with our Share Transfer Agents or on our Company's website www.paeltd.com, to Company's Share Transfer Agents (for shares held in physical form) or their Depository Participants (for shares held in electronic form) latest by July 20, 2011.
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 dematerialised 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. Corporate Members are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
7. 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 on their email id : rnt.helpdesk@linkintime.co.in
8. 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.
9. Consequent upon the introduction of Section 205C by the Companies (Amendment) Act, 1999, unclaimed /unpaid dividend amount, fixed deposits, unclaimed interest and unclaimed matured fixed deposits for a period of 7 years will be transferred to the Investor Education & Protection Fund (IEPF) and no claim thereto will be entertained by the said Fund and also by the Company.
10. 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
11. Members may refer Report on Corporate Governance for particulars of Directors' appointment/re-appointment at the Annual General Meeting.
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 and for giving an opportunity to every member to register their email address and changes if any from time to time through Depository Participant. 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, the Company proposes to send henceforth all documents to the shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors Report, etc., by email to those members who have registered their email ID. If any member who has not registered email address is requested to send the same to rnt.helpdesk@linkintime.co.in 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 to the Company at 69, Tardeo Road, Mumbai 400034 on investors@paeltd.com for service of documents as aforesaid. To those who have not registered their email address for service of documents as aforesaid, such documents will continue to be sent by other modes of services as provided under Section 53 of the Companies

Act, 1956 including physical copies at the address recorded in the Register of Members. In case any member insists for physical copies of above documents, the same will be sent to him physically, by post, free of cost.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 6:

Your Company wants to expand its area of operations by expanding its existing line of business and adding new ventures.

The promoters of the Company therefore agreed to financially support the Company by subscribing upto 50,00,000 8% - 13 (thirteen) years, Redeemable Non-cumulative Preference shares of Rs.10/- each, for cash at par, to be issued on preferential basis. The funds received would be utilized *inter alia* for the above purposes.

The Board at its meeting held on June 18, 2011, has approved in principle the raising of funds by the Company to issue the Preference Shares to the promoters, subject to the approval of the shareholders and such other approvals as may be required.

Section 81 of the Companies Act, 1956 *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 81 (1A) and all other applicable provisions of the Companies Act, 1956 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.

None of the Directors of the Company are interested in the above Special Resolution, except Shri Arvind R. Doshi and Shri Pritam A. Doshi who are deemed to be concerned in the resolution as the shares are proposed to be issued to them or their relatives and /or nominees.

By Order of the Board of Directors

Pritam A. Doshi
Managing Director

Registered Office

69, Tardeo Road,
Mumbai- 400 034

Dated: June 18, 2011

REPORT OF THE DIRECTORS' AND MANAGEMENT DISCUSSION & ANALYSIS

To the Members,

Your Directors have pleasure in presenting their Sixty First Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2011.

1. Financial Results

	Current Year ended 31.03.2011 (Rs. in lacs)	Previous Year ended 31.03.2010 (Rs. in lacs)
Total Revenue	26,212.76	21,918.57
Total Expenses	25,440.22	20,986.56
Less: Interest	247.68	125.91
Less: Depreciation	102.52	81.50
Profit before Tax	422.34	724.60
Less: Provision for tax	133.54	249.24
Profit after tax	288.80	475.36
Profit brought forward from previous year	1,321.72	1,088.05
Balance available for appropriation	1,610.52	1,563.41
APPROPRIATION:		
Transfer to General Reserves	7.22	35.65
Proposed Dividend	119.00	176.11
Tax on Dividend	19.30	29.93
Balance carried forward	1,465.00	1,321.72

2. Dividend

Your Directors are pleased to recommend final dividend of Rs. 1.25 (Rupee One and twenty five paise only) i.e. 12.50% per Equity Share of Rs.10/-, subject to the approval of shareholders at their Annual General Meeting.

3. Management discussion and Analysis

During the financial year 2010-2011, PAE restructured operations and transitioned from a horizontal organization structure to a more defined, vertical structure. Under the revised organization layout, PAE's business will be divided into 5 business verticals for better internal monitoring:

- Auto Batteries
- Auto Parts
- Industrial Batteries
- Power Backup Systems
- Solar

Each vertical will perform as an independent Strategic Business Unit (SBU), focused on growing sales and optimizing operations. Each SBU is supported by one or two national heads, a dedicated regional management team and a dedicated sales team.

SWOT Analysis of Strategic Business Units:

1) Auto Batteries:

PAE has been in the marketing and distribution business of automotive and motorcycle batteries for

the last 41 years. PAE sells batteries in the aftermarket and caters to requirements for all vehicle types ranging from heavy commercial vehicles to passenger cars and two-wheelers.

Strengths and Opportunities:

- Automobile industry has grown by 20%
- Extensive network of 39 sales and service offices throughout the country
- Superior product quality
- Experienced marketing team
- Strategic tie-ups with suppliers

Threats and Weaknesses:

- Low market share in light commercial and two-wheeler segment
- Two-wheeler market dominated by local brands with low price and warranty same as that offered by the organised sector.
- Continuous increase in raw material prices
- Poor penetration in rural areas due to competition from cheaper products
- High market credit risk

2) Auto Parts

PAE sells different brands of automotive parts to aftermarket parts dealers and retail stores across India, which in turn cater to the needs of the end customer. This business consists of parts for various new generation passenger cars, light, medium and heavy commercial vehicles and two and three wheelers. PAE also provides comprehensive warranty service to its customers.

Strengths and Opportunities:

- Replacement aftermarket, including OES, has grown by 60% YOY
- Centralized price controlling system
- Pioneer in establishing brands as proven historically
- Extensive network of sales and service offices across the country
- Experienced marketing team

Threats and Weaknesses:

- Low market share in light commercial and two-wheeler segment
- Fewer number of product lines as compared to other nationwide distributors.

- Large presence of unorganized players and mom-and-pop shops
- Replacement market demand is decreasing due to better quality of product

AUTO COMPONENT INDUSTRY: PRODUCT RANGE			
Product Range	2009	2015 (E)	2020 (E)
Body & Structural	40%	35%	31%
Transmission Steering	10%	13%	16%
Suspension & Braking	10%	13%	11%
Engine & Exhaust	20%	17%	18%
Electronics & Electrical	10%	13%	16%
Interior	10%	9%	8%

SEGMENT WISE MARKET SHARE			
SEGMENTS	2009	2015 (E)	2020 (E)
Two & Three Wheelers	76%	76%	72%
Passenger Vehicles	17%	17%	21%
M & HCV	2%	1%	1%
LCVs	1%	1%	1%
SCVs	1%	2%	3%
Tractors	3%	2%	2%

3) **Industrial Batteries**

PAE has been in the marketing and distribution business of industrial batteries for almost a decade. These batteries are used for various applications at home, in the office and at various industrial locations including telecom sites, ATMs, telephone exchanges, etc.

Strengths and Opportunities:

- Large market potential in rural areas, which experience long power cuts daily
- As proliferation of computers increases across India, including rural areas, this will lead to increased requirement of UPS and UPS batteries
- Extensive network of sales and battery service locations throughout the country
- Superior product quality and competitive pricing
- Experienced marketing team

Threats and Weaknesses:

- Heavily dependent on a few number of suppliers

- Inverter batteries have seasonality in business and is unpredictable
- Prices dependent on lead price resulting in volatility
- Shortage of supply during peak seasons
- New power plants coming online are increasing reliability of power thereby reducing the need for inverters

4) **Solar**

PAE designs, manufactures, markets and installs solar products tailored for the Indian market. These products focus on commercial, residential and semi-urban power requirements including MW-sized power plants. In addition to solar products, PAE's subsidiary, PAE Renewables Private Limited (PAER), will also offer customized solutions for larger, bespoke applications.

Strengths and Opportunities:

- Huge demand for an alternative power source
- Attractive incentives offered by the National Solar Mission
- Competitive and convenient pricing when compared to diesel generators
- Synergies with Industrial Battery and Power Backup Systems business can be leveraged
- Synergies with other group companies offer higher level of focus and commitment

Threats and Weaknesses:

- Potential large investment required to reach scalable levels
- Large upfront costs might deter end users
- Highly fragmented market - plethora of small players and mom-and-pop outfits

5) **Power Back-up systems**

PAE markets and distributes power back-up devices and systems under its own brand - PowerZen. Depending on the type of application, PAE/PAER designs the system custom made or standard, sells it to channel partners and end users. PAER also provides a comprehensive range of installation, commissioning and annual maintenance services to the end customers.

PAE has a very definite expansion plan by creating a distribution channel of 100 distributors for its own branded products with best after sales service facilities. Focus on brand building is on top priority with increase in service facilities by outsourcing the activity.

Strengths and Opportunities:

- Large market potential of urban and semi-urban areas where usage of computers is high and increasing progressively
- Large power deficit and frequent power cuts will help increase sales
- Extensive network of 39 sales and service offices throughout the country
- Sound network of dealers and end customers will support the cause in least time
- Superior product quality and competitive pricing
- Experienced marketing team

Threats and Weaknesses:

- Change in duties, taxes, import regulations and government policies might affect future demand
- Laptops are a threat to UPS business
- Power-savers as well energy-efficient products might reduce the gap in demand and supply of electricity in future thereby affecting sale of inverters
- Heavily dependent on a few number of suppliers

Internal control systems

The Company maintains a system of internal control, including suitable monitoring procedures. The internal auditors regularly conduct the audit and the quarterly reports along with observations and suggestions are reviewed by the Audit Committee of the Board of Directors. Follow-up actions as suggested by the committee are complied with.

4. Subsidiary Companies and Consolidated Financial Statements

- During the year under review, the Company has further acquired stake in Shurjo Energy Private Limited and is presently holding 70% of total stake.
- During the year under review the Company has further invested in PAE Renewables Private Limited which is already a 100% subsidiary of the Company.

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its approval dated 28.01.2011 has granted exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2011 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company seeking such information at any point of time and are also available for inspection by

any member of the Company at the registered office of the Company. The company shall furnish a copy of annual accounts of subsidiaries to any member on demand.

Discussion on financial performance with respect to operational performance

(Rs. in lacs)			
	Particulars	2010-2011	2009-2010
1	Sales & Operating Income	28,958.23	24,074.45
2	Less: Value Added Tax	2,822.19	2,221.86
3	Net Sales & Operating Income	26,136.04	21,852.59
4	Other Income	76.72	65.98
5	Total Income (3 + 4)	26,212.76	21,918.57
6	Total Expenditure:		
a.	Cost of Sales	22,897.12	19,200.74
b.	Employees' Remuneration and Benefits	1,068.67	659.81
c.	Establishment & Other Expenses	1,474.43	1,126.01
		25,440.22	20,986.56
7	Interest	247.68	125.91
8	Profit after interest but before depreciation & tax	524.86	806.10
9	Depreciation	102.52	81.50
10	Profit before tax	422.34	724.60
11	Provision for Tax:		
a.	Previous year taxes	(9.21)	5.25
b.	Current Tax	148.00	245.00
c.	Deferred Tax (Asset)/Liability	(5.25)	(1.01)
12	Net Profit/(Loss) after tax	288.80	475.36
13	Expenses as a % to Net Sales & Operating Income:		
a.	Employee Cost	4.09%	3.02%
b.	Establishment & Other Expenses	5.64%	5.15%
c.	Interest	0.95%	0.58%

Sales and Operating Income for the year has increased by 20.29% from Rs.24,074.45 lacs in the previous year to Rs.28,958.23 lacs on account of higher volume of sales in Auto Components and Lead Acid storage battery segment.

During the year, the Company has made a profit before tax of Rs.422.34 lacs as against Rs.724.60 lacs in the previous year.

Interest for the year is Rs.247.68 lacs which is 0.95% of the net sales & operating income as compared to Rs.125.91 lacs and was 0.58% of the net sales & operating income in the previous year, an increase of 0.37% due to higher inventory holding position and tight money market conditions.

The Company has made a provision for tax of Rs.148 lacs. In accordance with AS-22, Accounting for Taxes on Income, the Deferred Tax Asset stands at Rs.11.97 lacs as on the Balance Sheet date.

The Company has a Net Profit available for appropriation amounting to Rs.1,610.52 lacs as on March 31, 2011 and has proposed a dividend of Rs. 1.25 per Equity Share of Rs.10/- each, for the year ended March 31, 2011.

Financial Condition

Share Capital

Issued, Subscribed and Paid-up Capital as at March 31, 2011 was Rs.951.96 lacs and there is no change as compared to previous year.

Reserves and Surplus

As at March 31, 2011 Reserves and Surplus amounted to Rs.3,390.51 lacs as compared to Rs. 3,262.33 lacs at the end of previous year.

Loan Funds

There has been an increase in the Loan Funds to Rs.4,510.78 lacs as at March 31, 2011 as compared to Rs.682.62 lacs as at March 31, 2010 due to increase in working capital requirement.

Fixed Asset

Net Fixed Assets as at March 31, 2011 have increased to Rs.1,049.12 lacs as compared to Rs.988.15 lacs in the previous year. There have been additions amounting to Rs.203.16 lacs in the current year.

Investments

Investments are at Rs. 573.58 lacs as on March 31, 2011 as compared to last year Rs. 612.49 lacs. The Company made further investment of Rs. 51 lacs in M/s. Shurjo Energy Private Limited to acquire 70% stake in the company. M/s. Shurjo Energy Private Limited is engaged in the manufacturing of solar panels. The Company has also increased its investment in its 100% subsidiary namely, PAE Renewables Pvt. Ltd. from Rs. 1 lac to Rs. 11 lacs.

Net Current Assets

Net Current Assets have increased to Rs.7,242.52 lacs as at March 31, 2011 from Rs.3,313.49 lacs as at March 31, 2010, on account of higher inventory and debtors.

Human Resources

The Company believes that Human Resources are a key asset that provides a competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition and sharing, skill building, creativity and responsibility and performance based compensation.

The employees' relations during the year under review were cordial and harmonious and the productivity improved in all the areas. Your Company has a total strength of 386 employees as on March 31, 2011.

5. Fixed Deposit

The amount of Fixed Deposits accepted from the public during the year under review is Rs.600.07 lacs (including renewals). At the end of the year, there were 9 matured deposits for Rs.2.10 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 were transferred to Investor Education & Protection Fund as per Section 205C of the Companies Act, 1956.

6. Directors

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and Article 117 of the Articles of Association of the Company, Shri Karthikeyan Muthuswamy and Dr. Rajendra Nath Mehrotra retires by rotation but being eligible offers themselves for re-appointment.

A brief profile of the Directors is furnished as part of Corporate Governance Report.

