



PAE LIMITED

62nd Annual Report 2011-2012



PAE Brands



Chairman's Message

Dear Shareowners,

I wish to present to you the Sixty Second Annual Report and Accounts for the year ended March 2012.

The year under review has been a mixed experience, the effects of transformation and changes within the organization, new business coming our way and economic slowdown in Indian and overseas markets.

We have reverted back from a vertical product-focused management structure to a customer-focused regional system because the vertical system did not achieve good enough results to justify its extra costs. However, we gained much detailed insight into each vertical which will be particularly helpful in future as we increase our "own brand" sales and look for further margin improvement in merchant sales.

The overall slowdown of economy and higher finance costs have affected our business, like many others, we are responding on priority in order to reverse the loss-making trend in the coming months.

The path of economic recovery appears to be challenging from the way things have moved in India during last four months. But there is a silver lining!

Your company has had strong distribution and marketing background in the battery business for decades for our erstwhile supplier and, this is the first year that your company will be using its strengths and experience in the battery business to establish its long-term presence in the battery market. I am glad to inform you that we have launched our own brands of batteries: "AutoZen" for automotive and "Zenide" for automotive and industrial. During last four months of introduction, the market response has been encouraging. We are confident that our own range of products will considerably help the bottom line of your company.

Like PAE, its subsidiaries have also shown mixed results in 2011-12. Solar markets have become extremely competitive. The prices of PV panels have reduced by 50% over last two years and are expected to go down even further. Even the demand in international market is considerably reduced due to economic uncertainty in Europe and other parts of the world and become extremely competitive resulting into no export orders at present for Shurjo Energy Pvt. Ltd. However, the team is looking at alternative options for this subsidiary.

We got the opportunity to execute two solar power projects of 1MW each in Rajasthan and Punjab. I am happy to inform you that both the projects were commissioned in March 2012 and are regularly generating power. PAE Renewables is focused on installation of rooftop solar systems and power backup systems for commercial and residential premises. We hope to grow this business significantly in the current financial year.

Last year I had appealed to all our shareowners through this message to kindly co-operate in the initiative and efforts of the Ministry of Corporate Affairs (MCA), Government of India, to protect the environment by saving consumption of paper. I once again appeal to all of you to please consider this seriously and inform your email IDs to paegogreen@linkintime.co.in or investors@paeltld.com as well as ask for annual report in electronic form. Kindly give your folio number also.

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





Company Information

Board of Directors

Arvind R. Doshi - Executive Chairman

Dilip Thakkar - Director

Dr. Rajendra Nath Mehrotra - Director

John O. Band - Director

Karthikeyan Muthuswamy - Director

Pritam A. Doshi - Managing Director

Management Team

Arvind R. Doshi - Executive Chairman

Pritam A. Doshi - Managing Director

V. Suresh - Head, Finance & Accounts

C. S. Gopinath - General Manager, Solar

N. Vijaykumar - Business Head

Shashikumar Nair - Head, Human Resources & Administration

Prabhakar Posam - Head, Information System & Business Process

Raghav Taneja - Business Manager

T. Radhakrishnan - Business Manager

Ramnathan Iyer - Business Manager

G. Mahesh - Business Manager

R. V. Subbramanian - Business Manager

S. N. Patil - Service Head

Murli Menon - Head, Internal Audit

Sameer Chavan - Company Secretary & Head, Legal

Annual General Meeting

Day and Date: Friday, August 31, 2012

Venue: M. C. Ghia Hall, Bhogilal Hargovindas Building,
2nd Floor, 18/20, K. DubhashMarg,
Mumbai - 400001

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
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai – 400 078

Registered and Corporate office

69, Tardeo Road,
Mumbai - 400034, Maharashtra, India

Telephone: +91-22-6618 5799

Fax : +91-22-6618 5757

NOTICE

NOTICE is hereby given that the Sixty Second Annual General Meeting of the Members of PAE LIMITED will be held on Friday, the 31st day of August, 2012 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, 2012 and Profit & Loss Account for the year ended as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dilip J. Thakkar, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri John O. Band, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint M/s. K. S. Aiyar & Company, Chartered Accountants, Mumbai, having Firm Registration no. 100186W as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. 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 198, 269, 309, 310 read with schedule XIII and all other applicable provisions if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, and subject to the approval of the Central Government if required, approval of members be and is hereby accorded to the re-appointment of Shri Arvind R. Doshi as a Whole-Time Director designated as Executive Chairman of the Company for a period of 3 (Three) years with effect from April 1, 2013 on the terms and conditions including remuneration as recommended by Remuneration & Selection Committee and approved by Board of Directors on June 29, 2012, as detailed in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, vary and modify the said terms including salary, allowances, designation and perquisites in such a manner as may be agreed to between the Board and Shri Arvind R. Doshi within and in accordance with and subject to the limits prescribed in schedule XIII of the said act, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time

to time or any amendments thereto as may be agreed to between the Board and Shri Arvind R. Doshi.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of the tenure of the Executive Chairman, the remuneration and perquisites and any other allowances as specified in the explanatory statement annexed hereto be paid to Shri Arvind R. Doshi as minimum remuneration, provided that the total remuneration by way of salary and perquisites shall not, unless approved by the Central Government, exceed the ceiling as provided in Section II of Part II of Schedule XIII to the Act or within such ceiling limits as may be prescribed under Schedule XIII from time to time or the Act as may be re-codified.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

“RESOLVED THAT in addition to special resolution passed at 60th Annual General Meeting of the Company and subject to the provisions of sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof and further subject to the approval of the Central Government if required, the approval of members be and is hereby accorded to the remuneration package as recommended by Remuneration & Selection Committee and approved by Board of Directors on June 29, 2012, as detailed in the explanatory statement annexed hereto for Shri Pritam A. Doshi, Managing Director, for a period of 3 (Three) years with effect from April 1, 2012.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, vary and modify the said terms including salary, allowances, designation and perquisites in such a manner as may be agreed to between the Board and Shri Pritam A. Doshi within and in accordance with and subject to the limits prescribed in schedule XIII of the said act, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Shri Pritam A. Doshi.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of the tenure of the Managing Director, the remuneration and perquisites and any other allowances as specified in the explanatory statement annexed hereto be paid to Shri Pritam A. Doshi as minimum remuneration, provided that the total remuneration by way of salary and

perquisites shall not, unless approved by the Central Government, exceed the ceiling as provided in Section II of Part II of Schedule XIII to the Act or within such ceiling limits as may be prescribed under Schedule XIII from time to time or the Act as may be re-codified.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By Order of the Board of Directors

Sameer Chavan
Company Secretary

Registered Office
69, Tardeo Road,
Mumbai- 400 034

Date: June 29, 2012

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 Friday, August 24, 2012 to Friday, August 31, 2012 (both days inclusive).
3. 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).
4. 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, 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.
5. 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.
6. Members who have multiple folios in identical names or joint names in the same order are requested to send all the Share Certificates to the Registrar and Transfer Agents, M/s. Link Intime India Private Limited for consolidation of all such folios into one to facilitate better service on their email id : rnt.helpdesk@linkintime.co.in
7. Queries on accounts and operations of the Company, if any, may please be sent to the Company 10 days in advance of the meeting so that the information required can be made readily available at the meeting to the extent possible.
8. 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.
9. The facility for making nominations is available for shareholders and fixed deposit-holders in respect of the shares and fixed deposits held by them. Nomination forms can be obtained from the Company's Registrars & Transfer Agents, M/s. Link Intime India Private Limited or from the Company and also through email id investors@paeltd.com
10. Members may refer Report on Corporate Governance for particulars of Directors' appointment/re-appointment at the Annual General Meeting.
11. 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 paegogreen@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@paeld.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 insist 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. 5:

At the 60th Annual General Meeting of the Company held on July 31, 2010, the members approved the appointment of Shri Arvind R. Doshi as the Executive Chairman of the Company with effect from April 1, 2010 for a period of 3 years.

Shri Arvind R. Doshi attained the age of 72 years on November 26, 2011. According to sub clause (ii) of clause (c) of Part I of Schedule XIII of the Companies Act, 1956 shareholders can approve the appointment of any managerial person who has already attained the age of 70 years without Central Government's approval.

The Board of Directors of the Company at it's meeting held on June 29, 2012 has, subject to approval of members and Central Government (if required) re-appointed Shri Arvind R. Doshi as Whole-time Director designated as Executive Chairman of the Company for the further period of 3 (three) years with effect from April 1, 2013. The term will expire on March 31, 2016. The Remuneration & Selection Committee agreed the same and recommended to the Board.

The details of the remuneration are as under, subject to the approval of shareholders:

- i) **Salary:** ₹ 24,24,000/- per annum payable monthly
- ii) **Commission:** Incentive or commission of 1% of the net profits of the Company in each financial year as may be determined by the Board of Directors at the end of financial year subject to the ceiling and provisions stipulated in Sections 198, 309 and 310, Schedule XIII & other applicable provisions of the Companies Act, 1956.
- iii) **Perquisites:** The Executive Chairman will be entitled for

the following perquisites subject to a ceiling of ₹ 28,05,000/- per annum.

- a) Housing: Furnished accommodation/house rent allowance

Also entitled to house maintenance allowance together with utilities thereof such as gas, electricity, water, furniture, furnishing and repairs.

Also entitled for Computer and internet connection at residence

- b) Medical re-imburement.
- c) Car: Provision for Company car with driver.
- d) Club Fees: Fees of Clubs subject to a maximum of two clubs, this will not include admission and life membership fees.
- e) Medical and Accident Insurance: Hospitalisation and Domiciliary Hospitalisation Benefit Policy for self and family and Personal Accident Insurance for self.

For the purpose of calculating the ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated on actual cost.

"Family means the spouse, dependent children and dependent parents."

- f) Leave Travel Concession: For self and family once in a year, as per the rules of the Company.
- g) Entertainment Allowance including Sodexo Meal Coupons.
- h) Newspaper Allowance.

- iv) **Other Benefits:** In addition to the above perquisites, the Executive Chairman shall also be entitled for the following benefits. These benefits will not be included in the computation of ceiling on perquisites.

- a) Company's contribution to the Provident Fund and Superannuation Fund or Annuity Fund to the extent these either single or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity: As per the rules of the Company.
- c) Leave: As per the rules of the Company.
- d) Leave Encashment: Leave accumulated but not availed during the tenure will be allowed to encash at the end of the tenure.
- e) Telephone: Re-imburement of Mobile, Telephone and Fax expenses on submission of bills.

- f) Executive Chairman will be entitled to re-imbursement of all actual expenses, including traveling, entertainment and other out of pocket expenses incurred in the course of the Company's business.