7. Corporate Governance Report

Your Company is committed to good corporate governance practices. The Report on Corporate Governance alongwith the Auditor's Certificate regarding compliance of the conditions of Corporate Governance pursuant to clause 49 of the Listing Agreement are annexed hereto.

8. Directors' Responsibility Statement

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

- (i) that in the preparation of the annual accounts for the financial year ended March 31, 2011, the applicable accounting standards had been followed along with the proper explanation relating to material departures, if any;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the financial year ended March 31, 2011 on a 'going concern' basis.

9. Auditors' Report

The Auditors' Report to the shareholders does not contain any qualifications.

10. Auditors

M/s. K. S. Aiyar & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offered themselves for re-appointment.

The Board of Directors recommends their re-appointment as Statutory Auditors.

11. Financial Ratings

The Company has received the "CARE BBB+" rating for long term bank facilities and "PR2+" rating for short term bank facilities from Credit Analysis & Research Limited (CARE) which is valid for a period of 1 year.

12. Particulars as per Section 217 of the Companies Act, 1956

The particulars of employees, as required under Section 217(2A) of the Companies Act, 1956 are given in a separate statement attached to this report and forms part of it.

13. Conservation of energy, technology absorption, foreign exchange earnings and outgo

Since the Company does not own any manufacturing facility the other particulars relating to Conservation of

energy and technology absorption stipulated in the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

During the year the foreign exchange outgo was Rs.407.01 lacs and foreign exchange earnings were Nil.

14. Acknowledgements

Your Directors place on record their sincere appreciation for the assistance and co-operation received from the Shareholders, Consortium of Bankers, Customers, Dealers, Suppliers and Principals.

Your Directors also sincerely acknowledge the valuable contributions made by the Employees at all levels and for their dedicated services to the Company.

For and on behalf of the Board of Directors

Arvind R. Doshi
Executive Chairman

Registered Office:
69, Tardeo Road
Mumbai 400 034
Dated: May 27, 2011

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2011.

Sr. No.	Name & Designation	Age (Years)	Gross Remuneration (Rs.)	Qualifications	Total Experience	Date of Commencement of Employment	Previous Employment
A	Names of Employees employed throughout the year and were in receipt of remuneration of not less than Rs.60,00,000/-						
1	*Shri Arvind R. Doshi Executive Chairman	71	Rs.59.11 Lacs	Diploma in Civil & Sanitary Engg. & Business Management	47 Yrs	16.04.1994	Worked with Premier Ltd., as Managing Director for 5 years

Notes:

1. Remuneration as shown above includes salary, allowances, leave travel assistance, Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund, Medical facilities and perquisites valued in terms of actual expenditure incurred by the Company in providing the benefits to the employee.
2. *The condition of the employment of the said employee is contractual and terminable by six months notice.
3. Remuneration to Shri Arvind R. Doshi, Executive Chairman is paid in accordance with the approval granted by Ministry of Corporate Affairs, The Government of India vide its letter dated December 27, 2010.

ANNEXURE TO THE DIRECTORS' REPORT CORPORATE GOVERNANCE REPORT

1. Company's philosophy on the code of governance

Your Company believes that Corporate Governance is a thorough process by which Companies are directed to control and enhance their wealth generating capacity. Your Company endeavours to virtually create value for its stakeholders, be it customers, employees, shareholders or the society at large. Your Company focuses on adopting the highest standard of Corporate Governance and moral business practices.

2. Board of Directors

The present strength of the Company's Board is 6 Directors, of which 4 Directors are non-executive / Independent Directors. 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 six times on May 29, 2010, July 31, 2010, October 13, 2010, October 30, 2010, January 29, 2011 and on March 19, 2011.

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 Director	Category	No. of Meetings attended		Whether attended last AGM held on 31.07.2010	No. of Directorship in other public companies	No. of Committee positions in other public companies	
Executive Directors		Board	Committee			Chairman	Member
Shri Arvind R. Doshi	EC	5	AUD - N.A. REM - N.A. STC - 2	Yes	1	1	3
Shri Pritam A. Doshi	MD	6	AUD - 4 REM - N.A. STC - 2	Yes	Nil	Nil	Nil
Non-Executive Directors							
Shri Dilip J. Thakkar	ID	6	AUD - 4 REM - 1 STC - N.A.	Yes	13	4	9
Shri John O. Band	ID	5	AUD - 4 REM - 1 STC - 2	Yes	Nil	Nil	Nil
Shri Karthikeyan Muthuswamy	ID	5	AUD - 3 REM - - STC - N.A.	Yes	Nil	Nil	Nil
Dr. Rajendra Nath Mehrotra	ID	6	AUD - N.A. REM - 1 STC - N.A.	Yes	1	1	1

ED: Executive Chairman; MD: Managing Director; ID: Independent Director; STC: Shareholders Grievances & Share Transfer Committee; AUD: Audit Committee; REM: Remuneration & Selection Committee.

As required by the Companies Act, 1956 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.

3. Audit Committee

During the year 2010-2011, the Audit Committee met four times on May 29, 2010, July 31, 2010, October 30, 2010 and on January 29, 2011.

The Constitution of Committee and attendance of Committee Members is given below:

Name	Designation	Profession	Category	No. of Meetings attended
Shri Dilip J. Thakkar	Chairman	Chartered Accountant	ID	4
Shri John O. Band	Member	Merchant Banker, Investment Manager, Accountancy Profession	ID	4
Shri Karthikeyan Muthuswamy	Member	Portfolio Manager, Investment Manager	ID	3
Shri Pritam A. Doshi	Member	Businessman	MD	4

ID: Independent Director

MD: Managing Director

The Audit Committee amongst the areas mentioned in clause 49 of the listing agreements of stock exchanges and Section 292A of the Companies Act, 1956, covered the following:

- Recommending to the Board the appointment and removal of external auditor fixation of audit fee etc;
- Reviewing major accounting entries based on exercise of judgment by management and reviewing significant adjustments arising out of audit;
- Reviewing of the unaudited financial results for the quarter ended June 30, 2010, September 30, 2010 and December 31, 2010;
- Reviewing of the Audited financial results for the year ended March 31, 2011;
- Reviewing with external and internal Auditors the adequacy of the internal control systems and ensuring their compliance;
- Compliance with listing and other legal requirements relating to financial statements;
- Overseeing the Company's financial reporting process and the disclosure of its financial information;
- Reviewing changes, if any, in accounting policies and practices and the reasons for the same;
- Reviewing the company's financial and risk management policies;
- Reviewing any Qualifications in the draft audit report;
- Reviewing the statement of significant related parties.
- Note the observations submitted by Internal Auditors on Branch Reports made by them during their branch audits.

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 Company has a Code of Conduct for prevention of insider trading in the shares and securities of the Company pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992. The code of conduct for prevention of insider trading, *inter alia*, prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

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

5. CEO/CFO Certification

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director and Head Finance & Accounts of the Company have certified to the Board the financial statements for the year ended March 31, 2011.

6. Remuneration

Remuneration & Selection Committee

The Remuneration & Selection Committee constitutes of Shri John O. Band as Chairman and Shri Dilip J. Thakkar, Shri Karthikeyan Muthuswamy, Dr. Rajendra Nath Mehrotra as its members. During 2010-2011, Committee met on April 15, 2010. The terms of reference of Remuneration & Selection 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.

Remuneration to Directors

Non-executive directors are paid a sitting fee 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 2010-2011

Director	* Sitting Fees (Rs.)	Salaries, Perquisites & Contribution to funds (Rs.)	Commission (Rs.)
**Shri Arvind R. Doshi	Nil	59,11,679	Nil
Shri Pritam A. Doshi	Nil	40,40,640	Nil
Shri Dilip J. Thakkar	82,000	-	Nil
Shri John O. Band	76,000	-	Nil
Shri Karthikeyan Muthuswamy	65,000	-	Nil
Dr. Rajendra Nath Mehrotra	62,000	-	Nil

* Sitting Fees includes payment to the Directors for attending Board Meetings and Committee Meetings.

** Remuneration paid to Shri Arvind R. Doshi, Executive Chairman is in accordance with the approval granted by Ministry of Corporate Affairs, The Government of India vide its letter dated December 27, 2010. His remuneration includes Leave encashment which is not a part of the approved ceiling limit.

None of the Non-Executive Directors hold any shares in the Company.

7. Shareholders' Grievances & Share Transfer Committee

The Committee comprises of Shri John O. Band as its Chairman and Shri Arvind R. Doshi and Shri Pritam A Doshi as its members. The Company Secretary, Shri Nimesh S. Nandu is appointed as the Compliance Officer w.e.f. April 1, 2008.

During the year under review, the Committee met on July 22, 2010 and January 29, 2011

The Shareholders' Grievances & Share Transfer Committee deals with the matters relating to delay in transfer of shares, demat non-receipt of annual account, split, duplicate, transmission etc. of the shares issued by the Company.

Statement of the various complaints received and cleared during 2010-2011:

Sr. No.	Subject	Received (Nos.)	Cleared (Nos.)	Pending
1	Non receipt of Share Certificates	11	11	Nil
2	Non- receipt of Dividend/Int./Redemption Warrants	26	26	Nil
3	Non-receipt Stickers for change in the name of the Company.	1	1	Nil
4	Non-receipt of Rejected DRN	3	3	Nil
5	Others	1	1	Nil
	TOTAL	42	42	Nil

All the complaints have been resolved and as on March 31, 2011 no complaint from shareholder is pending. At the end of the year, no requests for shares transfers were pending for registration.

8. General Body Meetings

Details of previous General Meetings

Financial Year	Category	Date	Time	Location
2007-08	AGM	July 29, 2008	3.30 p.m.	M. C. Ghia Hall Bhogilal Hargovindas Bldg. 2nd floor, 18/20, K. Dubhash Marg, Mumbai 400 001
2008-09	AGM	August 6, 2009	3.30 p.m.	M. C. Ghia Hall Bhogilal Hargovindas Bldg. 2nd floor, 18/20, K. Dubhash Marg, Mumbai 400 001
2009-10	AGM	July 31, 2010	3.30 p.m.	Babasaheb Dhanukar Hall of Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. D. Marg, Fort, Mumbai 400 001

Special resolutions passed in previous 3 years**AGM July 29, 2008**

Increase in Remuneration payable to Shri Arvind R. Doshi, Chairman & Managing Director.

AGM August 6, 2009

Payment of Commission to Non Whole Time Directors.

AGM July 31, 2010

Appointment of Shri Arvind R. Doshi, Executive Chairman

Change in designation of Shri Pritam A. Doshi as Managing Director and increase in remuneration.

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

The related party transactions in accordance with AS 18 of the ICAI as been given in note no.16 of Notes to Accounts. However, these transactions are not likely to have any potential conflict with the interests of the Company.

(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**Remuneration & Selection Committee**

The Company has complied with the constitution of Remuneration & Selection Committee chaired by Independent Director.

Whistle Blower Policy

The Company has adopted the Whistle Blower Policy to bring in more transparency and follow an open work culture. It provides an open communication system which aims to provide ample scope for employees to exchange their views and raise concerns protecting their integrity.

10. Means of communication

The Company has published its quarterly results in Business Standard/Free Press Journal (English) & Mumbai Lakshdeep (Marathi-Vernacular), Mumbai and Annual Audited results in Business Standard (English) & Sagar (Marathi-Vernacular), Mumbai.

The quarterly and half yearly results were also made available on the Company's website www.paeltd.com

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 part of the Annual Report.

11. General Shareholder information**i) Annual General Meeting**

Date and Time : July 30, 2011 at 3.30 p.m.
Venue : M. C. Ghia Hall
Bhogilal Hargovindas Bldg.
2nd floor, 18/20,
K. Dubhash Marg, Fort,
Mumbai 400 001

ii) Financial Calendar

Financial Year : April 1 to March 31

Financial reporting of results

Quarterly unaudited results : Within Sixty days from the end of the quarter

Annual audited results : Within two months from the end of the last quarter

iii) **Book Closure date** : From : July 21, 2011
To : July 30, 2011
(both days inclusive)

iv) **Dividend Payment Date** : On or after August 6, 2011

v) **Listing on Stock Exchanges** : The Bombay Stock Exchange Limited (Code: 517230)

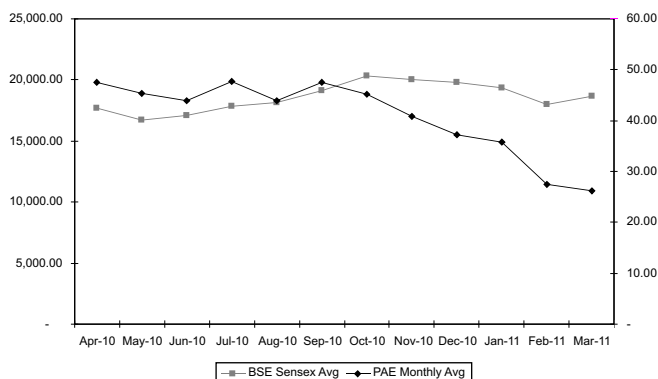
The National Stock Exchange of India Limited (Code: PAEL)

vi) **Demat ISIN No. for Equity Shares** : INE 766A01018

vii) Market price data :

Monthly high & low quotations of shares traded at Bombay Stock Exchange for the year 2010-2011:

	Month's High Price	Month's Low Price	Volume	BSE Sensex High	BSE Sensex Low
April 2010	54.90	40.25	1997104	18,047.86	17,276.80
May 2010	50.50	40.10	265936	17,536.86	15,960.15
June 2010	46.50	41.50	164363	17,919.62	16,318.39
July 2010	52.00	43.25	382658	18,237.56	17,395.58
August 2010	46.95	41.05	147583	18,475.27	17,819.99
September 2010	53.55	41.35	1081018	20,267.98	18,027.12
October 2010	47.50	42.80	185539	20,854.55	19,768.96
November 2010	46.50	35.25	158707	21,108.64	18,954.82
December 2010	40.75	33.80	71660	20,552.03	19,074.57
January 2011	40.60	30.80	46796	20,664.60	18,038.48
February 2011	31.90	22.95	105384	18,690.97	17,295.62
March 2011	28.90	23.50	60947	19,575.16	17,792.17



Source: BSE Website

viii) Registrar & 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
 Phone : 022-25946970 - 78 Fax : 022-25946969
 Email : rnt.helpdesk@linkintime.co.in
 Website : www.linkintime.co.in

ix) 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.

x) Shareholding Pattern as on March 31, 2011:

Category		No. of shares held	% of shareholding
A.	Promoter's Holding		
1	Promoters*		
-	Indian Promoters	47,84,582	50.26
-	Foreign Promoters	-	-
2	Persons acting in concert	-	-
	Sub Total	47,84,582	50.26
B.	Non-Promoters Holding		
3	Institutional Investors		
a.	Mutual Funds and UTI	1,200	0.01
b.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non-Government Institutions)	90,775	0.95
c.	FII's	1,725	0.02
	Sub Total	93,700	0.98
4	Others		
a.	Private Corporate Bodies	3,83,500	4.03
b.	Indian Public	41,81,316	43.93
c.	NRIs/OCBs	36,005	0.38
d.	Others (Clearing Members)	40,497	0.42
	Sub Total	46,41,318	48.76
	TOTAL	95,19,600	100.00

*Pursuant to regulation 3(1)(e)(i) of Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto, Promoter Group and persons acting in concert consists of Shri Arvind R. Doshi, Smt. Pratibha A. Doshi, Shri Pritam A. Doshi, Smt. Sohini P. Doshi, Ms. Priyadarshani A. Doshi and Rajubai Investment Private Limited.

xi) Distribution of Shareholding as on March 31, 2011:

No. of Shareholders	% to Total	Share holding of nominal value of Rs.	No. of shares	Amount in Rs.	% to Total
11952	89.86	Upto 5,000	18,59,253	1,85,92,530	19.53
746	5.61	5,001 to 10,000	6,08,806	60,88,060	6.39
311	2.34	10,001 to 20,000	4,71,178	47,11,780	4.94
112	0.84	20,001 to 30,000	2,86,500	28,65,000	3.00
52	0.39	30,001 to 40,000	1,82,317	18,23,170	1.91
31	0.23	40,001 to 50,000	1,44,830	14,48,300	1.52
58	0.44	50,001 to 1,00,000	4,36,752	43,67,520	4.58
39	0.29	1,00,001 and above	55,29,964	5,52,99,640	58.00
13301	100.00	TOTAL	95,19,600	9,51,96,000	100.00

xii) Dematerialization of Shares:

Trading in Equity Shares of the Company is permitted only in dematerialized form. Approximately 89.78% of the shares issued by the Company have been dematerialized up to March 31, 2011.

xiii) Outstanding GDR/Warrants or any Convertible instruments :

N.A.

xiv) Plant Locations:

The Company does not have manufacturing or processing plants, as it is a distribution and marketing company.

xv) Address for correspondence:

Shri Nimesh S. Nandu, 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, 2011, as envisaged in clause 49 of the Listing Agreement with stock exchanges.

Arvind R. Doshi
Executive Chairman

Place : Mumbai
Dated : May 27, 2011

CORPORATE GOVERNANCE AUDIT REPORT

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, 2011, 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

Satish K. Kelkar
Partner
Membership No. 38934

Place : Mumbai
Dated : May 27, 2011

DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING
(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Shri Karthikeyan Muthuswamy	Dr. Rajendra Nath Mehrotra
Date of Birth	June 6, 1974	January 26, 1945
Date of Initial Appointment	April 29, 2005	October 10, 2007
Expertise in specific functional areas	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.
Qualifications	BBA, CFA	Electrical & Mechanical Engineer.
No. of Other Public Companies in which Directorship is held as on March 31, 2011.	None	1
Chairman of Committees formed by Board of other Listed Companies on which he is a Director as on March 31, 2011	None	1
Member of Committees formed by Board of other Listed Companies on which he is a Director as on March 31, 2011	None	1
Shareholding in the Company	Nil	Nil

AUDITORS' REPORT

**To,
The Members of PAE Ltd.**

1. We have audited the attached Balance Sheet of **PAE Ltd.**, as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;

- (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the Directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on March 31, 2011 from being appointed as a Director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements together with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the balance sheet, of the state of affairs of the company as at March 31, 2011;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

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

Satish K. Kelkar
Partner
Membership No: 38934

Place: Mumbai
Date : May 27, 2011

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date on the Accounts for the year ended March 31, 2011 of **PAE Limited**.

- | | |
|---|---|
| <p>(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) A substantial portion of the fixed assets have been physically verified by the management during the year and the company has also instituted a program for periodic verification of assets which is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.</p> <p>(c) The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us, we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the company.</p> | <p>the register maintained under Section 301 of the Companies Act, 1956, wherein the balance receivable as at the year end is Rs. 60.51 lacs (Previous year Rs.50.38 lacs). Maximum balance during the year was Rs.106.58 lacs (Previous year Rs.75 lacs.)</p> <p>(d) In our opinion and according to the explanations given to us, the rate of interest and other terms and conditions of the aforesaid loan given are not, prima facie, prejudicial to the interests of the company.</p> <p>(e) In our opinion and according to the explanations given to us, the company is regular in receiving the principal and interest as stipulated.</p> |
| <p>(ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.</p> <p>(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.</p> <p>(c) In our opinion and according to the explanations 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 with in the books of account.</p> | <p>(iv) 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 purchases of inventory, fixed assets and with regard to the sale of goods and services. We have not observed any continuing failure to correct major weaknesses in internal control system. However, in the case of reconciliation of balances with debtors, further strengthening of internal control procedures at certain branches is recommended so as to be commensurate with the current size of the company.</p> <p>(v) (a) According to the information and explanations given to us, 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.</p> <p>(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.</p> |
| <p>(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 Rs.200 lacs (Previous year Nil). Maximum balance during the year was Rs.200.36 lacs (Previous year Nil.)</p> <p>(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.</p> <p>(c) The company has given unsecured inter-corporate deposit to one company covered in</p> | <p>(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.</p> <p>(vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.</p> <p>(viii) The Central Government has not prescribed</p> |

maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.

- (ix) (a) According to the records of the company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Cess and other statutory dues applicable to it.

According to the information and explanations given to us, there are no undisputed statutory dues which are outstanding as at March 31, 2011 for the period of more than six months from the date they become payable. The Excise Duty is not applicable to the company.

- (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:

(Rs. in lacs)

Name of the Statute	Nature of the dues	Period to which the amount relates	Forum where dispute is pending	
			Commi-ssionerate	Appellate Tribunal
Central Sales Tax and Various State Sales Tax Acts	Sales Tax demands, Penalty and interest	2007-08	0.23	-
	Total		0.23	-

- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and 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 financial institutions or banks. The company does not have any outstanding debentures.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.

- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.

- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the company.

- (xv) The company has given a guarantee for loan taken by a subsidiary company from a bank and prima facie the terms and conditions thereof are not prejudicial to the interests of the company.

- (xvi) The term loans have been applied for the purpose for which they were raised.

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.

- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.

- (xix) The company has not issued any secured debentures during the year.

- (xx) The company has not raised any money by way of public issues during the year.

- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of audit.

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

Place: Mumbai
Date : May 27, 2011

Satish K. Kelkar
Partner
Membership No: 38934

BALANCE SHEET AS AT MARCH 31, 2011

(Rupees in lacs)

	Schedule	As at March 31, 2011	As at March 31, 2010
I. SOURCES OF FUNDS:			
SHAREHOLDERS' FUNDS:			
Share Capital	A	951.96	951.96
Reserves and Surplus	B	<u>3,390.51</u>	<u>3,262.33</u>
		4,342.47	4,214.29
LOAN FUNDS:	C		
Secured Loans		3,175.24	309.31
Unsecured Loans		<u>1,335.54</u>	<u>373.31</u>
		4,510.78	682.62
Deferred Tax Liability (Refer Note - 14)		11.97	17.22
TOTAL		<u><u>8,865.22</u></u>	<u><u>4,914.13</u></u>
II. APPLICATION OF FUNDS:			
FIXED ASSETS:	D		
Gross Block		1,643.82	1,483.37
Less : Depreciation		<u>594.70</u>	<u>501.48</u>
Net Block		1,049.12	981.89
Capital Work-in-Progress		<u>0.00</u>	<u>6.26</u>
		1,049.12	988.15
INVESTMENTS	E	573.58	612.49
CURRENT ASSETS, LOANS AND ADVANCES:	F		
Inventories		3,027.27	1,586.99
Debtors		3,426.35	2,265.58
Interest accrued but not due		0.99	0.72
Cash & Bank Balances		420.17	336.92
Loans & Advances		<u>1,752.45</u>	<u>720.74</u>
		<u>8,627.23</u>	<u>4,910.95</u>
Less:			
Current Liabilities	G	1,026.24	1,241.51
Provisions	H	<u>358.47</u>	<u>355.95</u>
		<u>1,384.71</u>	<u>1,597.46</u>
		7,242.52	3,313.49
TOTAL		<u><u>8,865.22</u></u>	<u><u>4,914.13</u></u>

For Accounting Policies and Notes to Accounts refer Schedule 'O' and 'P'

As per our report attached

For **K. S. AIYAR & CO.**

Chartered Accountants

Registration No. 100186W

SATISH K. KELKAR

Partner

Membership No. 38934

Mumbai, Dated May 27, 2011

V. Suresh

Head - Finance & Accounts

Nimesh S. Nandu

Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi

Executive Chairman

Pritam A. Doshi

Managing Director

Dilip J. Thakkar**Rajendra Nath Mehrotra**
Directors

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Rupees in lacs)

				For the year ended March 31, 2011	Previous year ended March 31, 2010
		Schedule			
INCOME:					
Gross Sales and Operating Income	I	28,958.23			24,074.45
Less: Value added Tax		<u>2,822.19</u>			<u>2,221.86</u>
Net Sales and Operating Income		26,136.04			21,852.59
Other Income	J	<u>76.72</u>			<u>65.98</u>
TOTAL				26,212.76	21,918.57
EXPENDITURE:					
Cost of Sales	K	22,897.12			19,200.74
Employees Remuneration and Benefits	L	1,068.67			659.81
Establishment and other Expenses	M	1,474.43			1,126.01
Interest	N	247.68			125.91
Depreciation/Amortisation		124.84			103.82
Less: Transferred from Revaluation Reserve		<u>22.32</u>			<u>22.32</u>
		102.52			81.50
TOTAL				25,790.42	21,193.97
Profit before Tax				422.34	724.60
Less: Provision for Taxation:					
Previous year's taxes (Net)				(9.21)	5.25
Current Tax				148.00	245.00
Deferred Tax (Asset)/Liability (Refer Note - 14)				<u>(5.25)</u>	<u>(1.01)</u>
Profit after Tax				288.80	475.36
Add: Surplus brought forward				<u>1,321.72</u>	<u>1,088.05</u>
Balance available for appropriation				1,610.52	1,563.41
APPROPRIATIONS:					
Proposed Dividend on Equity Shares				119.00	176.11
Tax on Proposed Dividend				19.30	29.93
Transfer to General Reserve				<u>7.22</u>	<u>35.65</u>
Surplus carried to Balance Sheet				<u>1,465.00</u>	<u>1,321.72</u>
Earning per share (Refer Note -8):					
Basic and diluted earning per share (in Rupees)				3.03	4.99

For Accounting Policies and Notes to Accounts refer Schedule 'O' and 'P'

As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants

Registration No. 100186W

SATISH K. KELKAR

Partner

Membership No. 38934

Mumbai, Dated May 27, 2011

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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

Rajendra Nath Mehrotra
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Rupees in lacs)

	2010-11	2009-10
(A) Cash Flow from Operating Activities		
Net Profit before Tax and Extraordinary Items	422.34	724.60
Adjustments For :		
Depreciation	102.52	81.50
Interest Charged	247.68	125.91
Interest/Dividend Income	(25.60)	(18.72)
Others	(4.20)	6.26
	<u>320.40</u>	<u>194.95</u>
Operating Profit before Working Capital changes	742.74	919.55
Adjustments for :		
Trade and Other Receivables	(2,181.86)	(459.52)
Inventories	(1,440.28)	(101.54)
Trade Payables	(132.31)	673.17
	<u>(3,754.45)</u>	<u>112.11</u>
Cash Generated from Operations	(3,011.71)	1,031.66
Direct Taxes (Paid)/Refunds	(154.65)	(251.92)
Net Cash Flow from Operating Activities	<u>(3,166.36)</u>	<u>779.74</u>
(B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(196.89)	(51.41)
Sale of Fixed Assets	9.69	6.15
Investment	(71.23)	(432.27)
Sale of Investments	100.01	0.04
Interest Received	24.10	8.12
Dividend Received	1.23	10.99
Net Cash used in Investing Activities	<u>(133.09)</u>	<u>(458.38)</u>
(C) Cash Flow from Financing Activities		
Working Capital Finance	3,301.48	(70.23)
Interest Paid	(247.68)	(125.99)
Proceeds from Long Term Borrowing (Net)	528.28	19.39
Dividend paid	(169.45)	(138.13)
Dividend Tax paid	(29.93)	(24.27)
Net Cash used in Financing Activities	<u>3,382.70</u>	<u>(339.23)</u>
Net Increase in Cash and Cash Equivalents	83.25	(17.87)
Opening Balance as at beginning of the Year	336.92	354.79
Closing Balance as at end of the Year	<u>420.17</u>	<u>336.92</u>

Notes:

1. The Cash Flow has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Cash and cash equivalents as on 31.03.11 and 31.03.10 includes restricted cash of Rs.54 lacs.
3. Previous year figures have been regrouped/reclassified wherever necessary.