- v) **Minimum Remuneration:** Where in any financial year during the currency of the tenure of the Executive Chairman, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of salary, perquisites and benefits to the Executive Chairman in accordance with the provisions of Schedule XIII of the Companies Act, 1956 and approval of the Central Government, if and to extent necessary.

He shall not be liable to retire by rotation

Shri Arvind R. Doshi is interested in the resolution. Shri Pritam A. Doshi, being a relative of Shri Arvind R. Doshi, is deemed to be concerned or interested in the resolution. No other Directors of the Company are concerned or interested in the resolution.

The agreement to be entered between the Company and Shri Arvind R. Doshi is available for inspection to the members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company till the date of Annual General Meeting.

The Explanatory Statement together with the accompanying Notice should be treated as an Abstract of the terms of the Agreement and Memorandum of concern or interest under section 302 of the Companies Act, 1956.

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

Item No. 6:

At the 60th Annual General Meeting of the Company held on July 31, 2010, the members approved the appointment of Shri Pritam A. Doshi as the Managing Director of the Company with effect from April 1, 2010 for a period of 5 years. Accordingly, the term of Shri Pritam A. Doshi as a Managing Director will get expire on March 31, 2015.

Due to inadequacy of profit for the year 2010-11 and 2011-12 the Company could not pay full remuneration to Shri Pritam A. Doshi as agreed between the Company and Shri Pritam A. Doshi.

Where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company can pay the certain remuneration by way of salary, perquisites and benefits to the Managing Director in accordance with the provisions of Schedule XIII of the Companies Act, 1956 and with the approval of Central Government provided necessary resolution has been passed at the general meeting of the Company for payment of remuneration for period not exceeding three years.

In the view of above, the Board of Directors of the Company at its meeting held on June 29, 2012 has, subject to approval of members and Central Government (if required) approved the remuneration package of Shri Pritam A. Doshi for the period of 3 (three) years with effect from April 1, 2012. The Remuneration & Selection Committee agreed the same and recommended to the Board.

The details of the remuneration are as under, subject to the approval of shareholders

- i) **Basic Salary:** ₹ 20,40,000/-per annum payable monthly.
- ii) **Incentive:** Incentive as a percentage of the annual salary be paid based on the target slabs set and approved by the Board.
- iii) **Commission:** Commission of 1% of the net profits of the Company in each financial year as may be determined by the Board of Directors at the end of financial year subject to the ceiling and provisions stipulated in Sections 198, 309 and 310, Schedule XIII & other applicable provisions of the Companies Act, 1956.
- iv) **Perquisites:** The Managing Director will be entitled for the following perquisites subject to a ceiling of ₹ 18,11,000/-per annum.
 - a) **Housing:** Furnished accommodation/house rent allowance

Also entitled to house maintenance allowance together with utilities thereof such as gas, electricity, water, furniture, furnishing and repairs.

Also entitled for Computer and internet connection at residence
 - b) Medical re-imbursement.
 - c) Car: Provision for Company car with driver.
 - d) Club Fees: Fees of Clubs subject to a maximum of two clubs, this will not include admission and life membership fees.
 - e) Medical and Accident Insurance: Hospitalisation and Domiciliary Hospitalisation Benefit Policy for self and family and Personal Accident Insurance for self.

For the purpose of calculating the ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated on actual cost.

"Family means the spouse, dependent children and dependent parents."
 - f) Leave Travel Concession: For self and family once in a year, as per the rules of the Company.
 - g) Entertainment Allowance including Sodexo Meal

Coupons.

h) Newspaper Allowance.

v) **Other Benefits:** In addition to the above perquisites, the Managing Director shall also be entitled for the following benefits. These benefits will not be included in the computation of ceiling on perquisites.

a) Company's contribution to the Provident Fund and Superannuation Fund or Annuity Fund to the extent these either single or put together are not taxable under the Income Tax Act, 1961.

b) Gratuity: As per the rules of the Company.

c) Leave: As per the rules of the Company.

d) Leave Encashment: Leave accumulated but not availed during the tenure will be allowed to encash at the end of the tenure.

e) Telephone: Re-imbursement of Mobile, Telephone and Fax expenses on submission of bills.

f) Managing Director will be entitled to re-imbursement of all actual expenses, including traveling, entertainment and other out of pocket expenses incurred in the course of the Company's business.

vi) **Minimum Remuneration:** Where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of salary, perquisites and benefits to the Managing Director in accordance with the provisions of Schedule XIII of the Companies Act, 1956 and approval of the Central Government, if and to extent necessary.

He shall not be liable to retire by rotation.

Shri Pritam A. Doshi is interested in the resolution. Shri Arvind R. Doshi, being a relative of Shri Pritam A. Doshi, is deemed to be concerned or interested in the resolution. No other Directors of the Company are concerned or interested in the resolution.

The agreement entered between the Company and Shri Pritam A. Doshi is available for inspection to the members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company till the date of Annual General Meeting.

The Explanatory Statement together with the accompanying Notice should be treated as an Abstract of the terms of the Agreement and Memorandum of concern or interest under section 302 of the Companies Act, 1956.

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

By Order of the Board of Directors

Sameer Chavan
Company Secretary

Registered Office
69, Tardeo Road,
Mumbai- 400 034

Date: June 29, 2012

REPORT OF THE DIRECTORS' AND MANAGEMENT DISCUSSION & ANALYSIS

To the Members,

Your Directors have pleasure in presenting their Sixty Second Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2012.

1. Financial Results

	Current Year ended 31.03.2012 (₹ in lacs)	Previous Year ended 31.03.2011 (₹ in lacs)
Total Revenue	24,569.94	26,220.88
Total Expenses	24,554.48	25,382.56
Less Interest	507.69	313.46
Less: Depreciation	90.22	102.52
Profit before tax	(582.45)	422.34
Less: Provision for tax	14.90	133.54
Profit after taxes	(567.55)	288.80
Profit brought forward from previous year	1,465.00	1,321.72
Balance Available for Appropriation	897.45	1,610.52
APPROPRIATION:		
Transfer to General Reserve	-	7.22
Proposed Dividend	-	119.00
Tax on Dividend	-	19.30
Balance carried forward	897.45	1,465.00

2. Dividend

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

3. Management Discussion and Analysis

Although during the year 2010-11, PAE had restructured the business operations in to verticals which were followed during 2011-12, the results targets in terms of higher volume of business were not achieved in all verticals. Due to competition and market trends in the batteries business, 2011-12 business was flat or slightly on a decline in the batteries business. As a result, the management has decided to reorganize the structure to a branch management model to optimize marketing and operations resources.

However, one can broadly break up PAE's business in to two segments based on risks and rewards: Auto Parts and Power. The Power segment consists of all batteries and power backup systems.

SWOT Analysis of Strategic Business Units:

1) 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 a comprehensive warranty service to its customers that is backed by manufacturers' warranty.

Strengths and Opportunities:

- Replacement aftermarket, including OES, has grown by 45% 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, three 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
- Vendors are losing market, due to OES aggressive marketing and competitive price
- After market demand is decreasing due to better quality of Vehicles & parts

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%

2) Power

Although Government is making efforts to ensure "power for all", demand for backup power devices is

here to stay, because of End-users need to stay connected and the requirement of un-interrupted power supply for running operations. Barriers such as power deficit, availability of power and quality of power increasing the dependence of enterprises, industrial customers and home users on alternative/back-up power devices.

As mentioned, the Power business consists of automotive and motor cycle batteries, industrial batteries used for UPS and inverter applications and UPS and inverter system for power backup.

PAE has been in the marketing and distribution business of automotive batteries for over four decades and industrial batteries for over a decade. Automotive batteries sold by PAE are used in various four-wheelers including trucks and buses, two-wheelers, three-wheelers and tractors. The industrial batteries are used in various applications at home, in the office and at various industrial locations including telecom sites, ATMs, telephone exchanges, etc.

PAE markets and distributes power back-up systems under its own brand – PowerZen. Depending on the type of application, PAE/PAER (PAE Renewables Pvt. Ltd.) 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.

Strengths and Opportunities:

- Large market potential in semi-urban and rural areas
- As proliferation of computers increases across India, including rural areas, this will lead to increased requirement of UPS and UPS batteries
- Extensive network of 39 sales and service offices throughout the country
- Superior product quality and competitive pricing
- Experienced marketing team

Threats and Weaknesses:

- Inverter batteries have seasonality in business and is unpredictable
- Prices dependent on lead price resulting in volatility
- Shortage of supply of certain types of batteries during peak seasons
- Change in duties, taxes, import regulations and government policies might affect future demand

4. Subsidiary Companies and Consolidated Financial Statements

- * During the year under review PAE Infrastructure Private Limited becomes the 100% subsidiary of PAE Limited.

In May 2011 PAE Infrastructure Private Limited acquired premises at Kozhikode (Calicut).

- * During the year under review, the Company has further acquired stake in Shurjo Energy Private Limited and it's presently holding 85% of total stake.
- * During the year under review PAE has further invested ₹352.00 lacs in PAE Renewables Private Limited. PAE Renewables Private Limited continues to be a 100% subsidiary of PAE Limited.
- * During the year under review PAE Renewables Pte. Ltd., Singapore becomes the 100% subsidiary of PAE Renewables Private Limited consequently PAE Renewables Pte. Ltd., Singapore is the step-down subsidiary of PAE Limited.
- * Sovox Renewables Pte. Ltd., Singapore is the subsidiary of PAE Renewables Pte. Ltd., Singapore. As a result of PAE Renewables Pte. Ltd., Singapore becoming the 100% subsidiary of PAE Renewables Private Limited the Sovox Renewables Pte. Ltd., Singapore becomes the step-down subsidiary of PAE Renewables Private Limited and consequently step-down subsidiary of PAE Limited.
- * Sovox Renewables Private Limited is the subsidiary of Sovox Renewables Pte. Ltd., Singapore. As a result of aforementioned acquisition during the year Sovox Renewables Private Limited becomes the step down subsidiary of PAE Limited.

Sovox Renewables Private Limited has commissioned it's 1MW solar power projects each at Rajasthan and Punjab on March 13, 2012 and March 16, 2012 respectively.

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956 and General Circular No. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs general exemption has been granted to the Companies from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company subject to the consent of the Board of Directors of the Company. Accordingly the consent of the Board of Directors of the company has been obtained at the Board Meeting of the Company held on May 15, 2012.