As per our report attached

For **K. S. AIYAR & CO.**

Chartered Accountants

Registration No. 100186W

SATISH K. KELKAR

Partner

Membership No. 38934

Mumbai, Dated May 27, 2011

V. Suresh

Head - Finance & Accounts

Nimesh S. Nandu

Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi

Executive Chairman

Pritam A. Doshi

Managing Director

Dilip J. Thakkar**Rajendra Nath Mehrotra**

Directors

SCHEDULES 'A' TO 'P' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Rupees in lacs)

		As at March 31, 2011	As at March 31, 2010
SCHEDULE 'A' : SHARE CAPITAL			
AUTHORISED:			
1,50,00,000	Equity Shares of Rs.10 each (Previous Year: 1,50,00,000 Equity Shares of Rs. 10 each)	1,500.00	1,500.00
50,00,000	Preference Shares of Rs. 10 each (Previous Year: 50,00,000 Preference Shares of Rs. 10 each)	500.00	500.00
		<u>2,000.00</u>	<u>2,000.00</u>
ISSUED, SUBSCRIBED AND PAID UP :			
95,19,600	Equity Shares of Rs.10 each fully paid up. (Previous Year 95,19,600 Equity Shares of Rs.10 each)	951.96	951.96
Of the above :			
(a) 4,00,000	Equity Shares were issued as fully paid Bonus Shares by capitalisation of General Reserve.		
(b) 31,73,200	Equity Shares were issued as fully paid Bonus Shares by capitalisation of Share Premium Account.		
		<u>951.96</u>	<u>951.96</u>
SCHEDULE 'B' : RESERVES AND SURPLUS			
Capital Reserve		0.09	0.09
Securities Premium Reserve Account		531.23	531.23
Revaluation Reserve (Refer Note - 7)		574.32	596.64
Less: Depreciation on revaluation of assets transferred to Profit and Loss A/c		<u>22.32</u>	<u>22.32</u>
		552.00	574.32
General Reserve:			
As per last Balance Sheet		834.97	799.32
Transfer from Profit and Loss Account		<u>7.22</u>	<u>35.65</u>
		842.19	834.97
Surplus as per Profit and Loss Account		<u>1,465.00</u>	<u>1,321.72</u>
		<u>3,390.51</u>	<u>3,262.33</u>

(Rupees in lacs)

As at
March 31, 2011 As at
March 31, 2010

SCHEDULE 'C' : LOAN FUNDS**A. SECURED LOANS:**

a. Working capital loan from Banks	3,115.08	288.60
(secured by hypothecation of current assets and all movables, both present and future and with a collateral charge on immovable and movable properties)		
b. Motor Vehicle Loan	60.16	20.71
(secured by motor vehicles purchased under loan agreement)		
(Payable within one year Rs.33.85 Lacs - Previous year Rs.11.50 Lacs)	<u>3,175.24</u>	<u>309.31</u>

B. UNSECURED LOANS:

Fixed Deposits (Payable within one year Rs.234.23 lacs - Previous year Rs.97.29 lacs)	860.54	373.31
Inter Corporate Deposits	<u>475.00</u>	<u>0.00</u>
	<u>1,335.54</u>	<u>373.31</u>
	<u>4,510.78</u>	<u>682.62</u>

SCHEDULE 'D' : FIXED ASSETS

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 01.04.2010	+ Added on Revaluation	Additions this year	Sales / Adjustment this year	As at 31.03.2011	As at 01.04.2010	Adjustment on Revaluation	Depreciation/ Amortisation this year	Sales / Adjustment this year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Tangible Assets												
Building and Ownership Flats *	908.71	-	40.19	-	948.90	139.24	22.32	10.93	-	172.49	776.41	769.47
Other Plant & Machinery	16.41	-	5.41	0.63	21.19	8.15	-	2.16	0.29	10.02	11.17	8.26
Furniture & Fixtures	173.40	-	12.15	4.82	180.73	114.65	-	17.58	4.53	127.70	53.03	58.75
Office Equipments	73.24	-	24.92	2.57	95.59	38.18	-	7.39	1.88	43.69	51.90	35.06
Computers	187.08	-	29.59	12.93	203.74	135.86	-	28.95	9.97	154.84	48.90	51.22
Motor Vehicles	105.00	-	79.42	21.75	162.67	56.67	-	29.75	14.95	71.47	91.20	48.33
Sub Total	1,463.84	-	191.68	42.70	1,612.82	492.75	22.32	96.76	31.62	580.21	1,032.61	971.09
Intangible Assets												
Software	19.53	-	11.47	-	31.00	8.73	-	5.76	-	14.49	16.51	10.80
Sub Total	19.53	-	11.47	-	31.00	8.73	-	5.76	-	14.49	16.51	10.80
Total	1,483.37	-	203.15	42.70	1,643.82	501.48	22.32	102.52	31.62	594.70	1,049.12	981.89
Previous Year Total	1,482.81	-	45.15	44.59	1,483.37	434.91	22.32	81.50	37.25	501.48		
Capital Work In Progress											-	6.26
										TOTAL	1,049.12	988.15

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

+ Refer to Note 7 of Schedule 'P'

(Rupees in lacs)

		As at March 31, 2011	As at March 31, 2010
SCHEDULE 'E' : INVESTMENTS			
LONG TERM INVESTMENTS (AT COST)			
UNQUOTED:			
a) Investment in Subsidiary Companies			
1,60,00,246	Equity Shares of Shurjo Energy Pvt. Ltd. (Refer Note - 2) (Previous Year 1,30,28,772)	557.81	506.81
1,10,000	Equity Shares of PAE Renewables Pvt. Ltd. (Refer Note - 2) (Previous Year - 10,000)	11.00	1.00
		<u>568.81</u>	<u>507.81</u>
QUOTED:			
b) Other Investments			
8,53,305	Equity Shares of Pal Credit & Capital Ltd. (Previous year 8,54,305 shares) Less: Provision for diminution in value	87.64	87.64
		<u>85.34</u>	<u>85.34</u>
		2.30	2.30
4,000	Equity Shares of South India Paper Mills Ltd. (Previous year 4,000 shares)	1.18	1.18
216	Equity Shares of Exide Industries Ltd. (Previous year 216 shares)	0.01	0.01
50	Equity Shares of Finolex Cables Ltd. (Previous year 50 shares)	0.01	0.01
10	Equity Share of Bosch Ltd. (Previous year 10 shares) (Formerly known as Mico Industries Company Ltd.)	0.02	0.02
500	Equity Shares of Gabriel India Ltd. (Previous Year 500 shares)	0.01	0.01
		<u>3.53</u>	<u>3.53</u>
UNQUOTED :			
In units of Unit Trust of India:			
7,280	Units of Unit Trust of India Balance Fund (Previous Year 6,846 units)	1.22	1.12
1,100	Equity Shares of Stiefel Und Shuh Ltd. (Previous Year 1,100 shares)	0.01	0.01
1,200	Equity Shares of Kongarar Integrated Fibres Ltd. (Previous Year 1200 shares) (Formerly known as Kongarar Textiles Ltd.)	0.01	0.01
		<u>1.24</u>	<u>1.14</u>
CURRENT INVESTMENTS:			
UNQUOTED:			
Nil	Units of SBI-Magnum Insta Cash Fund (Previous Year - 5,97,069)	0.00	100.01
Total		<u>573.58</u>	<u>612.49</u>
Notes:			
1. Aggregate Book Value of Investments:			
	Quoted Investments	3.53	3.53
	Unquoted Investments	570.05	608.96
	Total	<u>573.58</u>	<u>612.49</u>
	(Market Value of quoted investments Rs. 26.12 lacs - Previous Year Rs.28.99 lacs)		
2. Investments in Mutual Funds purchased and sold during the year			
Name of the Security		No. of Units	Value
Reliance Liquid Fund-TP-IP-Daily Dividend Reinvestment		85,09,952	1,300.95

(Rupees in lacs)

	As at March 31, 2011	As at March 31, 2010
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SCHEDULE 'F' : CURRENT ASSETS, LOANS AND ADVANCES**A. CURRENT ASSETS:**

Inventories:

Traded Goods	2,995.07	1,549.07
Packing Material	2.41	0.00
Goods in Transit - Inter Branch	29.79	37.92
	3,027.27	1,586.99

Debtors: (Unsecured, considered good unless otherwise stated)

a. Over six months	169.24	16.63
b. Others	3,257.11	2,248.95
	3,426.35	2,265.58

Interest accrued but not due

0.99	0.72
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Cash and Bank Balances:

Cash on Hand	9.03	14.19
Cheques on Hand	280.89	229.80

With Scheduled Banks:

On Current Account	32.36	23.74
On Deposit Account	97.89	69.19

[Includes Rs.54 lacs (previous year Rs.54 lacs) as collateral against cash credit limits with banks]

420.17	336.92
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B. LOANS AND ADVANCES: (Unsecured, considered good)

Sundry Deposits	121.12	103.61
Claims/Incentives Receivable	610.79	225.45
Other Loans and Advances	960.03	341.30
Inter Corporate Deposit to subsidiary	60.51	50.38
	1,752.45	720.74
	8,627.23	4,910.95

SCHEDULE 'G' : CURRENT LIABILITIES

Acceptances	0.00	13.84
Sundry Creditors:		
For goods purchased	475.26	745.95
For expenses	403.31	309.59
	878.57	1,055.54
VAT Payable (Net)	0.00	32.14
Rent Deposit	103.45	101.35
Dealers' Deposits	14.43	13.88
Advance from Customers	6.05	9.53
Unclaimed Dividend *	21.64	14.98
Unclaimed matured fixed deposits *	2.10	0.25
	1,026.24	1,241.51

* The figure does not include any amount due and outstanding to be credited to Investor Education and Protection Fund

(Rupees in lacs)

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 'H' : PROVISIONS		
Proposed Dividend on Equity Shares	119.00	176.11
Tax Payable on Proposed Dividend	19.30	29.93
Provision for Taxation (Net of taxes paid):		
Income Tax	67.56	87.83
Fringe Benefit Tax	0.50	1.20
Wealth Tax	0.04	0.03
	68.10	89.06
Provision for retirement benefits:		
Leave Encashment	34.98	26.73
Gratuity	30.68	0.68
	65.66	27.41
Provision for warranties (Refer Note - 16)	86.41	33.44
	<u>358.47</u>	<u>355.95</u>

	For the year ended March 31, 2011	For the year ended March 31, 2010
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SCHEDULE 'I' : SALES AND OPERATING INCOME

Gross Sales Less Returns	27,894.92	23,260.23
Operating Income:		
Incentive/Turnover Discounts from suppliers	716.49	573.18
Cash Discount from suppliers	307.10	220.21
Bad Debts Recovered	18.85	6.94
Previous years provision written back	1.18	0.25
Others	19.69	13.64
	1,063.31	814.22
	<u>28,958.23</u>	<u>24,074.45</u>

SCHEDULE 'J' : OTHER INCOME

Interest, Gross [Tax deducted at source Rs.1.39 lacs (Previous Year Rs.0.94 lacs)]	24.37	7.73
Rent Income [Tax deducted at source Rs.3.18 lacs (Previous year Rs.7.09 lacs)]	45.29	39.82
Dividend earned	1.23	10.99
Miscellaneous Income	5.83	7.40
Profit on sale of long term investment	0.00	0.04
	<u>76.72</u>	<u>65.98</u>

(Rupees in lacs)

	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE 'K' : COST OF SALES		
Stock at Commencement	1,549.07	1,458.97
Add: Purchases	24,345.53	19,290.84
	25,894.60	20,749.81
Less: Stock at Close	2,997.48	1,549.07
	22,897.12	19,200.74

SCHEDULE 'L' : EMPLOYEES' REMUNERATION AND BENEFITS (Including Managerial Remuneration)

Salaries, Wages, Bonus and Ex-Gratia	879.76	559.86
Contribution to Provident, Gratuity and other funds	92.00	43.90
Staff Welfare	96.91	56.05
	1,068.67	659.81

SCHEDULE 'M' : ESTABLISHMENT & OTHER EXPENSES

Stationery, Postage, Advertisement, Telephone, Electricity, etc.	587.67	433.06
Clearing & Forwarding Agency Charges	101.03	49.35
Rent	88.87	78.18
Rates & Taxes	35.70	25.66
Cash Discount	68.66	84.82
Incentive/Turnover Discounts	67.69	65.47
Repairs to:		
(a) Buildings	13.17	6.32
(b) Others	42.60	35.66
	55.77	41.98
Insurance	15.10	7.36
Auditors' Remuneration (Refer to Note - 3)	16.72	10.79
Miscellaneous Expenses	342.43	236.22
Foreign currency fluctuation (Net) (Refer to Note - 9)	15.60	1.02
Directors' Fees	2.85	2.44
Loss on assets sold/discarded (Net)	1.39	1.22
Bad Debts Written Off	49.95	88.44
Donation	25.00	0.00
	1,474.43	1,126.01

SCHEDULE 'N' : INTEREST

Paid to:		
Banks	167.72	75.10
On Fixed Deposits	57.62	41.90
Others	22.34	8.91
	247.68	125.91

SCHEDULE "O" SIGNIFICANT ACCOUNTING POLICIES:**1. Basis of Accounting:**

- a) The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except in case of significant uncertainties.
- b) Financial statements are based on historical costs and are prepared in accordance with the requirements of the Companies Act, 1956 and the applicable Accounting Standards as prescribed by Companies (Accounting Standards) Rules 2006 (as amended).

2. 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. 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.

3. Fixed Assets and Depreciation/Amortisation:

- a) Fixed Assets are stated at cost less depreciation. Cost comprises of purchase price and any cost attributable to bring the asset to its working condition for its intended use.
- b) Computer Software forming part of Intangible assets is amortized over a period of five years.
- c) 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.
- d) 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 Profit and Loss Account.

4. 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 Profit and Loss Account 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.

5. Investments:

Investments are classified as long-term and 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.

6. 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.

7. 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.

8. 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 profit and loss account over the period of the contract.

9. Employee Benefits:

- a) Defined Contribution Plan: The Group makes defined contribution to Provident Fund, ESI and Superannuation Schemes which are recognized as an expense in the Profit and Loss Account as they are incurred.
- b) Defined Benefit Plan and long term benefits: Group's liabilities towards gratuity and long term benefit in the form of leave encashment are recognised using the projected unit credit method as at Balance Sheet date. Actuarial gains/losses are recognized immediately in the Profit and Loss Account.

10. Leases:

Lease payments under operating lease are recognized as an expense in the Profit and Loss Account 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.

11. Taxation:

Provision for Current tax and Wealth Tax is made 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 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 and reviewed for the appropriateness of their carrying values at each balance sheet date.

12. Provisions, Contingent Liabilities and Contingent Assets:

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.

SCHEDULE 'P' NOTES FORMING PART OF THE ACCOUNTS:

1. Contingent liabilities not provided for in respect of:
 - a. Disputed Sales Tax demand of Rs.34.15 lacs (Previous year Rs.56.87 lacs). The management has been advised that there will be no liability arising on this account.
 - b. Estimated tax liability Nil (Previous year Nil).
 - c. Counter indemnities given by the Company in respect of guarantees issued by the bank Rs.157.29 lacs(Previous year Rs.6.14 lacs).
 - d. The Company has given a corporate guarantee to a bank of Rs.350 lacs for secured loan availed by its subsidiary, Shurjo Energy Pvt. Ltd.
2. a) During the year, the Company subscribed to 29,71,474 equity shares (previous year 95,75,437) for a total consideration of Rs.51.00 lacs (previous year Rs.331.21 lacs) in Shurjo Energy Pvt. Ltd. thereby increasing its stake to 70% in the company w.e.f. October 25, 2010. The company is engaged in manufacturing of solar photovoltaic panels using CIGS technology.
- b) During the year, the Company subscribed to 1,00,000 equity shares (previous year 10,000) of Rs.10/- each for a total consideration of Rs.10 lacs (previous year Rs.1 lac) in PAE Renewables Pvt. Ltd. PAE Renewables Pvt. Ltd. is a 100% subsidiary of PAE Limited and is engaged in the business to design, install, sell and service renewable energy solutions of small and medium sizes in India.

3. Auditors' Remuneration includes:

	2010-2011	(Rupees in lacs) 2009-2010
	Rs.	Rs.
i) Audit fees (including service tax)	6.62	5.24
ii) Tax Audit fees (including service tax)	1.65	1.38
iii) Other Services (including service tax)	8.11	4.08
iv) Out of pocket expenses	0.34	0.09
TOTAL	<u>16.72</u>	<u>10.79</u>

4. There are no amounts overdue and remaining unpaid for 30 days on account of principal and /or over due interest at the close of the year to micro, small and medium enterprises, as defined under "Micro, Small and Medium Enterprises Development Act, 2006". 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.

5. (a) *Amount paid/payable by the Company to Executive Chairman, Managing Director and Non Executive Directors.

	2010-11	(Rupees in lacs) 2009-10
Director's Sitting Fees	2.85	2.44
Salaries	40.56	32.70
Contribution to Provident Fund and Superannuation Fund	10.95	8.83
Other Perquisites & Benefits	48.01	40.11
Commission	0.00	8.17
	<u>102.37</u>	<u>92.25</u>

* Exclusive of provision for future liabilities in respect of retirement benefits since these are based on actuarial valuation done on overall Company basis.

- (b) Computation of net profit for commission payable to the Directors in accordance with Section 198 of the Companies Act, 1956

	2010-11	(Rupees in lacs) 2009-10
Profit for the year before Tax as per Profit and Loss Account	422.34	724.60
Add: Loss on sale of assets as per section 350	0.00	0.01
Managerial Remuneration	102.37	92.25
	<u>524.71</u>	<u>816.86</u>
Less: Profit on sale of assets as per section 350	0.00	0.05
Profit on sale of investment	0.00	0.04
Previous Year tax provisions written Back	0.00	0.00
Net Profit as per Section 198	<u>524.71</u>	<u>816.77</u>
Commission to Executive Chairman	Nil	Nil
Commission to Managing Director	Nil	2.67
Commission to Non Executive Directors	Nil	5.50
	<u>Nil</u>	<u>8.17</u>

- i) Remuneration paid to Executive Chairman is in accordance with the approval granted by the Ministry of Corporate Affairs, The Government of India vide its letter dated December 27, 2010.

- ii) Due to inadequacy of profit remuneration paid to the Managing Director is the minimum remuneration based on the effective capital of the company as prescribed under Schedule XIII of the said Act.

6. Additional information as required under Schedule VI of the Companies Act, 1956.

(i) Particulars of Trading Activities :

(Rupees In Lacs)

	Turnover				Opening Stock				Purchases				Closing Stock			
	2010-2011		2009-2010		2010-2011		2009-2010		2010-2011		2009-2010		2010-2011		2009-2010	
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
Lead Acid Storage Batteries	8,27,988	16,659.29	6,35,972	14,073.27	37,945	614.05	46,000	966.96	9,16,814	16,546.08	6,27,917	12,563.79	1,26,771	1,979.99	37,945	614.05
Power Backup Systems	56,899	2,210.52	76,515	3,120.24	15,220	570.36	4,936	211.86	52,511	1,805.34	86,799	3,090.27	10,832	383.46	15,220	570.36
Other Auto Products and Solar Products*	-	6,202.92	-	3,844.85	-	364.66	-	280.15	-	5,994.11	-	3,636.78	-	634.03	-	364.66
		25,072.73		21,038.36		1,549.07		1,458.97		24,345.53		19,290.84		2,997.48		1,549.07

*None of the individual items in the " Other Auto and Solar Products " account for 10 % or more of the total Turnover, Purchases or Stock.

(Rupees in lacs)

2010-2011 2009-2010

ii. Value of imports calculated on C.I.F basis:	395.94	470.71
iii. Expenditure in Foreign Currency:		
a) Foreign Tour Expenses	9.28	4.99
b) Others	1.79	1.65
	<u>11.07</u>	<u>6.64</u>

7. 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:

(Rupees in lacs)

	Original Cost as at 01.12.07	Fair Market Value as at 01.12.07	Amount written up as at 01.12.07	Depreciation on Revalued Portion 01.04.10 to 31.03.11	Accumulated Depreciation on Revalued Portion 31.03.11	WDV as on 31.03.11
Buildings and Ownership Flats	139.10	765.50	626.40	22.32	74.39	552.01

8. Earnings per Share:

2010-2011 2009-2010

Profit after tax(Rupees in lacs)	288.80	475.36
Weighted average number of equity shares outstanding	95,19,600	95,19,600
Basic and diluted earnings per share (in Rupees)	3.03	4.99

9. (i) In accordance with Accounting Standard 11, the exchange loss debited to Profit & Loss Account is Rs.15.60 lacs (previous year Rs.1.02 lacs). Premium in respect of Forward Exchange Contracts to be debited to subsequent years' Profit and Loss account is Rs.18.49 lacs (Previous year Rs.0.37 lacs).
- (ii) Disclosure in relation to derivative instruments for hedging foreign currency risk for secured loans:

	Number of contracts	Rupees in lacs
Forward Contracts	1 (0)	710.56 (0.00)

Figures for the previous year have been given in brackets.

10. Disclosure as per clause 32 of the Listing Agreement and as per Schedule VI of the Companies Act, 1956.

(Rupees in lacs)

Loans and Advances given to Subsidiary	Outstanding balance as at 31.03.11	Maximum balance during the period
Shurjo Energy Pvt. Ltd.	60.51 (50.38)	106.58 (75.00)

Figures for the previous year have been given in brackets.

11. Employee Defined Benefits:

The disclosure in terms of AS-15 (revised) "Employee Benefits" has been given on the basis of actuarial valuation for the year ended March 31, 2011.

(Rupees in lacs)

Particulars	2010-2011	2010-2011	2009-2010	2009-2010
	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	79.54	26.73	82.48	24.42
Current service cost	7.26	4.17	7.29	4.02
Interest cost	6.56	2.21	6.60	1.52
Past Service cost (vested benefit) incurred during the period	8.42	-	-	-
Benefits paid	(9.99)	(8.46)	(14.68)	(18.80)
Actuarial (gain)/loss	17.99	10.33	(2.15)	15.57
Liability at the end of the year	109.78	34.98	79.54	26.73
II. Reconciliation of opening and closing balances of Fair Value of Plan Assets:				
Fair Value of Plan Assets at the beginning of the year	78.86	-	82.89	-
Expected Return on Plan Assets	6.31	-	6.31	-
Contributions	3.68	-	3.31	-
Benefits paid	(9.99)	-	(14.68)	-
Actuarial gain/(loss) on Plan Assets	0.24	-	1.03	-
Fair Value of Plan Assets at the end of the year	79.09	-	78.86	-
Net Actuarial (gain)/loss to be recognised	17.75	10.33	(3.18)	15.57
Actual Return on Plan Assets:				
Expected Return on Plan Assets	6.31	-	6.31	-
Actuarial gain/(loss) on Plan Assets	0.24	-	1.03	-
Actual Return on Plan Assets	6.55	0.00	7.34	0.00
III. Reconciliation of Fair Value of Assets and Obligations:				
Liability at the end of the year	109.78	34.98	79.54	26.73
Fair Value of Plan Assets at the end of the year	79.09	-	78.86	-
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	30.69	34.98	0.68	26.73
IV. Expense Recognised in the Profit and Loss Account:				
Current Service Cost	7.26	4.17	7.29	4.02
Interest Cost	6.56	2.21	6.60	1.52
Expected Return on Plan Assets	(6.31)	-	(6.31)	-
Past Service Cost (vested benefit) recognised during the period	8.42	-	-	-
Net Actuarial (gain)/ loss to be recognised	17.75	10.33	(3.18)	15.57
Expense recognised in the Profit and Loss Account under "Contribution to Provident, Gratuity & Other Funds"	33.68	16.71	4.40	21.11
V. Principal Assumptions:	In Percent	In Percent	In Percent	In Percent
Mortality Table LIC	1994-96	1994-96	1994-96	1994-96
Discount Rate	8.25%	8.25%	8.25%	8.25%
Expected Return on Plan Assets	8%	-	8%	-
Rate of Escalation in Salary	5%	5%	5%	5%
Attrition Rate	2%	2%	2%	2%

12. The company has defined its business segments as Lead Acid Storage Batteries, Power Backup Systems, Other Auto Products and Solar Products taking into account the nature of the 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:

(Rupees in lacs)

	Particulars	Year Ended 31.03.11	Year Ended 31.03.10
A	SEGMENT REVENUE		
1	Sales (Net of VAT)		
	Lead Acid Storage Batteries	17,385.37	14,640.07
	Power Backup Systems	2,246.77	3,129.59
	Other Auto Products	6,123.13	4,047.60
	Solar Products	341.06	14.52
	Unallocated Operating Income	39.71	20.83
	Net Sales/Income from Operations	26,136.04	21,852.61
B	RESULT		
1	Segment Result		
	Lead Acid Storage Batteries	2,205.24	1,723.13
	Power Backup Systems	254.53	397.01
	Other Auto Products	722.73	509.84
	Solar Products	16.71	1.04
	Unallocated Operating Income	39.71	20.83
	Gross Segment Result	3,238.92	2,651.85
2	Less: Allocated Expenses		
	Lead Acid Storage Batteries	48.69	65.47
	Power Backup Systems	19.00	0.00
	Other Auto Products	0.00	0.00
	Solar Products	0.00	0.00
	Total Allocated Expenses	67.69	65.47
3	Net Segment Result	3,171.23	2,586.38
	Less:		
4	Unallocated Expenses (Net)	2,398.69	1,654.37
5	Depreciation	102.52	81.50
6	Interest Expense	247.68	125.91
7	Profit from ordinary activities	422.34	724.60
8	Net Profit before Tax	422.34	724.60
9	Capital Employed	8,301.25	4,322.59

The assets and liabilities of the company not being specifically identifiable with a particular segment, costs 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.

13. 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 Rs.88.87 lacs (previous year Rs.78.18 lacs) and are recognised in the Profit and Loss Account under 'Rent' in Schedule M.

- (b) Where the 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 Rs.45.29 lacs (previous year Rs.39.82 lacs) and are recognised in the Profit and Loss Account under 'Rent Income' in Schedule J.

14. In accordance with AS-22, Accounting for Taxes on Income, Deferred Tax Liability as at March 31, 2011 is Rs.5.25 lacs.

Major components of Deferred Tax Liability which has been recognised aforesaid are as under:

(Rupees in lacs)

	2010-2011	2009-2010
Deferred Tax Asset:		
Provision for employee benefits	4.40	3.02
Others	2.41	2.61
	<u>6.81</u>	<u>5.63</u>

Deferred Tax Liability:		
Depreciation	18.78	22.85
Net Deferred Tax (Liability)/Asset	(11.97)	(17.22)
Deferred Tax Asset/(Liability) recognised during the year	<u>5.25</u>	<u>1.01</u>

15. Related Party Disclosure as per AS-18:

A. Particulars of Subsidiary Companies

Shurjo Energy Pvt. Limited
PAE Renewables Pvt. Ltd.
(Formerly known as Sky Natureenergy Pvt. Ltd.)

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
Shri Arvind R. Doshi	Executive Chairman
Shri Pritam A. Doshi	Managing Director

D. Relatives of Key Management Personnel:

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

E. Details of Transactions with related parties:

(Rupees in lacs)

Particulars	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
1. Remuneration	-	-	99.52 (121.27)	-
2. Rent Received	1.65 (0.00)	-	-	-
3. Sales	254.92 (0.51)	-	-	-
4. Purchases	95.43 (18.15)	-	-	-
5. Purchase of Fixed Assets	3.87 (6.47)	-	-	-
6. Transfer of Fixed Assets	0.13 (0.56)	-	-	-
7. Sale of Fixed Assets	2.88 (0.00)	-	-	-
8. Rendering of Services	5.26 (6.31)	-	-	-
9. Other receipts/payments (net)	8.31 (11.20)	-	-	-
10. Deposits Accepted	-	98.00 (5.00)	0.00 (4.00)	38.25 (0.00)
11. Deposits Repaid	-	0.00 (4.65)	0.00 (0.00)	0.00 (0.00)
12. Interest on deposits	-	3.25	0.00	1.51

Particulars	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
13. ICD Received	-	338.00 (0.00)	-	-
14. Interest paid on ICD	-	5.38 (0.00)	-	-
15. ICD Paid	50.00 (182.50)	-	-	-
16. ICD Repaid	48.00 (132.50)	138.00 (0.00)	-	-
17. Interest received on ICD	12.33 (1.85)	-	-	-
18. Investment	61.00 (332.21)	-	-	-
Amount outstanding on Balance Sheet Date	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
1. Fixed Deposits Outstanding	-	104.00 (6.00)	0.00 (0.00)	39.00 (0.75)
2. Interest payable	-	-	0.00 (0.00)	-
3. Commission Payable	-	-	0.00 (2.67)	-
4. Remuneration Payable	-	-	3.73 (0.00)	-
5. Outstanding Debit/(Credit)	189.48 (3.25)	-	-	-
6. ICD Outstanding	60.51 (50.38)	200.00 (0.00)	-	-
7. Corporate Guarantee given & outstanding	350.00 (350.00)	-	-	-
Figures for the previous year have been given in brackets.				

16. 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:

	(Rupees in lacs)
Opening Balance as on 01.04.2010	33.44
Provision for warranty made during the year	112.77
Warranties adjusted against provision	(59.80)
Closing provision for warranty as on 31.03.2011	<u>86.41</u>

17. In the year 2008-09 the Company had filed a petition in the High Court of Mumbai for interest charged under section 234B of the Income Tax Act, 1961 against order passed by the settlement commission for A.Y. 1993-94, 1994-95 and 1996-97. Pending High Court Order, no adjustments have been made in respect of tax provision against these years.