A statement containing brief financial details of the Company's subsidiary companies with the brief financial details of the Company's subsidiaries for the financial year ended March 31, 2012 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

(₹ in lacs)

Particulars	2011-2012	2010-2011
1 Net Sales & Operating Income	24,392.28	26,134.87
2 Other Income	177.66	86.01
3 Total Income (1+2)	24,569.94	26,220.88
4 Total Expenditure:		
a. Cost of Sales	21,983.16	22,897.13
b. Employees' Remuneration and Benefits	1,035.59	1,068.68
c. Establishment & Other Expenses	1,535.73	1,416.75
	24,554.48	25,382.56
5 Interest	507.69	313.46
6 Profit after interest but before depreciation & tax	(492.23)	524.86
7 Depreciation	90.22	102.52
8 Profit before tax	(582.45)	422.34
9 Provision for tax:		
a. Previous year taxes	(2.93)	(9.21)
b. Current Tax	-	148.00
c. Deferred Tax (Asset)/Liability	(11.97)	(5.25)
10 Net Profit/(Loss) after tax	(567.55)	288.80
11 Expenses as a % to Net Sales & Operating Income:		
a. Employee Cost	4.25%	4.09%
b. Establishment & Other Expenses	6.30%	5.42%
c. Interest	2.08%	1.20%

Sales and Operating Income for the year has decreased by 6.67% from ₹26,134.87 lacs in the previous year to ₹24,392.28 lacs on account drop in demand.

During the year, the Company has made a loss of ₹582.45 lacs as against profit before tax of ₹422.34 lacs in the previous year.

Interest for the year is ₹451.19 lacs which is 1.85% of the net sales & operating income as compared to ₹247.68 lacs and was 0.95% of the net sales & operating income in the previous year, an increase of 0.90% due to higher inventory holding position and tight money market conditions.

The Company has not made any provision for the tax due to the occurrence of Loss, However in accordance with AS-22, Accounting for Taxes on Income, the Deferred Tax Asset stands at ₹17.28 lacs as on the date of Balance Sheet.

Financial Condition
Share Capital

Issued, Subscribed and Paid-up Capital as at March 31, 2012 was ₹951.96 lacs and there is no change as compared to previous year.

Reserves and Surplus

As at March 31, 2012 Reserves and Surplus amounted to

₹2,800.64 lacs as compared to ₹3,390.51 lacs at the end of previous year.

Long Term Borrowings

There has been an increase in the Long Term Borrowings to ₹1,314.96 lacs as at March 31, 2012 as compared to ₹856.64 lacs as at March 31, 2011.

Short Term Borrowings

There has been a decrease in the Short Term Borrowings to ₹2,841.86 lacs as at March 31, 2012 as compared to ₹3,446.03 lacs as at March 31, 2011.

Fixed Asset

Net Fixed Assets as at March 31, 2012 have decreased to ₹978.83 lacs as compared to ₹1,049.12 lacs in the previous year.

Investments

Investments are at ₹1,541.72 lacs as on March 31, 2012 as compared to last year ₹573.59 lacs.

Net Current Assets

Net Current Assets have decreased to ₹5,340.36 lacs as at March 31, 2012 from ₹6,989.69 lacs as at March 31, 2011 on account of drop 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 355 employees as on March 31, 2012.

5. Fixed Deposit

The amount of Fixed Deposits accepted from the public during the year under review is ₹296.60 lacs (including renewals). At the end of the year, there were 13 matured deposits for ₹3.20 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 Dilip J. Thakkar and Shri John O. Band 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, 2012, 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, 2012 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 "CARE A3" rating for short term bank facilities from Credit Analysis & Research Limited (CARE) which is valid for a period of 1 year.

Further the Company has received "SP 2B" rating for Solar Energy Grading from CARE which is valid till November 3, 2012.

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

For the financial year 2011-12 none of the employee's salary exceeded ₹60.00 lacs p.a. or ₹5.00 lacs p.m.

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 ₹ 17.59 lacs and foreign exchange earnings were Nil.

14. Acknowledgements

Your Directors thank the Company's shareholders, Customers, Dealers, Suppliers and Principals, Vendors and Bankers for their continued support during the year. It will be your Company's endeavour to build and nurture strong links with them based on mutuality, respect and co-operation with each other. Your Directors take this opportunity to thank all employees for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry despite increased competition from several existing and new players.

Your Directors place on record their appreciation for the support and continued co-operation that the Company received from the Government of India, the Ministry of Finance, the Ministry of Corporate Affairs, the Stock Exchanges, the Reserve Bank of India, the Central Board of Excise and Customs, and other Government agencies.

For and on behalf of the Board of Directors

Arvind R. Doshi
Executive Chairman

Registered Office:
69, Tardeo Road
Mumbai 400 034

Date: June 29, 2012

ANNEXURE TO THE DIRECTORS' REPORT CORPORATE GOVERNANCE REPORT

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

1. Company's philosophy on the code of governance

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

Composition of Board and Board Meetings

The Composition of the Board is in accordance with the requirements set forth by Clause 49 in this regard. The present strength of the Company's Board is 6 Directors, of which 4 Directors are non-executive and 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 seven times i.e. on April 21, 2011, May 27, 2011, June 4, 2011, June 18, 2011, July 30, 2011, November 14, 2011 and January 30, 2012.

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 30.07.2011	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	7	AUD - N.A. STC - 1	Yes	1	0	2
Shri Pritam A. Doshi	MD	6	AUD - 4 STC - 2	Yes	Nil	Nil	Nil
Non-Executive Directors							
Shri Dilip J. Thakkar	ID	7	AUD - 4 STC - N.A.	Yes	13	4	9
Shri John O. Band	ID	5	AUD - 3 STC - 2	Yes	Nil	Nil	Nil
Shri Karthikeyan Muthuswamy	ID	5	AUD - 1 STC - N.A.	No	Nil	Nil	Nil
Dr. Rajendra Nath Mehrotra	ID	6	AUD - N.A. STC - N.A.	Yes	1	1	2

EC: Executive Chairman; MD: Managing Director; ID: Independent Director; STC: Shareholders Grievance & Share Transfer Committee; AUD: Audit 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.

Information supplied to the Board

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

The information as specified in Annexure 1A to Clause 49 is made available to the Board whenever applicable and materially significant.

3. Audit Committee

During the year 2011-2012, the Audit Committee met four times on May 27, 2011, July 30, 2011, November 14, 2011 and on January 30, 2012.

The Composition of Audit 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	3
Shri Karthikeyan Muthuswamy	Member	Portfolio Manager, Investment Manager	ID	1
Shri Pritam A. Doshi	Member	Businessman	MD	4

ID: Independent Director

MD: Managing Director

Shri Sameer Chavan was appointed as Company Secretary w.e.f. December 12, 2011 in place of Shri Nimesh Nandu who resigned with effect from November 30, 2011.

All the members of the Audit Committee are financially literate. In view of their professional qualification and experience in finance, all are considered to have financial management and accounting related expertise.

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 and audited financial results of the Company.

- d. Reviewing with external and internal Auditors the adequacy of the internal control systems and ensuring their compliance.
- e. Compliance with listing and other legal requirements relating to financial statements.
- f. Overseeing the Company's financial reporting process and the disclosure of its financial information.
- g. Reviewing changes, if any, in accounting policies and practices and the reasons for the same.
- h. Reviewing the company's financial and risk management policies.
- i. Reviewing any Qualifications in the draft audit report.
- j. Reviewing the statement of significant related parties.
- k. Note the observations submitted by Internal Auditors on Branch Reports made by them during their branch audits.

The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the Board Meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting held on July 30, 2011.

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, 2012.

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. 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 2011-12.

Director	* Sitting Fees (₹)	Salaries, Perquisites & Contribution to funds (₹)	Commission (₹)
**Shri Arvind R. Doshi	Nil	58,65,218/-	Nil
Shri Pritam A. Doshi	Nil	34,21,379/-	Nil
Shri Dilip J. Thakkar	90,000/-	-	Nil
Shri John O. Band	69,000/-	-	Nil
Shri Karthikeyan Muthuswamy	25,000/-	-	Nil
Dr. Rajendra Nath Mehrotra	60,000/-	-	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 Sameer Chavan is appointed as the Compliance Officer w.e.f. December 12, 2011.

During the year under review, the Committee met on July 23, 2011 and January 30, 2012. Except Shri Arvind R. Doshi all members were present at the meeting of the July 23, 2011. Meeting of January 30, 2012 was attended by all the members.

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.

The Secretarial Department of the Company, under the supervision of the Company Secretary, who is also nominated by the Company as the "Compliance Officer" as required under SEBI Regulations / Listing Agreement, and the Registrar and Share Transfer Agent, M/s. Link

Intime India Pvt. Ltd. attend to all grievances of the Shareholders and the investors. The Company and M/s. Link Intime India Pvt. Ltd. are making further attempts to ensure that the grievances are expeditiously addressed and redressed to the full satisfaction of the Shareholders.

Statement of the various complaints received and cleared during 2011-2012:

Sr. No.	Subject	Received (Nos.)	Cleared (Nos.)	Pending
1	Non receipt of Share Certificates	2	2	Nil
2	Non- receipt of Dividend/ Int./Redemption Warrants	23	23	Nil
3	Non-receipt Stickers for change in the name of the Company.	2	2	Nil
4	Non Receipt of Annual Report	1	1	Nil
5	Dematerialization/Rematerialization of shares	1	1	Nil
6	Others	1	1	Nil
	TOTAL	30	30	Nil

All the complaints have been resolved and as on March 31, 2012 no complaint from shareholder is pending. At the end of the year, no requests for shares transfers were pending for registration.

8. Borrowing Committee

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

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

During the year 5 meetings of Borrowing Committee were held on December 12, 2011, December 20, 2011, January 10, 2012 February 2, 2012 March 20, 2012. All the members were present for the meetings.

9. General Body Meetings

Details of previous General Meetings

Financial Year	Category	Date	Time	Location
2008-09	59 th 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	60 th AGM	July 31, 2010	3.30 p.m.	Babasaheb Dahanukar Hall of Maharashtra Chamber of Commerce, Oricon House, 6th floor, 12, K. D. Marg, Fort, Mumbai 400 001
2010-11	61 st AGM	July 30, 2011	3.30 p.m.	M. C. Ghia Hall Bhogilal Hargovindas Bldg. 2nd floor, 18/20, K. Dubhash Marg, Mumbai 400 001

Special resolutions passed in previous 3 years

a. AGM August 6, 2009

- a) Payment of Commission to Non Whole Time Directors.

b. AGM July 31, 2010

- a) Appointment of Shri Arvind R. Doshi as Executive Chairman
- b) Change in designation of Shri Pritam A. Doshi as Managing Director and increase in remuneration.

c. AGM July 30, 2011

- a) Issue of 50,00,000 8% Redeemable Non-cumulative Preference shares to promoters and their nominees.