18. Previous year figures have been re-grouped/reclassified wherever necessary.

As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants

Registration No. 100186W

SATISH K. KELKAR

Partner

Membership No. 38934

Mumbai, Dated May 27, 2011

V. Suresh

Head - Finance & Accounts

Nimesh S. Nandu

Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi

Executive Chairman

Pritam A. Doshi

Managing Director

Dilip J. Thakkar

Rajendra Nath Mehrotra
Directors

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
Balance Sheet Abstract and Company's General Business Profile

I. Registration DetailsCIN No.

L	9	9	9	9	9	M	H	1	9	5	0	P	L	C	0	0	8	1	5	2
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Balance Sheet Date

3	1	0	3	2	0	1	1
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State Code

1	1
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II. Capital Raised during the year (Amount in Rupees Thousands)

Public Issue

						N	I	L
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Rights Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Bonus Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Private Placement

						N	I	L
--	--	--	--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rupees Thousands)

Total Liabilities

	1	0	2	4	9	9	3
--	---	---	---	---	---	---	---

Total Assets

	1	0	2	4	9	9	3
--	---	---	---	---	---	---	---

Sources of funds

Paid up capital

			9	5	1	9	6
--	--	--	---	---	---	---	---

Reserve & Surplus

		3	3	9	0	5	1
--	--	---	---	---	---	---	---

Secured loans

		3	1	7	5	2	4
--	--	---	---	---	---	---	---

Unsecured loans

		1	3	3	5	5	4
--	--	---	---	---	---	---	---

Deferred Tax Liability

				1	1	9	7
--	--	--	--	---	---	---	---

Application of Funds

Net Fixed Assets

		1	0	4	9	1	2
--	--	---	---	---	---	---	---

Investments

			5	7	3	5	8
--	--	--	---	---	---	---	---

Net Current Assets

		7	2	4	2	5	2
--	--	---	---	---	---	---	---

Misc Expenditure

						N	I	L
--	--	--	--	--	--	---	---	---

Accumulated Losses

		N	I	L			
--	--	---	---	---	--	--	--

IV. Performance of Company (Amount in Rupees Thousands)

Turnover (Gross Revenue)

	2	6	2	1	2	7	6
--	---	---	---	---	---	---	---

Total Expenditure

	2	5	7	9	0	4	2
--	---	---	---	---	---	---	---

+ - Profit / Loss Before Tax

+			4	2	2	3	4
---	--	--	---	---	---	---	---

+ - Profit / Loss After Tax

+			2	8	8	8	0
---	--	--	---	---	---	---	---

Earnings Per Share in Rs.

				3	.	0	3
--	--	--	--	---	---	---	---

Dividend Rate %

	1	2	.	5	0
--	---	---	---	---	---

V. Generic Name of Three Principal Products/Services of Company (as per monetary terms)

Item Code No.(ITC Code)

N	O	T		A	P	P	L	I	C	A	B	L	E
---	---	---	--	---	---	---	---	---	---	---	---	---	---

D	I	S	T	R	I	B	U	T	I	O	N		I	N		L	E	A	D		A	C	I	D
---	---	---	---	---	---	---	---	---	---	---	---	--	---	---	--	---	---	---	---	--	---	---	---	---

S	T	O	R	A	G	E		B	A	T	T	E	R	I	E	S		P	O	W	E	R		
---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	--	--

B	A	C	K	U	P		S	Y	S	T	E	M		A	N	D		O	T	H	E	R		
---	---	---	---	---	---	--	---	---	---	---	---	---	--	---	---	---	--	---	---	---	---	---	--	--

A	U	T	O		A	N	D		S	O	L	A	R		P	R	O	D	U	C	T	S		
---	---	---	---	--	---	---	---	--	---	---	---	---	---	--	---	---	---	---	---	---	---	---	--	--

V. Suresh

Head - Finance & Accounts

Nimesh S. Nandu

Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi

Executive Chairman

Pritam A. Doshi

Managing Director

Dilip J. Thakkar**Rajendra Nath Mehrotra**
Directors

Mumbai, Dated May 27, 2011

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors PAE Ltd

1. We have audited the attached Consolidated Balance Sheet of PAE Limited ("the Company") and its Subsidiaries ("the Group"), as at March 31, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements ("CFS") have been prepared by the Company in accordance with the requirements of Accounting Standard ("AS") 21 Consolidated Financial Statements.
4. Included in these Consolidated Financial Statements (CFS) are Assets of Rs. **538.54** Lacs as at March 31, 2011,

revenues of Rs. **821.14** Lacs and net cash outflow of Rs. **4.78** Lacs for the year then ended, which have not been audited by us. These 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 these entities, is based solely on reports of those respective auditors.

5. Based on our audit and on consideration of reports of other auditors on separate financial statements and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with accounting principles generally accepted in India:
 - (a) In the case of the consolidated balance sheet, of the state of affairs of the Company and its Subsidiaries as at March 31, 2011;
 - (b) In the case of the consolidated profit and loss account, of the profit 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.

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

Satish K. Kelkar
Partner
Membership No: 38934

Place: Mumbai
Date : May 27, 2011

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(Rupees in lacs)

	Schedule	As at March 31, 2011	As at March 31, 2010
I. SOURCES OF FUNDS:			
SHAREHOLDERS' FUNDS:			
Share Capital	A	951.96	951.96
Reserves and Surplus	B	3,275.28	3,261.55
		4,227.24	4,213.51
Minority Interest		51.08	145.47
LOAN FUNDS:			
	C		
Secured Loans		3,251.29	450.95
Unsecured Loans		1,340.37	390.36
		4,591.66	841.31
Deferred Tax Liability (Refer Note - 7)		12.00	17.22
TOTAL		8,881.98	5,217.51
II. APPLICATION OF FUNDS:			
FIXED ASSETS:			
	D		
Gross Block		2,378.46	2,133.82
Less : Depreciation		718.88	565.84
Net Block		1,659.58	1,567.98
Capital Work-in-Progress		0.00	32.13
		1,659.58	1600.11
INVESTMENTS	E	4.77	104.68
CURRENT ASSETS, LOANS AND ADVANCES:			
	F		
Inventories		3,213.11	1,817.47
Debtors		3,277.18	2,313.36
Interest accrued but not due		0.99	0.72
Cash & Bank Balances		450.32	371.86
Loans & Advances		1,708.23	748.33
		8,649.83	5,251.74
Less:			
Current Liabilities	G	1,075.05	1,381.98
Provisions	H	357.15	357.04
		1,432.20	1,739.02
TOTAL		7,217.63	3,512.72
		8,881.98	5,217.51

For Accounting Policies and Notes to Accounts refer Schedule 'P'

As per our report attached

For **K. S. AIYAR & CO.**

Chartered Accountants

Registration No. 100186W

SATISH K. KELKAR

Partner

Membership No. 38934

Mumbai, Dated May 27, 2011

V. Suresh

Head - Finance & Accounts

Nimesh S. Nandu

Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi

Executive Chairman

Pritam A. Doshi

Managing Director

Dilip J. Thakkar**Rajendra Nath Mehrotra**

Directors

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Rupees in lacs)

	Schedule	For the year ended March 31, 2011	For the year ended March 31, 2010
INCOME:			
Gross Sales and Operating Income	I	29,431.67	24,889.91
Less: Value added Tax		2,822.19	2,221.86
Net Sales and Operating Income		26,609.48	22,668.05
Other Income	J	57.50	67.34
TOTAL		26,666.98	22,735.39
EXPENDITURE:			
Cost of Sales	K	23,237.76	19,911.23
Manufacturing Expenses	L	31.10	56.75
Employees Remuneration and Benefits	M	1,172.15	732.05
Establishment and other Expenses	N	1,573.50	1,325.60
Interest	O	261.83	139.95
Depreciation/Amortisation		184.94	133.76
Less: Transferred from Revaluation Reserve		22.32	22.32
TOTAL		26,438.96	22,277.02
		228.02	458.37
Add: Pre-acquisition loss transferred to Goodwill		21.72	129.51
Minority Interest		64.68	98.61
		86.40	228.12
Profit before Tax		314.42	686.49
Less: Provision for Taxation:			
Previous year's taxes (Net)		(9.21)	5.25
Current Tax		154.50	245.08
Deferred Tax (Asset)/Liability (Refer Note -7)		(5.22)	(1.01)
Profit after Tax		174.35	437.17
Add: Surplus brought forward		1,320.94	1,125.46
Balance available for appropriation		1,495.29	1,562.63
APPROPRIATIONS:			
Proposed Dividend on Equity Shares		119.00	176.11
Tax on Proposed Dividend		19.30	29.93
Transfer to General Reserve		7.22	35.65
Surplus carried to Balance Sheet		1,349.77	1,320.94
Earning per share (Refer Note - 5):			
Basic and diluted earning per share (in Rupees)		1.83	4.59

For Accounting Policies and Notes to Accounts refer Schedule 'P'

As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants

Registration No. 100186W

SATISH K. KELKAR

Partner

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Mumbai, Dated May 27, 2011

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Rajendra Nath Mehrotra
Directors

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Rupees in lacs)

	2010-11	2009-10
(A) Cash Flow from Operating Activities		
Net Profit before Tax	314.42	686.49
Adjustments For :		
Depreciation	162.62	111.44
Interest Charged	261.83	139.95
Interest/Dividend Income	(13.28)	(17.92)
Others	(4.56)	8.28
	406.61	241.75
Operating Profit before Working Capital Changes	721.03	928.24
Adjustments For :		
Trade and Other Receivables	(1,923.23)	(356.56)
Inventories	(1,395.64)	(169.57)
Trade Payables	(224.19)	653.84
	(3,543.06)	127.71
Cash Generated from Operations	(2,822.03)	1,055.95
Direct Taxes (Paid)/Refunds	(163.46)	(276.61)
Net Cash Flow from Operating Activities	(2,985.49)	779.34
(B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(256.18)	(340.81)
Sale of Fixed Assets	10.66	6.14
Investment	0.10	(100.05)
Sale of Investments	100.01	0.04
Interest Received	11.78	6.93
Dividend Received	1.23	10.99
Net Cash used in Investing Activities	(132.40)	(416.76)
(C) Cash Flow from Financing Activities		
Working Capital Finance	3,235.89	(60.49)
Interest Paid	(261.83)	(140.03)
Proceeds from Long Term Borrowing (Net)/ICD	516.06	17.41
Dividend Paid	(169.45)	(138.13)
Dividend Tax Paid	(29.93)	(24.27)
Increase/(Decrease) in Minority Interest	(94.39)	-
Net Cash used in Financing Activities	3,196.35	(345.51)
Net Increase in Cash and Cash Equivalents	78.46	17.07
Opening Balance as at beginning of the year	371.86	354.79
Closing Balance as at end of the year	450.32	371.86

Notes:

1. The Cash Flow has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow statement issued by the Institute of Chartered Accountants of India.
2. Cash and cash equivalents as on 31.03.11 and 31.03.10 includes restricted cash of Rs.54 lacs.
3. Previous year figures have been regrouped/reclassified wherever necessary.

As per our report attached

For **K. S. AIYAR & CO.**

Chartered Accountants

Registration No. 100186W

SATISH K. KELKAR

Partner

Membership No. 38934

Mumbai, Dated May 27, 2011

V. Suresh

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Arvind R. Doshi

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Directors

SCHEDULES 'A' TO 'P' ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Rupees in lacs)

		As at March 31, 2011	As at March 31, 2010
SCHEDULE 'A' : SHARE CAPITAL			
AUTHORISED:			
1,50,00,000	Equity Shares of Rs.10 each (Previous Year: 1,50,00,000 Equity Shares of Rs. 10 each)	1,500.00	1,500.00
50,00,000	Preference Shares of Rs. 10 each (Previous Year: 50,00,000 Preference Shares of Rs. 10 each)	500.00	500.00
		<u>2,000.00</u>	<u>2,000.00</u>
ISSUED, SUBSCRIBED AND PAID UP :			
95,19,600	Equity Shares of Rs.10 each fully paid up. (Previous Year 95,19,600 Equity Shares of Rs.10 each)	951.96	951.96
Of the above :			
(a) 4,00,000	Equity Shares were issued as fully paid Bonus Shares by capitalisation of General Reserve.		
(b) 31,73,200	Equity Shares were issued as fully paid Bonus Shares by capitalisation of Share Premium Account.		
		<u>951.96</u>	<u>951.96</u>
SCHEDULE 'B' : RESERVES AND SURPLUS			
Capital Reserve		0.09	0.09
Securities Premium Reserve Account		531.23	531.23
Revaluation Reserve		574.32	596.64
Less: Depreciation on revaluation of assets transferred to Profit and Loss A/c		<u>22.32</u>	<u>22.32</u>
		552.00	<u>574.32</u>
General Reserve:			
As per last Balance Sheet		834.97	799.32
Transfer from Profit and Loss Account		<u>7.22</u>	<u>35.65</u>
		842.19	<u>834.97</u>
Surplus as per Profit and Loss Account		1,349.77	1,320.94
		<u>3,275.28</u>	<u>3,261.55</u>

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

(Rupees in lacs)

	As at March 31, 2011	As at March 31, 2010
--	-------------------------	-------------------------

SCHEDULE 'C' : LOAN FUNDS

A. SECURED LOANS:

a. Working capital loan from Banks	3,191.13	430.24
(secured by hypothecation of current assets and all movables, both present & future and with a collateral charge on immovable & movable properties)		
b. Motor Vehicle Loan	60.16	20.71
(secured by motor vehicles purchased under loan agreement)		
(Payable within one year Rs.33.85 lacs - Previous year Rs. 11.50 Lacs)	3,251.29	450.95

B. UNSECURED LOANS:

Fixed Deposits (Payable within one year Rs.234.23 lacs - Previous year Rs.97.29 lacs)	860.54	373.31
Inter Corporate Deposits	475.00	0.00
Loans from Banks	4.83	17.05
	1,340.37	390.36
	4,591.66	841.31

SCHEDULE 'D': FIXED ASSETS

(Rupees in lacs)

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 01.04.2010	Added on Revaluation	Additions this year	Sales / Adjustment this year	As at 31.03.2011	As at 01.04.2010	Adjustment on Revaluation	Depreciation/ Amortisation this year	Sales / Adjustment this year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Tangible Assets												
Building And Ownership Flats *	908.71	-	40.19	-	948.90	139.24	22.32	10.92	-	172.48	776.42	769.47
Other Plant & Machinery	168.88	-	5.49	0.63	173.74	47.27	-	17.94	0.29	64.92	108.82	121.61
Electrical Installation	15.11	-	0.80	0.26	15.65	1.87	-	1.96	0.06	3.77	11.88	13.24
Furniture & Fixtures	202.39	-	12.75	5.13	210.01	121.96	-	21.58	4.63	138.91	71.10	80.43
Office Equipments	86.45	-	30.30	2.57	114.18	40.99	-	9.37	1.88	48.48	65.70	45.46
Computers	198.79	-	29.66	13.33	215.12	138.15	-	32.65	10.07	160.73	54.39	60.64
Motor Vehicles	105.00	-	79.41	21.75	162.66	56.67	-	29.75	14.95	71.47	91.19	48.33
Sub Total	1,685.33	-	198.60	43.67	1,840.26	546.15	22.32	124.17	31.88	660.76	1,179.50	1,139.18
Intangible Assets												
Software	19.53	-	46.70	-	66.23	8.73	-	16.33	-	25.06	41.17	10.80
Technical Knowhow	79.46	-	-	-	79.46	7.41	-	13.24	-	20.65	58.81	72.05
Accreditation	35.52	-	-	-	35.52	3.55	-	8.86	-	12.41	23.11	31.97
Goodwill	313.98	-	43.01	-	356.99	-	-	-	-	356.99	313.98	313.98
Sub Total	448.49	-	89.71	-	538.20	19.69	-	38.43	-	58.12	480.08	428.80
Total	2,133.82	-	288.31	43.67	2,378.46	565.84	22.32	162.60	31.88	718.88	1,659.58	1,567.98
Capital Work In Progress											-	32.13
										TOTAL	1,659.58	1,600.11
Previous Year Total	1482.81		698.59	47.58	2,133.82	434.91	22.32	146.85	38.24	565.84	1,600.11	