10. 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.33 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

The Company has fully complied with all the mandatory requirements of Clause 49. The status of compliance with non-mandatory requirements stipulated by the said Clause is as under:

1. Tenure of Independent Directors is not being restricted to period of nine years in the aggregate since the Board of Directors unanimously opine that the length of the tenure on the Board would not have any material negative impact on the performance of Independent directors and discharge of their duties towards the Company.

2. The Board of Directors has constituted a Remuneration Committee consisting of four members, who are non-executive and independent. The Chairman of the Remuneration Committee was present at the 61st Annual General Meeting held on July 30, 2011.
3. Since the half-yearly financial results are being published in leading newspapers as well as being displayed on the Company's website, the said results and summary of significant events are not being sent to each household of Shareholders.
4. The Company is in the regime of unqualified financial statements.
5. Adequate and transparent information is circulated to the members of the Board of Directors at its various meetings, which provide valuable inputs on the business of the Company and their responsibilities as Directors. Also, the Directors are kept abreast of the latest developments in Laws, Rules and Regulations, as also on the various risks to which the Company is subject and the manner in which these risks are mitigated and/or minimized. Therefore, the need for a formal training on these issues is not felt necessary presently.
6. The re-appointment of Non-executive Directors is proposed and seconded at meetings of the Board of Directors on the basis of the contribution and performance of the Director being re-appointed. The Director being re-appointed does not participate during such discussions nor does he vote on the resolution proposing his reappointment. The Company ensures that any person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which, in the opinion of the Company, would enable him to contribute effectively to the Company in his capacity as an Independent Director.
7. 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.

11. 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, half yearly and yearly results were also made available on the Company's website – www.paeltld.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.

12. General Shareholder information

i) Annual General Meeting

Date and Time : August 31, 2012 at 3.30 p.m.

Venue : M. C. Ghia Hall,
Bhogilal Hargovinas Building
2nd floor, 18/20, K. D. Marg,
Fort, Mumbai 400 001

ii) Financial Calendar

Financial Year : April 1 to March 31

Financial reporting of results

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

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

Annual General Meeting is
proposed to be held in August,
2013.

iii) Book Closure date : From : August 24, 2012
To : August 31, 2012
(both days inclusive)

iv) Listing on Stock Exchanges and Scrip Code : The Bombay Stock Exchange Limited
(Code: 517230)

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

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

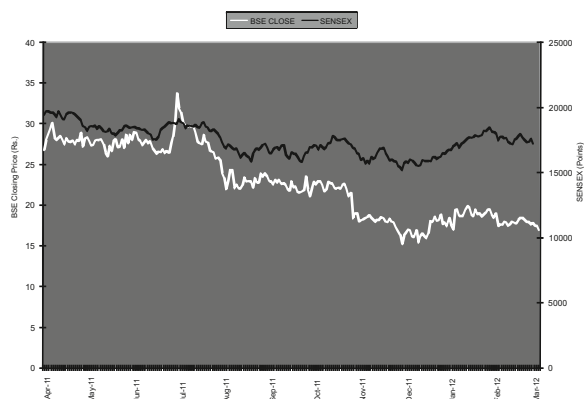
vi) Market price data : Monthly high & low quotations
of shares traded at Bombay
Stock Exchange Limited and
National Stock Exchange of
India Limited for the year 2011-
2012.

BSE Share Price

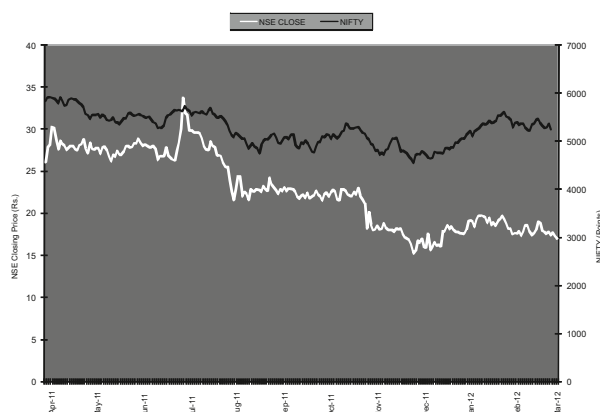
Month	Month's High Price (in ₹)	Month's Low Price (in ₹)	Total Turnover (in actual ₹)	BSE Sensex High	BSE Sensex Low
Apr-11	32.00	26.10	1,379,096	19,811.14	18,976.19
May-11	29.65	25.95	694,676	19,253.87	17,786.13
Jun-11	29.70	26.05	680,863	18,873.39	17,314.38
Jul-11	34.25	26.30	8,364,650	19,131.70	18,131.86
Aug-11	27.80	19.05	1,385,013	18,440.07	15,765.53
Sep-11	24.70	21.00	1,273,658	17,211.80	15,801.01
Oct-11	23.95	20.10	542,032	17,908.13	15,745.43
Nov-11	24.00	17.50	826,105	17,702.26	15,478.69
Dec-11	20.05	15.05	1,052,961	17,003.71	15,135.86
Jan-12	20.00	15.25	755,831	17,258.97	15,358.02
Feb-12	20.80	17.20	1,119,582	18,523.78	17,061.55
Mar-12	20.95	16.10	632,101	18,040.69	16,920.61

NSE Share Price

Month	Month's High Price (in ₹)	Month's Low Price (in ₹)	Total Turnover (in ₹ lacs)	NIFTY High	NIFTY Low
Apr-11	31.30	25.50	17.88	5,944.45	5,706.05
May-11	30.70	25.20	14.37	5,775.25	5,328.70
Jun-11	29.30	25.35	16.55	5,657.90	5,195.90
Jul-11	34.30	26.20	122.36	5,740.40	5,453.95
Aug-11	27.75	20.65	25.72	5,551.90	4,720.00
Sep-11	24.45	20.70	9.84	5,169.25	4,906.00
Oct-11	24.80	20.50	5.36	5,399.70	4,728.30
Nov-11	23.80	17.00	7.33	5,326.45	4,639.10
Dec-11	19.80	14.55	4.93	5,099.25	4,531.15
Jan-12	19.80	15.55	7.43	5,217.00	4,588.05
Feb-12	20.85	17.25	14.19	5,629.95	5,159.00
Mar-12	21.90	16.60	6.39	5,499.40	5,171.45



Source: BSE Website



Source: NSE Website

vii) Registrar & Transfer Agents:

M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078

Phone : 022-25946970 - 78 Fax : 022-25946969

Email : rnt.helpdesk@linkintime.co.in

Website : www.linkintime.co.in

viii) 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.

ix) Shareholding Pattern as on March 31, 2012:

	Category	No. of shares held	% of share-holding	No. Shares Pledged or otherwise encumbered	Percentage of Shares Pledged
A.	Promoter's Holding				
1	Promoters*				
	Indian Promoters	48,02,811	50.45	Nil	0.00
	Foreign Promoters	-	-	-	-
	Persons acting in concert	-	-	-	-
	Sub Total	48,02,811	50.45	Nil	0.00
B.	Non-Promoters Holding				
2	Institutional Investors				
a.	Mutual Funds and UTI	1,200	0.01	N.A.	N.A.
b.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non- Government Institutions)	90,775	0.95	N.A.	N.A.
c.	FIIs	1,625	0.02	N.A.	N.A.
	Sub Total	93,600	0.98	N.A.	N.A.
3	Others				
a.	Corporate Bodies	3,72,495	3.91	N.A.	N.A.
b.	Indian Public	41,71,886	48.83	N.A.	N.A.
c.	NRIs/OCBs	39,647	0.42	N.A.	N.A.
d.	Others (Clearing Members)	39,161	0.41	N.A.	N.A.
	Sub Total	46,23,189	48.56	N.A.	N.A.
	TOTAL	95,19,600	100.00	Nil	0.00

*Pursuant to regulations of Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, Promoter Group and persons acting in concert consists of 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.

x) Distribution of Shareholding as on March 31, 2012:

No. of Shareholders	% to Total	Shares holding of nominal value of ₹	No. of shares	Amount In ₹	% to Total
11,744	89.60	Upto 500	18,22,693	1,82,26,930	19.15
748	5.71	501 to 1,000	6,13,477	61,34,770	6.44
313	2.39	1,001 to 2,000	4,75,933	47,59,330	5.00
113	0.86	2,001 to 3,000	2,91,995	29,19,950	3.07
59	0.45	3,001 to 4,000	2,08,197	20,81,970	2.19
36	0.27	4,001 to 5,000	1,66,047	16,60,470	1.74
53	0.41	5,001 to 10,000	4,12,208	41,22,080	4.33
41	0.31	10,001 and above	55,29,050	5,52,90,500	58.08
13,107	100.00	TOTAL	95,19,600	9,51,96,000	100.00

xi) Dematerialization of Shares:

Trading in Equity Shares of the Company is permitted only in dematerialized form. Approximately 90.12% of the shares issued by the Company have been dematerialized up to March 31, 2012.

xii) Outstanding GDR/Warrants or any Convertible instruments: N.A.

xiii) Plant Locations:

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

xiv) Address for correspondence:

Shri Sameer Chavan, 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, 2012, as envisaged in clause 49 of the Listing Agreement with stock exchanges.