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

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

(Rupees in lacs)

		As at March 31, 2011	As at March 31, 2010
SCHEDULE 'E' : INVESTMENTS			
LONG TERM INVESTMENTS (AT COST)			
QUOTED:			
8,53,305	Equity Shares of Pal Credit & Capital Ltd. (Previous Year 8,54,305 shares)	87.64	87.64
	Less: Provision for diminution in value	85.34	85.34
		2.30	2.30
4,000	Equity Shares of South India Paper Mills Ltd. (Previous Year 4,000 shares)	1.18	1.18
216	Equity Shares of Exide Industries Ltd. (Previous Year 216 shares)	0.01	0.01
50	Equity Shares of Finolex Cables Ltd. (Previous Year 50 shares)	0.01	0.01
10	Equity Share of Bosch Ltd. (Previous Year 10 shares) (Formerly known as Mico Industries Company Ltd.)	0.02	0.02
500	Equity Shares of Gabriel India Ltd. (Previous Year 500 shares)	0.01	0.01
		3.53	3.53
UNQUOTED:			
In units of Unit Trust of India:			
7,280	Units of Unit Trust of India Balance Fund (Previous Year 6,846 units)	1.22	1.12
1,100	Equity Shares of Stiefel Und Shuh Ltd. (Previous Year 1,100 shares)	0.01	0.01
1,200	Equity Shares of Kongarar Integrated Fibres Ltd. (Previous Year 1,200 shares) (Formerly known as Kongarar Textiles Ltd.)	0.01	0.01
		1.24	1.14
CURRENT INVESTMENTS:			
UNQUOTED:			
Nil	Units of SBI-Magnum Insta Cash Fund (Previous Year 5,97,069 Units)	0.00	100.01
Total		4.77	104.68
Aggregate Book Value of Investments:			
	Quoted Investments	3.53	3.53
	Unquoted Investments	1.24	101.15
Total		4.77	104.68

(Market Value of quoted investments Rs.26.12 lacs - Previous Year Rs.28.99 lacs)

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

(Rupees in lacs)

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 'F' : CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS:		
Inventories		
Raw Material	119.56	163.62
WIP	19.08	15.41
Finished/Traded Goods	3,032.48	1,593.50
Packing Material	6.33	2.25
Goods in Transit - Inter Branch	29.79	37.92
Consumable & Spares	5.87	4.77
	3,213.11	1,817.47
Debtors: (Unsecured,considered good unless otherwise stated)		
a. Over six months:	40.90	16.63
b. Others:	3,236.28	2,296.73
	3,277.18	2,313.36
Interest accrued but not due	0.99	0.72
Cash and Bank Balances:		
Cash on Hand	9.12	14.29
Cheques on Hand	280.89	229.80
With Scheduled Banks:		
On Current Account	60.27	58.58
On Deposit Account	100.04	69.19
(Includes Rs.54 lacs as collateral against cash credit Limits with banks)		
	450.32	371.86
B. LOANS AND ADVANCES:(Unsecured,considered good)		
Sundry Deposits	133.67	116.96
Claims/Incentives Receivable	610.79	225.45
Other Loans and Advances	963.77	405.92
	1,708.23	748.33
	8,649.83	5,251.74
SCHEDULE 'G' : CURRENT LIABILITIES		
Acceptances	0.00	13.84
Sundry Creditors:		
For goods purchased	485.53	843.71
For expenses	431.79	341.47
	917.32	1,185.18
VAT Payable (Net)	0.00	29.57
Rent Deposit	103.45	101.35
Dealers'Deposits	14.43	13.88
Advance from Customers	16.11	22.93
Unclaimed Dividend *	21.64	14.98
Unclaimed matured fixed deposits *	2.10	0.25
	1,075.05	1,381.98

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Rupees in lacs)

		As at March 31, 2011	As at March 31, 2010
SCHEDULE 'H' : PROVISIONS			
Proposed Dividend on Equity Shares	119.00		176.11
Tax Payable on Proposed Dividend	19.30	138.30	29.93
Provision for Taxation (Net of taxes paid):			
Income Tax	65.32		87.78
Fringe Benefit Tax	0.51		1.21
Wealth Tax	0.04		0.03
		65.87	89.02
Provision for retirement benefits:			
Leave Encashment	35.80		27.78
Gratuity	30.76		0.76
		66.56	28.54
Provision for warranties		86.42	33.44
		357.15	357.04

* The figure does not include any amount due and outstanding to be credited to Investor Education & Protection Fund.

		For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE 'I' : SALES AND OPERATING INCOME			
Gross Sales Less Returns		28,364.34	24,075.70
Operating Income:			
Incentive/Turnover Discounts from suppliers	719.42		573.18
Cash Discount from suppliers	307.10		220.21
Bad Debts Recovered	18.85		6.94
Previous years provision written back	1.66		0.25
Others	20.30		13.63
		1,067.33	814.21
		29,431.67	24,889.91

SCHEDULE 'J' : OTHER INCOME

Interest, Gross (Tax deducted at source Rs.1.39 lacs - Previous Year Rs.0.99 lacs)	12.05	6.93
Rent Income	43.64	39.82
Dividend earned	1.23	10.99
Miscellaneous Income	0.58	9.56
Profit on sale of long term investment	0.00	0.04
	57.50	67.34

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Rupees in lacs)

	For the year ended March 31, 2011	For the year ended March 31, 2010
--	---	---

SCHEDULE 'K' : COST OF SALES/MATERIAL CONSUMED

Stock At Commencement :		
Raw Material	163.62	93.45
Packing Material	2.25	1.58
Finished/Traded Goods	1,593.50	1,521.42
	1,759.37	1,616.45
Add: Purchases :		
Raw Material	467.05	717.13
Packing Material	8.66	13.65
Finished/Traded Goods	24,140.01	19,274.26
Carriage Inward	1.51	1.82
Clearing & Forwarding	23.20	37.62
	24,640.43	20,044.48
Less: Stock at Close :		
Raw Material	119.56	163.62
Packing Material	6.33	2.25
Finished/Traded Goods	3,032.48	1,593.51
	3,158.37	1,759.38
	23,241.43	19,901.55
Add: Opening Work in Process	15.41	25.09
Less: Closing Work in Process	19.08	15.41
	(3.67)	9.68
	23,237.76	19,911.23

SCHEDULE 'L' : OTHER MANUFACTURING EXPENSES

Opening Stock of Consumable Spares	4.76	2.97
Add: Purchase of Consumable Spares	12.05	8.44
Less: Closing Stock of Consumable Spares	5.87	4.76
Stores & Consumables Consumed	10.94	6.65
Power Charges	16.15	12.14
Conversion Charges	1.45	9.71
Other Manufacturing Expenses	2.56	1.91
Electricity upgrade expenses	0.00	26.34
	31.10	56.75

SCHEDULE 'M' : EMPLOYEES' REMUNERATION AND BENEFITS (Including Managerial Remuneration)

Salaries, Wages, Bonus & Ex-Gratia	976.07	623.44
Contribution to Provident, Gratuity and other funds	95.26	48.77
Staff Welfare	100.82	59.84
	1,172.15	732.05

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Rupees in lacs)

	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE 'N' : ESTABLISHMENT & OTHER EXPENSES		
Stationery, Postage, Advertisement, Telephone, Electricity, etc.	614.50	522.68
Clearing & Forwarding Agency Charges	101.03	49.34
Rent	103.24	93.62
Rates & Taxes	36.25	39.10
Cash Discount	68.66	84.82
Incentive/Turnover Discounts	83.46	65.47
Repairs to:		
(a) Buildings	13.99	7.11
(b) Machinery	1.04	0.66
(c) Others	49.42	37.91
	64.45	45.68
Insurance	19.61	16.34
Auditors' Remuneration	18.26	11.26
Miscellaneous Expenses	369.85	276.88
Foreign currency fluctuation (Net)	15.00	8.92
Directors' Fees	2.85	2.44
Loss on assets sold/discarded (Net)	1.39	3.20
Bad Debts Written Off	49.95	105.85
Donation	25.00	0.00
	1,573.50	1,325.60

SCHEDULE 'O' : INTEREST

Paid to:		
Banks	181.81	88.88
On Fixed Deposits	57.62	41.90
Others	22.40	9.17
	261.83	139.95

SCHEDULE 'P' NOTES TO CONSOLIDATED ACCOUNTS**1. Basis of preparation**

- i. The consolidated financial statements are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" pursuant to Companies (Accounting Standards) Rules 2006 (as amended). The consolidated financial statements comprise the financial statements of PAE Limited (The Company) and its subsidiaries. The Company and its subsidiaries constitute the PAE Group. Reference in these notes to the "Company" or PAE shall mean to include PAE Limited or any of its subsidiaries unless otherwise stated.
- ii. The list of subsidiary companies which are included in the consolidation and the parent company's holdings there in are as under:

Name of the Company	Percentage Holding as at 31.03.11
1 Shurjo Energy Pvt. Limited	70%
2 PAE Renewables Pvt. Limited	100%

Each of the above subsidiary companies is incorporated in India.

iii. Method of Consolidation

The financial statements of these companies are prepared according to uniform accounting policies, in accordance with the generally accepted accounting principles in India to the extent possible.

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and transactions.

The excess of cost to the Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognized in the Consolidated Financial Statement as goodwill.

Entities acquired during the year have been consolidated from the respective dates of their acquisition.

2. Significant accounting policies forming part of consolidated accounts as at March 31, 2011

- i. Basis of Accounting:
 - a) The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except in case of significant uncertainties.
 - b) Financial statements are based on historical costs and are prepared in accordance with the requirements of the Companies Act, 1956 and the applicable Accounting Standards as prescribed by Companies (Accounting Standards) Rules 2006 (as amended).
- ii. 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. 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.
- iii. 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.
- iv. Fixed Assets and Depreciation/Amortisation:
 - a) Fixed Assets are stated at cost less depreciation and impairment losses. Cost comprises of purchase price and any cost attributable to bring the asset to its working condition for its intended use.
 - b) 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.

c) 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 Profit and Loss Account.

d) Intangible assets are amortised as under:

Estimated Useful Life	No. of Years
Software	5 to 8
Accreditation	5
Technical Knowhow	8

The Goodwill arising on consolidation is not amortised but is tested for impairment as at Balance Sheet Date.

v. 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 Profit and Loss Account 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.

vi. Investments:

Investments are classified as long-term and 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.

vii. Inventories:

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

Traded Goods and Finished Goods are valued at lower of cost or net realizable value. Cost is determined on the basis of FIFO method.

Goods in Transit are valued at cost.

Raw Materials stores & spares, work-in-progress, packing materials are valued at lower of cost and net realisable value.

viii. 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 profit and loss account over the period of the contract.

ix. Employee Benefits:

a) Defined Contribution Plan: The Group makes defined contribution to Provident Fund, ESI and Superannuation Schemes which are recognized as an expense in the Profit and Loss Account as they are incurred.

b) Defined Benefit Plan and long term benefits: Group's liabilities towards gratuity and long term benefit in the form of leave encashment are recognised using the projected unit credit method as at Balance Sheet date. Actuarial gains/losses are recognized immediately in the Profit and Loss Account.

x. Leases:

Lease payments under operating lease are recognized as an expense in the Profit and Loss Account 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.

xi. Taxation:

Provision for Current tax and Wealth Tax is made 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 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 and reviewed for the appropriateness of their carrying values at each balance sheet date.

xii. Provisions, Contingent Liabilities and Contingent Assets:

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.

3. Contingent Liabilities

Contingent liabilities not provided for in respect of:

- Disputed Sales Tax demand of Rs.34.29 lacs. The management has been advised that there will be no liability arising on this account.
- Disputed income tax demand of Rs.7.23 lacs for the assessment year 2008-09 in respect of which rectification petition is filed and amended order is pending with the Income Tax Authorities.
- Disputed Excise Duty of Rs.0.56 lacs under Central Excise Act, 1944 is pending with Asst. Commissioner, Central Excise, Kalyani.
- Counter Guarantees by the Company in respect of guarantees (net of margin money) issued by the banks Rs.157.29 lacs.
- Corporate Guarantee of Rs.350 lacs has been given to a bank for a secured loan availed by a subsidiary.