Arvind R. Doshi
Executive Chairman

Place: Mumbai
Date: June 29, 2012

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, 2012, 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: June 29, 2012

**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 Arvind R. Doshi	Shri Dilip J. Thakkar	Shri John O. Band	Shri Pritam A. Doshi*
Date of Birth	November 26, 1939	October 1, 1936	August 11, 1952	April 9, 1973
Date of Initial Appointment	April 16, 1994	July 28, 2000	June 28, 2002	January 30, 2004
Expertise in specific functional areas	Shri Arvind R. Doshi, besides having brilliant academic career in Engineering and in Management also has rich experience in the field of Engineering Industry and in Automobile Sector.	Shri Dilip J. Thakkar is an eminent Chartered Accountant and partner of M/s. Jayantilal Thakkar & Associates, Mumbai and M/s. Jayantilal Thakkar & Company, Mumbai. He is a respected personality in the Indian corporate world.	Shri John O. Band has an M.A. Degree in Economics from Cambridge University and is a fellow member of Institute of Chartered Accounts of England & Wales. Currently he is a private equity investor in various businesses in India.	Shri Pritam A. Doshi is a dynamic entrepreneur with brilliant academic career and rich experience in field of Bio-engineering, management, information technology, investment strategy etc. He has worked with Trident Capital LP, a silicon valley based venture capital firm that invests in internet and wireless startup businesses. He has also worked with HSBC Securities Inc. as assistant Vice President – equity research. He is associated with the Company as since 2004 and under his leadership Company expects to diversify and strengthen from its current position.
Qualifications	Civil & Sanitary Engineer and Diploma in Business Management.	Chartered Accountant	FCA (England & Wales)	B.S.E. (Bioengineering) from the University of Pennsylvania, Philadelphia, U.S.A. And M.B.A. from University of Chicago, Chicago, U.S.A.
Other Public Companies in which Directorship is held as on March 31, 2012.	1. Sadhana Nitro Chem Ltd.	1. Poddar Developers Ltd. 2. Panasonic Energy India Company Ltd. 3. Essar Oil Ltd. 4. Thirumalai Chemicals Ltd. 5. Ruby Mills Ltd. 6. Himatsingka Seide Ltd. 7. Indo Count Industries Ltd. 8. Walchandnagar Industries Ltd. 9. Garware Polyester Ltd. 10. Essar Ports Ltd. 11. Modern India Ltd. 12. Premier Ltd. 13. Magus Estates And Hotels Ltd.	Nil	Nil
Chairman of Committees formed by Board of other Listed Companies on which he is a Director as on March 31, 2012	Nil	Audit Committee: 1. Panasonic Energy India Co. Ltd., 2. Essar Oil Ltd., 3. Tirumalai Chemicals Ltd. 4. Himatsingka Seide Ltd.	Nil	Nil
Member of Committees formed by Board of other Listed Companies on which he is a Director as on March 31, 2012	2 Audit Committee: 1. Sadhana Nitro Chem Ltd. Share Transfer/Investor Grievances Committee: 1. Sadhana Nitro Chem Ltd.	9 Audit Committee: 1. Panasonic Energy India Co. Ltd., 2. Essar Oil Ltd., 3. Tirumalai Chemicals Ltd. 4. Himatsingka Seide Ltd. 5. Walchandnagar Industries Ltd Share Transfer / Investor Grievances Committee: 1. Panasonic Energy India Co. Ltd., 2. Essar Oil Ltd., 3. Tirumalai Chemicals Ltd. 4. Walchandnagar Industries Ltd.	Nil	Nil
Shareholding in the Company	26,55,738	Nil	Nil	689,536

* Information w.r.t. Shri Pritam A. Doshi as per clause 49 need not required to be given as Shri Pritam A. Doshi not seeking re-appointment.

AUDITORS' REPORT

To,
The Members of PAE Ltd.

1. We have audited the attached Balance Sheet of **PAE Limited** as at March 31, 2012 and also the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (iv) In our opinion, Balance Sheet, Statement of Profit and Loss 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, 2012 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, 2012 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, 2012;
 - (b) in the case of the Statement of Profit and Loss, of the loss 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

Place: Mumbai
Date: June 29, 2012

Satish K. Kelkar
Partner
Membership No: 38934

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date on the Accounts for the year ended March 31, 2012 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>(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 provided by management, we are of the opinion that the particulars of contracts or arrangements that are referred to in Section 301 have been entered in the register required to be maintained under that section.</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 ₹518.38 lacs (Previous year ₹200 lacs). Maximum balance during the year was ₹518.38 lacs (Previous year ₹200.36 lacs.)</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 two companies covered in the register maintained under Section 301 of the Companies Act, 1956, wherein the balance receivable as at the year end is ₹1,536.56 lacs (Previous year ₹60.51 lacs). Maximum balance during the year was ₹1,536.56 lacs (Previous year ₹106.58 lacs.)</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 maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.</p> <p>(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.</p> |

According to the information and explanations given to us, there are no undisputed statutory dues which are outstanding as at March 31, 2012 for the period of more than six months from the date they become payable. 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:

(₹ in lacs)

Name of the Statute	Nature of the dues	Period to which the amount relates	Forum where dispute is pending	
			Sales Tax Commissioner	Sales Tax Appellate Tribunal
Central Sales Tax and Various State VAT Acts	VAT, penalty and interest	2007-08	0.23	-
Central Sales Tax and Various State VAT Acts	VAT, penalty and interest	2006-07	2.05	-
VAT Acts	VAT, penalty and interest	2007-08	6.25	-
VAT Acts	VAT, penalty and interest	2008-09	12.42	-
Central Sales Tax and Various State Sales Tax Acts	Sales Tax, penalty and interest	1992-93	-	1.23
Local Sales Tax	Sales Tax, penalty and interest	1992-93	-	1.18
Local Sales Tax	Sales Tax, penalty and interest Total	2001-02	0.25	-
	Total		21.20	2.41

- (x) The company does not have any accumulated losses at the end of the financial year and has incurred cash losses of ₹ 492.23 lacs during the financial year covered by our audit and the company has not incurred cash losses during 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 guarantees for loans taken by subsidiaries from banks 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

Satish K. Kelkar
Partner
Membership No: 38934

Place: Mumbai
Date: June 29, 2012

BALANCE SHEET AS AT MARCH 31, 2012

(₹ in lacs)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	2	951.96	951.96
Reserves and surplus	3	2,800.64	3,390.51
(2) Non-current liabilities			
Long-term borrowings	4	1,314.96	856.64
Deferred tax liabilities (net)	5	-	11.97
Other long term liabilities	6	56.22	56.22
Long-term provisions	7	111.79	31.94
(3) Current liabilities			
Short-term borrowings	8	2,841.86	3,446.03
Trade payables	9	170.32	475.26
Other current liabilities	10	754.69	702.93
Short-term provisions	11	182.76	326.49
Total		9,185.20	10,249.95
(II) ASSETS			
(1) Non-current assets			
Fixed assets	12		
Tangible assets		965.24	1,032.61
Intangible assets		13.59	16.51
Non-current investment	13	1,541.72	573.59
Long-term loans and advances	14	180.22	114.71
Other non-current assets	15	36.30	18.16
(2) Current assets			
Inventories	16	1,498.09	3,027.26
Trade receivables	17	2,632.14	3,426.35
Cash and cash balances	18	360.62	402.01
Short-term loans and advances	19	1,798.47	941.80
Other current assets	20	158.81	696.95
Total		9,185.20	10,249.95
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report attached

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

Chartered Accountants

Registration No. 100186W

Satish K. Kelkar

Partner

Membership No. 38934

Mumbai, Dated June 29, 2012

V. Suresh

Head - Finance & Accounts

Sameer Chavan

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 OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

Particulars	Note No.	For the year ended March 31,2012	For the year ended March 31,2011
INCOME			
I Revenue from operations	21	24,392.28	26,134.87
II Other income	22	177.66	86.01
III Total revenue (I+II)		<u>24,569.94</u>	<u>26,220.88</u>
IV EXPENSES			
Purchases of traded goods	23	20,376.09	24,345.54
(Increase) / decrease in inventory of traded goods	24	1,607.07	(1,448.41)
Employee benefits expense	25	1,035.59	1,068.68
Finance costs	26	507.69	313.46
Depreciation and amortization expense	27	90.22	102.52
Other expenses	28	1,535.73	1,416.75
Total expenses		<u>25,152.39</u>	<u>25,798.54</u>
V Profit/(Loss) before tax		(582.45)	422.34
VI Tax Expense			
Previous Year's Taxes (net)		(2.93)	(9.21)
Current tax		-	148.00
Deferred Tax		(11.97)	(5.25)
VII Profit/(Loss) for the period		<u>(567.55)</u>	<u>288.80</u>
VIII Earnings per equity share			
Basic	29	(5.96)	3.03
Diluted		(5.96)	3.03

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants

Registration No. 100186W

Satish K. Kelkar

Partner

Membership No. 38934

Mumbai, Dated June 29, 2012

V. Suresh

Head - Finance & Accounts

Sameer Chavan

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

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
(A) Cash flow from operating activities		
Net Profit/(loss) before tax and extraordinary items	(582.45)	422.34
Adjustments for:		
Depreciation	90.22	102.52
Finance cost	507.69	313.46
Interest/dividend income	(10.71)	(25.59)
Others	2.28	(4.26)
	<u>589.48</u>	<u>386.13</u>
Operating profit before working capital changes	7.03	808.47
Adjustments for :		
Trade and other receivables	1,333.37	(1,631.28)
Short term loans and advances	(856.52)	(537.65)
Long term loans and advances	(65.51)	(23.57)
Inventories	1,529.17	(1,440.27)
Trade payables and other liabilities	(282.19)	(103.41)
Short term provisions	53.97	59.78
Long term provisions	79.85	31.94
	<u>1,792.14</u>	<u>(3,644.46)</u>
Cash Generated from operations	1,799.17	(2,835.99)
Direct taxes (paid)/refunds	(57.64)	(154.65)
Net cash flow from operating activities	<u>1,741.53</u>	<u>(2990.64)</u>
(B) Cash flow from investing activities		
Purchase of fixed assets	(44.27)	(196.89)
Sale of fixed assets	0.70	9.69
Investment	(968.13)	(61.11)
Sale of investments	-	100.01
Placement of bank/margin money deposits	(18.14)	(5.16)
Interest received	9.44	24.10
Dividend received	0.25	1.23
Net cash used in investing activities	<u>(1,020.15)</u>	<u>(128.13)</u>
(C) Cash flow from financing activities		
Proceeds from short term borrowings (net)	(604.17)	3,136.34
Finance cost	(483.05)	(313.46)
Proceeds from long term borrowing (net)	458.32	573.36
Dividend paid	(114.57)	(169.45)
Dividend tax paid	(19.30)	(29.93)
Net cash used in financing activities	<u>(762.77)</u>	<u>3,196.86</u>
Net increase in cash and cash equivalents	(41.39)	78.09
Opening balance as at beginning of the year	402.01	323.92
Closing balance as at end of the year	<u>360.62</u>	<u>402.01</u>
	(41.39)	78.09

Notes:

1. Cash and cash equivalents as on 31.03.12 and 31.03.11 includes restricted cash of ₹ 54 lacs.
2. 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 June 29, 2012

V. Suresh

Head - Finance & Accounts

Sameer Chavan

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012:

1. Significant Accounting Policies:

a) Basis of preparation:

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

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

b) Presentation and disclosure of financial statements:

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. It has significant impact on presentation and disclosures made in the financial statements. The company has reclassified the previous year figures in accordance with the requirement applicable in the current year.

c) Use of estimates:

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

d) Tangible fixed assets:

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

e) Depreciation on tangible fixed assets:

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

f) Intangible assets:

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

g) Impairment of assets:

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

h) Investments:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012:

i) 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.

j) Revenue recognition:

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

k) Foreign Currency Transactions:

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

l) Employee benefits:

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

m) Leases:

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

Lease payments under operating lease are recognized as an expense in the 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.

n) Income taxes:

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

o) Earnings per share:

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

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

p) Provisions, contingent liabilities and contingent assets:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

	As at March 31, 2012	As at March 31, 2011
2 Share Capital:		
Authorised		
1,50,00,000 Equity Shares of ₹ 10 each	1,500.00	1,500.00
(Previous Year: 1,50,00,000 Equity Shares of ₹ 10 each)		
50,00,000 Preference Shares of ₹ 10 each	500.00	500.00
(Previous Year: 50,00,000 Preference Shares of ₹ 10 each)	2,000.00	2,000.00
Issued, subscribed and fully paid up		
95,19,600 Equity Shares of ₹10 each fully paid up	951.96	951.96
(Previous Year: 95,19,600 Equity Shares of ₹10 each)	951.96	951.96

(a) Terms/rights attached to equity shares

The company has only one class of equity shares having a face value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

(b) Details of shareholders holding more than 5% shares in the company	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	% held in the class	No. of Shares	% held in the class
i Arvind Raoji Doshi	26,55,738	27.90	26,54,738	27.88
ii Pratibha Arvind Doshi	12,45,656	13.09	12,45,656	13.09
iii Pritam Arvind Doshi	6,89,536	7.24	6,72,307	7.06

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

(₹ in lacs)

	As at March 31, 2012	As at March 31, 2011
3 Reserves and Surplus:		
Capital Reserve	0.09	0.09
Securities Premium Account	531.23	531.23
Revaluation Reserve	552.00	574.32
Less: Depreciation on revaluation of assets transferred to statement of profit and loss	22.32	22.32
	529.68	552.00
General Reserve		
Balance as per last financial statement	842.19	834.97
Transfer from Profit & Loss Account	-	7.22
	842.19	842.19
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	1,465.00	1,321.72
Add: Profit / (loss) for the year	(567.55)	288.80
Balance available for appropriation	897.45	1,610.52
Less appropriations:		
Proposed dividend on equity shares	-	119.00
Tax on proposed dividend	-	19.30
Transfer to general reserve	-	7.22
Net Surplus in the statement of profit and loss	897.45	1,465.00
	2,800.64	3,390.51

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

	As at March 31, 2012	As at March 31, 2011
4 Long - Term Borrowings:		
Secured:		
Motor vehicle loan	33.48	30.43
Unsecured:		
Fixed deposits from related parties	138.00	143.00
Fixed deposits from shareholders	61.56	104.15
Fixed deposits from others	577.79	379.06
From bank	7.13	-
	<u>784.48</u>	<u>626.21</u>
Unsecured loan from enterprise controlled by key management personnel	497.00	200.00
Total	<u>1,314.96</u>	<u>856.64</u>

- (a) Motor vehicle loans were taken from Kotak Mahindra Prime Ltd. during the financial years 2009-10 and 2010-11 and are repayable in 36 equated monthly installments.

Particulars	No. of installments due w.r.t. balance sheet date	Amount of installment	Rate of interest
Loan 1	13	1.85	8.12%
Loan 2	16	0.12	12.52%
Loan 3	4	0.17	9.96%
Loan 4	3	0.15	10.07%

- (b) During the year, ₹ 92 lacs was taken as loans against refinance of existing motor vehicles owned by the company from Kotak Mahindra Prime Ltd. This loan carries an interest of 19.467% p.a., and is payable in 36 installments, alongwith interest from the date of the loan. The period of maturity w.r.t. balance sheet date is 2 years and 4 months with EMI of ₹4.49 lacs for 4 months, ₹ 3.31 lacs for 12 months and ₹ 1.82 lacs for 12 months respectively.
- (c) Fixed deposits from related parties carry interest @11% to 11.75% p.a.(previous year 10.50% to 11.25% p.a.) and are repayable after 3 years from the respective dates of deposit.
- (d) Fixed deposits from shareholders and others carry interest ranging from 11% to 11.75% p.a.(previous year 10.50% to 11.25% p.a.) and are repayable after 2 years and 3 years from the respective dates of deposit.
- (e) During the year, unsecured loan of ₹60 lacs was taken from Kotak Mahindra Bank, which carries interest @ 9.50% p.a. and is repayable in 24 installments. The period of maturity w.r.t. balance sheet date is 1 year and 5 months with EMI of ₹ 4.35 lacs for 1 month, ₹ 2.94 lacs for 8 months and ₹ 1.50 lacs for 8 months.
- (f) Unsecured loan from related party carries interest ranging from 14% to 16.50% p.a. and has a tenure of 3 years.

(₹ in lacs)

	As at March 31, 2012	As at March 31, 2011
5 Deferred Tax Liability (net):		
Deferred Tax Asset:		
Provision for employee benefits	15.05	4.40
Others	2.59	2.41
	<u>17.64</u>	<u>6.81</u>
Deferred Tax Liability:		
Depreciation	13.83	18.78
Net Deferred tax asset/(liability)	<u>3.81</u>	<u>(11.97)</u>
Deferred tax asset/(liability) recognized during the year	<u>11.97</u>	<u>5.25</u>
Deferred tax asset/(liability) at the year end	<u>-</u>	<u>(11.97)</u>

In accordance with AS-22, Accounting for Taxes on Income, there is a Deferred Tax Asset of ₹15.77 lacs as on the balance sheet date. In consideration of prudence, deferred tax asset has been recognized to the extent of deferred tax liability.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

		(₹ in lacs)	
		As at March 31, 2012	As at March 31, 2011
6 Other Long - Term Liabilities:			
Sundry creditors for expenses		56.22	56.22
Total		<u>56.22</u>	<u>56.22</u>
7 Long-term Provisions:			
Provision for employee benefits (refer note no. 30)			
Leave Encashment		37.00	29.50
Gratuity		74.79	2.44
Total		<u>111.79</u>	<u>31.94</u>
Provision for gratuity is adequately backed by funds lying with LIC of India classified under "Long term advances" and "Other current assets".			
8 Short Term Borrowings:			
Secured			
Working capital loan from banks repayable on demand		2,532.94	3,115.08
		<u>2,532.94</u>	<u>3,115.08</u>
Unsecured			
Fixed deposits from shareholders		5.20	7.20
Fixed deposits from others		30.72	48.75
		<u>35.92</u>	<u>55.95</u>
Inter-corporate deposit		273.00	275.00
Total		<u>2,841.86</u>	<u>3,446.03</u>
(a) Working capital loan from banks is secured by hypothecation of current assets and all movables, both present and future and with a collateral charge on immovable and movable properties. The working capital from banks carries interest of @15.75% and 16.15% p.a.			
(b) Inter-corporate deposits are having a tenure of 90 days to 120 days and carry interest @13.50% to 17.75% p.a.			
(c) Fixed deposits from others and shareholders carry interest ranging from 10% to 10.75% p.a.(previous year 10% to 10.25% p.a.).			
9 Trade Payables (including acceptances) (refer note no. 37)		170.32	475.26
10 Other Current Liabilities:			
(a) Current maturities of long term debts			
Current maturity of motor vehicle loan		58.44	29.73
Current maturity of unsecured loan from bank		28.10	-
Current maturity of fixed deposits from related parties		5.00	-
Current maturity of fixed deposits from shareholders		14.31	4.60
Current maturity of fixed deposits from public		82.61	173.78
(b) Interest accrued but not due		3.26	-
(c) Interest payable		21.38	-
(d) Unclaimed dividend		26.07	21.64
(e) Unclaimed matured fixed deposits		3.20	2.10
(f) Other Payables:			
Sundry creditors for expenses		263.49	324.57
Sundry creditors for capital purchase		2.92	-
Dealer Deposits		89.91	14.43
Rent Deposit		3.45	103.45
Advance from customers		18.80	6.05
Advance from subsidiary for goods		44.02	-
Statutory dues payable		89.73	22.58
Total		<u>754.69</u>	<u>702.93</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

	As at March 31, 2012	As at March 31, 2011
11 Short-term Provisions		
Provision for employee benefits		
Leave encashment	17.30	5.48
Gratuity	35.39	28.24
	52.69	33.72
Others		
Proposed dividend on equity shares	-	119.00
Tax payable on proposed dividend	-	19.30
	-	138.30
Provision for Taxation (net of taxes paid)		
Income tax	8.66	67.56
Fringe benefit tax	-	0.50
	8.66	68.06
Provision for warranties (refer note no. 34)	121.41	86.41
Total	182.76	326.49

12 Fixed Assets:

(₹ in lacs)

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK		
	As at 01.04.2011	+ Added on Revaluation	Additions this year	Sales / adjustment this year	As at 31.03.2012	As at 01.04.2011	+Adjustment on Revaluation	Depreciation/ amortisaion this year	Sales / adjustment this year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	
Tangible Assets:													
Building And Ownership Flats *	948.90	-	-	-	948.90	172.49	22.32	11.22	-	206.03	742.87	776.41	
Other Plant & Machinery	21.19	-	1.45	1.04	21.60	10.02	-	1.93	0.92	11.03	10.57	11.17	
Furniture & Fixtures	180.73	-	17.24	1.94	196.03	127.70	-	11.97	1.24	138.43	57.61	53.03	
Office Equipments	95.59	-	8.93	4.68	99.83	43.69	-	10.33	3.62	50.40	49.44	51.90	
Computers	203.74	-	13.78	7.69	209.83	154.84	-	25.38	7.55	172.67	37.16	48.90	
Motor Vehicles	162.66	-	0.09	0.10	162.66	71.47	-	23.69	0.10	95.06	67.60	91.20	
Sub Total	1,612.82	-	41.49	15.45	1,638.86	580.21	22.32	84.52	13.43	673.62	965.24	1,032.61	
Previous Year Sub Total	1,463.85	-	191.68	42.70	1,612.82	492.75	22.32	96.76	31.62	580.21	1,032.61		
Intangible Assets:													
Software	31.00	-	2.78	-	33.78	14.49	-	5.70	-	20.19	13.59	16.51	
Sub Total	31.00	-	2.78	-	33.78	14.49	-	5.70	-	20.19	13.59	16.51	
Previous Year Sub Total	19.53	-	11.48	-	31.00	8.73	-	5.76	-	14.49	16.51		
Total	1,643.82	-	44.27	15.45	1,672.64	594.70	22.32	90.22	13.43	693.81	978.83	1,049.12	
Previous Year Total	1,483.37	-	203.15	42.70	1,643.82	501.48	22.32	102.52	31.62	594.70	1,049.12		

* Ownership Flats includes ₹ 0.01 (previous year ₹ 0.01) being the value of 15 shares in Co-operative Housing Societies.