4. 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. Assure Insurance Advisors Pvt. Ltd. Arvind R. Doshi HUF Pritam A. Doshi HUF	} Controlled through key management personnel

B. Key Management Personnel:

Name of the Related Party	Nature of Relationship
Shri Arvind R. Doshi Shri Pritam A. Doshi Shri Adrian Court	Executive Chairman Managing Director Director

C. Relatives of Key Management Personnel:

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

D. Details of Transactions with related parties:

(Rupees in lacs)

Particulars	Enterprises mentioned in 'A' above	Key Management Personnel	Relatives of Key Management Personnel
1. Remuneration	-	99.52 (121.27)	-
2. Rent	-	-	-
3. Deposits Accepted	98.00 (5.00)	0.00 (4.00)	38.25 -
4. Deposits Repaid	0.00 (4.65)	-	-
5. Interest on deposits	3.25 (0.80)	-	1.51
6. ICD Received	338.00 (0.00)		
7. Interest paid on ICD	5.38 (0.00)		
8. ICD Repaid	138.00 (0.00)		
Amount outstanding on Balance Sheet Date	Enterprises mentioned in 'A' above	Key Management Personnel	Relatives of Key Management Personnel
1. Fixed Deposits Outstanding	104.00 (6.00)	-	39.00 (0.75)
2. Commission Payable	-	0.00 (2.67)	-
3. Remuneration Payable	-	3.73 (0.00)	-
4. ICD Outstanding	200.00 (0.00)		

5. Earning per Share:**2010-2011**

Profit after tax (Rupees in lacs)	174.35
Weighted average number of equity shares outstanding	9519600
Basic and diluted earnings per share (in Rupees)	1.83

6. The Company has defined its business segments as Lead Acid Storage Batteries, Power Backup Systems, Other Auto Products and Solar Products taking into account the nature of the 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:

	Particulars	Year Ended 31.03.11	Year Ended 31.03.10
A	SEGMENT REVENUE		
1	Sales (Net of VAT)		
	Lead Acid Storage Batteries	17,371.88	14,640.04
	Power Backup Systems	2,350.26	3,129.54
	Other Auto Products	6,123.13	4,047.59
	Solar Products	724.02	830.05
	Unallocated Operating Income	40.19	20.83
	Net Sales/Income from Operations	26,609.48	22,668.05

	Particulars	Year Ended 31.03.11	Year Ended 31.03.10
B	RESULT		
1	Segment Result		
	Lead Acid Storage Batteries	2,122.40	1,723.10
	Power Backup Systems	381.16	396.96
	Other Auto Products	722.73	509.48
	Solar Products	104.63	106.42
	Unallocated Operating Income	40.19	20.83
	Gross Segment Result	3,371.11	2,756.79
2	Less: Allocated Expenses		
	Lead Acid Storage Batteries	48.69	65.47
	Power Backup Systems	19.00	0.00
	Other Auto Products	0.00	0.00
	Solar Products	212.66	326.01
	Total Allocated Expenses	280.35	391.48
3	Net Segment Result	3,090.76	2,365.34
	Less:		
4	Unallocated Expenses(Net)	2,438.27	1,655.58
5	Depreciation	162.63	111.44
6	Interest Expense	261.84	139.95
		228.02	458.37
7	Pre acquisition loss transferred to Goodwill	21.72	129.51
8	Minority Interest	64.68	98.61
9	Profit from ordinary activities	314.42	686.49
10	Net Profit before Tax	314.42	686.49
11	Capital Employed	8,317.98	4,625.97

7. Deferred Tax

In accordance with AS-22, Accounting for Taxes on Income, Deferred Tax Liability as at March 31, 2011 is Rs.12.00 lacs. Major components of Deferred Tax Liability which have been recognised aforesaid are as under:

(Rupees in Lacs)

2010-2011

Deferred Tax Asset:

Provision for employee benefits	4.40
Others	2.41
	6.81

Deferred Tax Liability:

Depreciation	18.81
Net Deferred Tax (Liability)/Asset	(12.00)

Deferred Tax Asset / (Liability) recognised during the year	5.22
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As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants

Registration No. 100186W

SATISH K. KELKAR

Partner

Membership No. 38934

Mumbai, Dated May 27, 2011

V. Suresh

Head - Finance & Accounts

Nimesh S. Nandu

Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi

Executive Chairman

Pritam A. Doshi

Managing Director

Dilip J. Thakkar

Rajendra Nath Mehrotra
Directors

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

(Rupees in lacs)

Particulars	Shurjo Energy Pvt. Ltd.	PAE Renewables Pvt. Ltd.
A) The financial year of the subsidiary companies	March 31, 2011	March 31, 2011
B) Shares of the subsidiary held by PAE Limited on the above dates		
1) Number and face value	1,60,00,246 shares of Re.1/- each fully paid up	1,10,000 shares of Rs.10/- each fully paid up
2) Extent of holding	70%	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, 2011 amounted to	-	-
- for the subsidiaries financial year ended as in A above		
II Not dealt with in the accounts of PAE Limited for the year ended March 31, 2011 amounted to		
- for the subsidiaries financial year ended as in A above	(114.83)	14.75

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

(Rupees 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	228.57	(105.33)	478.82	355.58	-	641.72	(114.83)	-	(114.83)	-
2	PAE Renewables Private Limited	11.00	13.53	59.71	35.18	-	177.71	21.28	6.53	14.75	-

For and on behalf of Board of Directors

V. Suresh
Head - Finance & Accounts

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Nimesh S. Nandu
Company Secretary

Dilip J. Thakkar
Rajendra Nath Mehrotra
Directors

Mumbai, Dated May 27, 2011

[illegible]

[illegible]

[illegible]



Registered & Corporate Office: 69, Tardeo Road, Mumbai 400 034.

PROXY FORM

DP Id *	
Client Id*	

I/we of
being Member/Members of PAE LIMITED hereby appoint
of or failing him
of or failing him
of as my/our Proxy to attend and vote for
me/us on my/our behalf at the SIXTY FIRST ANNUAL GENERAL MEETING of the said Company to be held on Saturday
July 30, 2011 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. Dubhash Marg,
Mumbai 400 001 and at any adjournment thereof.

Signed this day of 2011.

Signature(s) of
the Member(s)
Folio No.

Affix
Revenue
Stamp

N. B.: i) This Proxy must be deposited at the Registered Office of the Company, not later than 48 hours before the time of
the Meeting.

ii) A PROXY NEED NOT BE A MEMBER

* Applicable for investors holding shares in electronic form.



Registered & Corporate Office: 69, Tardeo Road, Mumbai 400 034.

ATTENDANCE SLIP

I hereby record my presence at the SIXTY FIRST ANNUAL GENERAL MEETING at M. C. Ghia Hall, Bhogilal Hargovindas
Building, 2nd Floor, 18/20, K. Dubhash Marg, Mumbai 400 001 on Saturday, July 30, 2011 at 3.30 p.m

Name of the
Member
Folio No.

DP Id*	
Client Id*	

.....
Name of Proxy / Representative (in BLOCK letters)
(To be filled in if the Proxy / Representative attends instead of the Shareholder)

Signature of the Member or Proxy/
Representative
.....

* Applicable for investors holding shares in electronic form.

Vision Statement

PAE group to become the leader in distribution of world-class products, services and solutions; build branding and manufacturing expertise to deliver exceptional value to all stakeholders.

Mission Statement

Team PAE will generate revenues in excess of ₹ 1,000 crores with higher profit margins by 2015, by expanding existing business and diversifying into new areas.

Our Brands



PAE has been selling PowerZen inverters and UPS systems over the last two years. Recently, PAE has reintroduced POWERZEN products into the market with a new identity. PowerZen inverters are mainly for the Domestic and small-office/home-office market ranging from 600VA, 800VA and 1400VA. They are sold with a warranty of 24 months through a network of 1500 distributors and dealers. PowerZen UPS systems range from 600VA, 1KVA, 2KVA, 3KVA for the domestic and small-office/home-office market to the 6KVA to 20KVA for the commercial and industrial applications. The UPS products are sold with a warranty of 12 months and through a network of 2000 distributors and dealers.



AutoZen brand of horns were launched in 2010-11 for multiple applications ranging from passenger vehicles, LCV's, HCV's and tractors. PAE has recently launched flashers, reverse sound alert, relays, and other car electronic products under AutoZen. PAE is well-poised to take advantage of its large auto parts dealer network across India and increase the presence of its own-branded products.



AquaZen branded deionized/ demineralised water was launched in Andhra Pradesh in 2010-11 in 1 litre bottles. In 2011-12, AquaZen 1 litre and 5 litre bottles will be available across India through all of PAE's 39 branches to auto parts and battery dealers.

Some of the Solar Projects Executed in 2010 -11



Pune, 1KWp rooftop system for a residence



Solar powered telecom tower with total capacity of 6KWp



PAE Solapur branch with 4KWp rooftop system that powers the entire branch, including the battery charging station.

Medical Children's Centre, Rangaon – Thane District Solar Powered LED Street Lights



Financial Analysis

₹ in Lacs

Year Ending	March 2011	March 2010	March 2009	March 2008	March 2007
Gross Income	29035	24140	27655	25639	18418
PBDIT & Exceptional Income	772	932	1131	948	615
Exceptional Income	0	0	0	158	18
EBIDITA	772	932	1131	1106	633
Depreciation	102	81	92	81	37
Interest	248	126	194	149	113
PBT	422	725	845	876	483
Taxes	133	250	309	278	158
PAT	289	475	536	598	325
Dividend	138	206	167	167	111

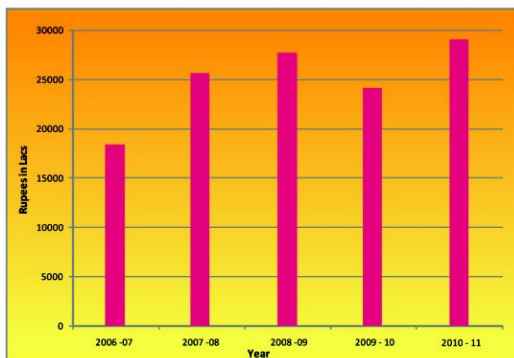
Balance Sheet Items

Net Fixed Assets	1049	988	1048	1095	415
Investments	574	612	180	17	19
Net Current Assets	6823	2977	3136	3006	3162
Total Capital Employed	8446	4577	4364	4118	3596
Shareholders Funds	4342	4214	3967	3620	3214
Borrowings (net)	4092	346	379	477	378
Deferred Tax Liability	12	17	18	21	4
Sources of Funds	8446	4577	4364	4118	3596

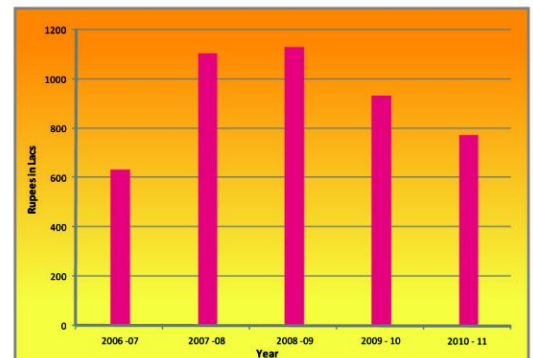
Ratios

Book Value Per Share	45.61	44.27	41.67	38.03	33.76
CEPS	4.11	5.84	6.60	7.13	3.80
EPS	3.03	4.99	5.63	6.28	3.42

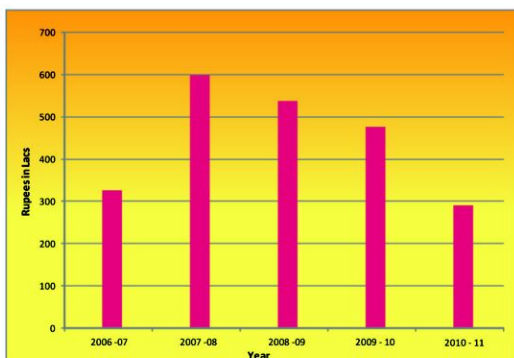
Gross Income



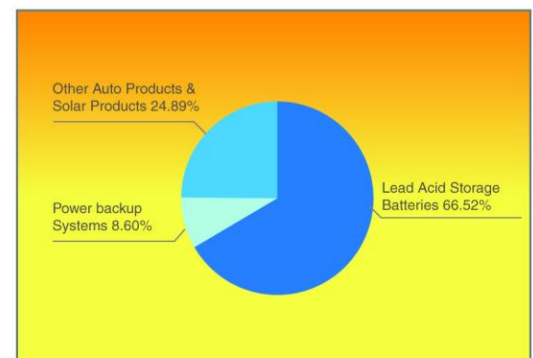
EBIDTA

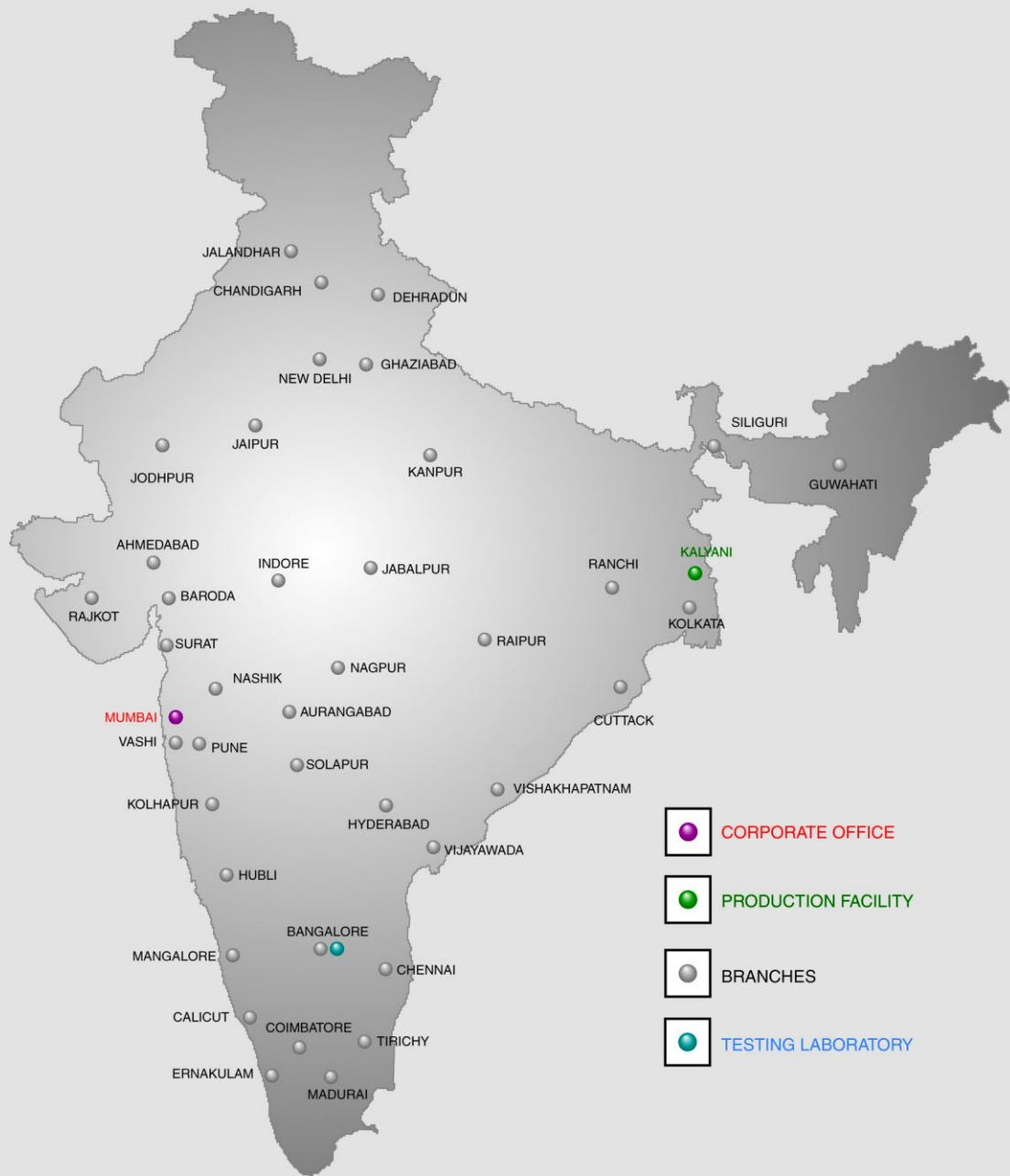


Profit after tax



Net Sales Breakup





BOOK-POST