+ Refer Note No.41

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

	As at March 31, 2012	As at March 31, 2011
13 Non Current Investment:		
Trade Investments:		
Investment in Equity Instruments:		
Investment in subsidiary companies (Unquoted):		
Shurjo Energy Pvt. Ltd. (refer note no.36)	785.66	557.81
3,87,85,424 (Previous Year: 1,60,00,246 shares) equity shares of ₹1 each fully paid		
PAE Renewables Pvt. Ltd. (refer note no.36)	716.00	11.00
47,85,000 (Previous Year: 1,10,000 shares) equity shares of ₹10 each fully paid		
PAE Infrastructure Pvt. Ltd.	35.20	-
3,52,000 (Previous Year: Nil) equity shares of ₹10 each fully paid		
	<u>1,536.86</u>	<u>568.81</u>
Other Investments (Quoted):		
Pal Credit & Capital Ltd.	87.64	87.64
8,53,305 (Previous Year: 8,53,305 shares) equity shares of ₹10 each fully paid		
Less: Provision for diminution in value	<u>85.34</u>	<u>85.34</u>
	2.30	2.30
South India Paper Mills Ltd.		
8000 (Previous Year: 8,000 shares) equity shares of ₹10 each fully paid	1.18	1.18
Exide Industries Ltd.	0.01	0.01
216 (Previous Year: 216 shares) equity shares of ₹1 each fully paid		
Finolex Cables Ltd.	0.01	0.01
50 (Previous Year: 50 shares) equity shares of ₹2 each fully paid		
Bosch Ltd.	0.02	0.02
10 (Previous Year: 10 shares) equity shares of ₹10 each fully paid (Formerly known as Mico Industries Company Ltd.)		
Gabriel India Ltd.	0.01	0.01
500 (Previous Year: 500 shares) equity shares of ₹1 each fully paid		
	<u>3.53</u>	<u>3.53</u>
Other Investments (Unquoted):		
Jain Sahakari Bank Ltd.	0.01	-
40 (Previous Year: Nil) equity shares of ₹25 each fully paid		
Stiefel Und Shuh Ltd.	0.11	0.11
1,100 (Previous Year: 1,100 shares) equity shares of ₹10 each fully paid		
Less: Provision for diminution in value	<u>0.10</u>	<u>0.10</u>
	0.01	0.01
Kongarar Integrated Fibres Ltd.	0.52	0.52
1,200 (Previous Year: 1,200 shares) equity Shares of ₹10 each fully paid (Formerly known as Kongarar Textiles Ltd.)		
Less: Provision for diminution in value	<u>0.51</u>	<u>0.51</u>
	0.01	0.01
Investment in mutual funds	0.03	0.02
7,648 Units of Unit Trust of India Balance Fund (Previous Year: 7,280 units)	<u>1.30</u>	<u>1.23</u>
	1.30	1.23
Total	<u><u>1,541.72</u></u>	<u><u>573.59</u></u>
Aggregate Book Value of Investments:		
Quoted Investments	3.53	3.53
Unquoted Investments	1,624.14	656.01
Less: Provision for diminution in value	<u>85.95</u>	<u>85.95</u>
	<u><u>1,541.72</u></u>	<u><u>573.59</u></u>
(Market value of quoted investments ₹15.53 lacs & Previous Year: ₹26.12 lacs)		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

	As at March 31, 2012	As at March 31, 2011
14 Long-term Loans and Advances:		
Unsecured considered good:		
Capital advances	1.15	0.77
Sundry deposits	100.55	113.17
PAE Employees' Group Gratuity Fund	77.76	-
Other advances	0.76	0.77
Total	180.22	114.71
15 Other Non-Current Assets:		
Margin money deposits with bank	23.30	3.16
Other deposits with bank	13.00	15.00
	36.30	18.16
16 Inventories		
Traded goods	1,390.41	2,995.07
Packing material	-	2.41
Goods-in-transit(at cost)	107.68	29.78
Total	1,498.09	3,027.26
17 Trade Receivables: (Unsecured, considered good unless otherwise stated. Outstanding for a period exceeding six months from the date they are due for payment)		
Outstanding over six months	20.73	29.55
Others	2,611.41	3,396.80
Total	2,632.14	3,426.35
18 Cash and Bank Balances:		
Cash and cash equivalents:		
Balances with banks:		
On current account	15.33	10.72
Deposit with maturity of less than/upto three months	2.00	-
Margin money deposits with maturity of less than/upto three months	46.06	19.32
Unpaid dividend account	26.07	21.64
Cash in hand	8.98	9.03
Cheques and drafts in hand	186.49	280.89
	284.93	341.60
Other bank balances:		
Deposits with maturity of more than 3 months and upto 12 months	74.00	54.00
Margin money deposit with maturity of more than 3 months and upto 12 months	1.69	6.41
	75.69	60.41
Total	360.62	402.01

- (a) Margin money deposits with maturity of less than / upto three months is against letter of credit and bank guarantees.
- (b) Margin money deposits with maturity more than three months and upto 12 months is against bank guarantees.
- (c) Deposits with maturity of more than three months and upto 12 months of ₹ 54 lacs (Previous Year ₹ 54 lacs) is kept as collateral against cash credit limits with banks.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

	As at March 31, 2012	As at March 31, 2011
19 Short-term Loans & Advances :		
Unsecured considered good:		
Loans and advances to subsidiaries (refer note no. 40)	1,705.58	67.77
Others:		
Sundry deposits	40.02	7.95
Advances receivable in cash or kind or for value to be received	52.87	866.08
Total	<u>1,798.47</u>	<u>941.80</u>
20 Other Current Assets:		
Claims/Incentives receivables	121.41	610.79
PAE Employees' Group Gratuity Fund	35.39	-
VAT paid on purchase (net)	-	85.17
Interest accrued but not due	2.01	0.99
Total	<u>158.81</u>	<u>696.95</u>
	For the year ended March 31, 2012	For the year ended March 31, 2011
21 Revenue from Operations:		
Net sale of traded goods less returns	23,886.13	25,072.73
Other operating revenues:		
Incentive/turnover discounts from suppliers	248.43	716.50
Cash discount from suppliers	217.55	307.10
Bad debts recovered	3.72	18.85
Interest on overdue payments	19.34	-
Others	17.11	19.69
Total	<u>506.15</u>	<u>1,062.14</u>
	<u>24,392.28</u>	<u>26,134.87</u>
Net sale of traded goods less returns is exclusive of VAT collected on sales of ₹ 2,725.06 lacs (previous year ₹ 2,822.19 lacs)		
Details of traded goods		
Lead acid storage batteries	13,890.80	16,659.25
Power backup systems	1,999.04	2,210.52
Other auto products	7,417.14	5,861.90
Solar products	579.15	341.06
Total	<u>23,886.13</u>	<u>25,072.73</u>
22 Other Income:		
Interest	10.46	24.36
Rent income	47.08	45.29
Dividend earned	0.25	1.23
Foreign exchange fluctuation (net)	-	8.11
Previous years' provision written back	43.89	1.18
Other non operating income	75.98	5.84
Total	<u>177.66</u>	<u>86.01</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
23 Details of Purchase of Traded Goods:		
Lead acid storage batteries	12,434.44	16,574.52
Power backup systems	568.49	1,816.09
Other auto products	6,879.68	5,583.44
Solar products	493.48	371.50
Total	20,376.09	24,345.54
24 Changes in Inventories of Traded Goods:		
Closing stock	1,390.41	2,997.48
Opening stock	2,997.48	1,549.07
(Increase)/decrease in stock	1,607.07	(1,448.41)
Details of Inventory:		
Traded goods:		
Lead acid storage batteries	404.01	2,027.59
Power backup systems	367.74	373.54
Other auto products	585.03	533.77
Solar products	33.63	62.58
Total	1,390.41	2,997.48
25 Employee Benefits Expense:		
Salaries and wages	885.37	879.77
Contribution to provident & other funds	68.98	92.00
Staff welfare expenses	81.24	96.91
Total	1,035.59	1,068.68
26 Finance Costs:		
Interest expense	451.19	247.68
Bank charges	38.01	42.07
Exchange difference to the extent considered as an adjustment to borrowing costs	18.49	23.71
Total	507.69	313.46
27 Depreciation and Amortisation Expense:		
Depreciation of tangible assets	106.84	119.08
Amortisation of intangible assets	5.70	5.76
	112.54	124.84
Less: Transferred from revaluation reserve	22.32	22.32
Total	90.22	102.52

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
28 Other Expenses:		
Stationery, postage, advertisement, telephone, electricity, etc.	537.67	545.60
Clearing and forwarding agency Charges	127.35	101.03
Packing and forwarding (Inward and Outward)	340.93	243.04
Rent	111.19	88.87
Rates & taxes	53.70	35.70
Cash discount	57.18	68.66
Incentive/turnover discounts	56.71	67.69
Repairs to		
(i) Buildings	7.21	13.17
(ii) Others	33.93	42.60
	41.14	55.77
Insurance	18.44	15.10
Payment to auditor:		
As Auditor:		
(i) Audit fees	8.82	6.62
(ii) Tax audit fees	2.21	1.65
(iii) Limited review	6.62	6.07
In other capacity:		
(i) Taxation matters	-	-
(ii) Company Law matters	-	-
(iii) Management services	-	-
(iv) Other services(certification fee)	1.64	2.04
(v) For reimbursement of expenses	0.23	0.34
	19.52	16.72
Miscellaneous expenses	105.66	99.38
Foreign currency fluctuation(net)	1.43	-
Directors' fees	2.44	2.85
Loss on assets sold/discarded(net)	1.32	1.39
Bad debts written off	61.05	49.95
Donation	-	25.00
Total	1,535.73	1,416.75
29 Earnings Per Share (EPS):		
Profit/(loss) after tax	(567.55)	288.80
Weighted average number of equity share outstanding	95.20	95.20
Basic and diluted earnings per share (in ₹)	(5.96)	3.03

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012:

30 Employee defined benefits

(₹ in lacs)

Particulars	2011-12		2010-11	
	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	109.78	34.98	79.54	26.73
Current service cost	12.87	25.86	7.26	4.17
Interest Cost	9.06	2.89	6.56	2.21
Past service cost (vested benefit) incurred during the period	-	-	8.42	-
Benefits paid	(8.42)	(14.65)	(9.99)	(8.46)
Actuarial(gain)/loss	(13.09)	5.22	17.99	10.33
Liability at the end of the year	110.20	54.30	109.78	34.98
II. Reconciliation of opening and closing balances of fair value of plan assets:				
Fair value of plan assets at the beginning of the year	79.09	-	78.86	-
Expected return on plan assets	6.33	-	6.31	-
Contributions	33.68	-	3.68	-
Benefits paid	(8.42)	-	(9.99)	-
Actuarial(gain)/loss on plan assets	2.48	-	0.24	-
Fair value of plan assets at the end of the year	113.15	-	79.09	-
Net Actuarial (gain)/loss to be recognized	(15.57)	5.22	17.75	10.33
Actuarial return on plan assets:				
Expected return on plan assets	6.33	-	6.31	-
Actuarial gain/(loss) on plan assets	2.48	-	0.24	-
Actuarial return on plan assets	8.81	0.00	6.55	0.00
III. Reconciliation of fair value of assets and obligations:				
Liability at the end of the year	110.18	54.30	109.78	34.98
Fair value of plant assets at the end of the year	113.15	-	79.09	-
Amount recognized in the Balance Sheet under "Provisions for retirement benefits"			30.69	34.98
IV. Expenses recognized in the statement of profit and loss:				
Current service cost	12.87	25.86	7.26	4.17
Interest Cost	9.06	2.89	6.56	2.21
Expected return on plan assets	6.33	-	(6.31)	-
Past Service cost (vested benefit) incurred during the period	-	-	8.42	-
Net actuarial (gain)/loss to be recognized	(15.57)	5.22	17.75	10.33
Expense recognized in the statement of profit and loss under "Contribution to provident, gratuity and other funds"	0.03	33.97	33.68	16.71
V. Principal assumptions:	In percent	In percent	In percent	In percent
Mortality Table LIC	1994-96	1994-96	1994-96	1994-96
Discount Rate	8.50	8.50	8.25	8.25
Expected return on plan assets	8.60	-	8.00	-
Rate of escalation in salary	5.00	5.00	5.00	5.00
Attrition rate	2.00	2.00	2.00	2.00

31 Leases:

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

a Where the company is a lessee:

The company has taken various office and godown premises under leave and licence agreements. These are not non cancellable and range between 11 months and 5 years under leave and licence and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free security deposits under certain agreements. Amounts paid during the year under such agreements are ₹ 111.19 lacs (previous year ₹ 88.87 lacs) and are recognized in the statement of profit and loss under "Rent" Note no.28.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012:

b Where company is a lessor:

The company has given its own office and residential premises under leave and licence agreements. These are not non cancellable and range between 11 months and 5 years under leave and licence and are renewable by mutual consent on mutually agreeable terms. The company has taken refundable interest free security deposits under certain agreements. Amounts received during the year under such agreements are ₹ 47.08 lacs (previous year ₹ 45.29 lacs) and are recognized in the statement of profit and loss under 'Rent Income' in Note no. 22.

32 Segment information:

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 products, and differential risks and returns.

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

(₹ In lacs)			
	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
A	SEGMENT REVENUE		
1	Sales (Net of VAT)		
	Lead acid storage batteries	14,041.44	17,385.37
	Power backup systems	1,999.04	2,246.77
	Other auto products	7,732.31	6,123.13
	Solar products	579.32	341.06
	Unallocated operating income	40.17	38.54
	Net Sales/Income from Operations A	24,392.28	26,134.87
B	RESULT		
1	Segment Result		
	Lead acid storage batteries	1,131.22	2,205.24
	Power backup systems	257.90	253.94
	Other auto products	893.10	723.34
	Solar products	86.73	16.68
	Unallocated operating income	40.17	38.54
	Gross Segment Result B	2,409.12	3,237.74
2	Allocated expenses		
	Lead acid storage batteries	1,011.34	1,085.55
	Power backup systems	292.15	238.44
	Other auto products	419.64	357.39
	Solar products	164.55	106.91
	Total Allocated Expenses C	1,887.68	1,788.29
3	Net Segment Result B - C	521.44	1,449.45
	Less:		
4	Unallocated expenses(net)	505.98	611.13
5	Depreciation	90.22	102.52
6	Finance expense	507.69	313.46
7	Profit / (loss) from ordinary activities	(582.45)	422.34
8	Net Profit / (loss) before Tax	(582.45)	422.34
9	Capital Employed:		
	Lead acid storage batteries	2,117.96	5,233.27
	Power backup systems	528.29	130.40
	Other auto products	1,337.22	1,151.38
	Solar products	416.27	206.31
	Unallocated	3,168.46	1,579.89
	Total Capital Employed	7,568.20	8,301.25

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012:

33 Related party disclosure as per AS-18:

A Particulars of subsidiary companies:

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

B Particulars of enterprises controlled by any person described as key management personnel:

Name of the related party	Nature of relationship
Rajubai Investment Private Limited.	Controlled through key management personnel
Assure Insurance Advisors Private Limited.	
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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012:

E Details of transactions with related parties:

(₹ in lacs)

Particulars	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
Remuneration	-	-	92.87 (99.52)	-
Rent Received	1.99 (1.65)	-	-	-
Rent Paid	1.20 -	-	-	-
Sales	192.06 (254.92)	-	-	-
Purchases	62.85 (95.43)	-	-	-
Purchase of Fixed Assets	0.05 (3.87)	-	-	-
Transfer of Fixed Assets	- (0.13)	-	-	-
Sales of Fixed Assets	- (2.88)	-	-	-
Rendering Services	82.07 (5.26)	-	-	-
Other receipts/payments(net)	92.60 (8.31)	-	-	-
Deposits Accepted	-	- (98.00)	-	- (38.25)
Deposits Repaid	-	-	-	-
Interest paid on deposits	-	10.48 (3.25)	-	4.00 (1.51)
Advance received towards sale of goods	70.00	-	-	-
Interest paid on advance received	1.78	-	-	-
ICD Received	-	375.00 (338.00)	-	-
Interest paid on ICD	-	41.64 (5.38)	-	-
ICD paid	1,832.55 (50.00)	-	-	-
ICD repaid	425.00 (48.00)	78.00 (138.00)	-	-
Interest received on ICD	145.15 (12.33)	-	-	-
Investment	968.05 (61.00)	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012:

(₹ in lacs)

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 (104.00)	-	39.00 (39.00)
2. Advance received towards sale of goods	45.21	-	-	-
3. Interest payable(net of TDS)	1.60 -	21.38	-	-
5. Remuneration payable	-	-	(3.73)	-
6. Outstanding debit/(credit)	257.29 (189.48)	-	-	-
7. ICD outstanding alongwith interest (net of TDS)	1,536.56 (60.51)	497.00 (200.00)	-	-
8. Corporate guarantee given and outstanding	450.00 (350.00)	-	-	-

Figures for the previous year have been given in brackets.

34 Provision for Warranties:

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

	March 31, 2012	March 31, 2011
At the beginning of the year	86.41	33.44
Provision for warranty made during the year	120.19	112.77
Utilised during the year	(85.19)	(59.80)
Closing provision for warranty as at the end of the year	<u>121.41</u>	<u>86.41</u>

35 Contingent liabilities

- Disputed sales tax demand of ₹ 58.18 lacs (previous year ₹ 34.15 lacs). The management has been advised that there will be no liability arising on this account.
- Estimated tax liability Nil (previous year Nil).
- Counter indemnities given by the company in respect of guarantees issued by the bank ₹91.96 lacs (previous year ₹157.29 lacs).
- The company has given a corporate guarantee to a bank of ₹350 lacs and ₹100 lacs for secured loan availed by its subsidiary, Shurjo Energy Private Limited and PAE Renewables Private Limited respectively (previous year ₹ 350 lacs for secured loan availed by its subsidiary Shurjo Energy Private Limited).

36 Investment in subsidiaries

- During the year, the company subscribed to 2,27,85,178 equity shares (previous year 29,71,474) for a total consideration of ₹ 227.85 lacs (previous year ₹ 51.00 lacs) in Shurjo Energy Private Limited thereby increasing its stake to 85% in the company w.e.f. October 1, 2011. The company is engaged in manufacturing of solar photovoltaic panels using CIGS technology.
- During the year, the company subscribed to 23,00,000 equity shares of ₹10/- each at par on June 6, 2011 and 23,75,000 equity shares of ₹10/- each at premium of ₹10/- each on September 13, 2011 (previous year 1,00,000) of ₹ 10/- each for a total consideration of ₹ 467.75 lacs (previous year ₹ 10 lacs) in PAE Renewables Private Limited, PAE Renewables Private Limited 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012:

- c During the year, the company subscribed to 3,52,000 equity shares (previous year nil) of ₹10/- each for a total consideration of ₹35.20 lacs (previous year nil) in PAE Infrastructure Pvt. Ltd. PAE Infrastructure Pvt. Ltd. is a 100% subsidiary of PAE Limited.
- d The company has reviewed the value of long term investment made in its subsidiary, Shurjo Energy Pvt. Ltd. In spite of the accumulated losses in the said subsidiary, the management is of the opinion that there is no permanent diminution in the value of investment, after taking into consideration the change in the business policy to be pursued in the ensuing years.

37 Dues to micro and small enterprises

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.

38 Value of imports calculated on CIF basis:

	(₹ in lacs)	
	March 31, 2012	March 31, 2011
i) Traded goods	563.58	395.94
ii) Expenditure in foreign currency:		
a Foreign tour expenses	17.59	9.28
b Others	-	1.79
	<u>17.59</u>	<u>11.07</u>

39 Derivative instruments and unhedged foreign currency exposure

- a In accordance with Accounting Standard 11, the exchange loss debited to statement of profit and loss is ₹19.92 (previous year ₹15.60 lacs). Premium in respect of forward contracts to be debited to subsequent years's statement of profit and loss is Nil (previous year ₹18.49 lacs).
- b Disclosure in relation to derivative instruments for hedging foreign currency risk for secured loans:

Details of derivative instruments	2011-12		2010-11	
	Number of contracts	₹ in lacs	Number of contracts	₹ in lacs
Forward contracts	Nil	Nil	1	710.56

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

Name of the company	2011-12		2010-11	
	Outstanding balance as on March 31, 2012	Maximum balance during the period	Outstanding balance as on March 31, 2011	Maximum balance during the period
Shurjo Energy Pvt. Ltd.	790.88	790.88	60.51	118.38
Sovox Renewables Pvt. Ltd.	911.70	1,311.03	-	-
PAE Renewables Pvt. Ltd.	-	528.13	7.26	21.37
PAE Infrastructure Pvt. Ltd.	3.00	32.48	-	-
Total	1,705.58	2,662.52	67.77	139.75

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012:

41 Revaluation of assets:

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

Particulars	₹ in lacs
Original cost as at December 1, 2007	139.10
Fair market value as at December 1, 2007	765.50
Amount written up as at December 1, 2007	626.40
Depreciation on revalued portion from April 1, 2011 to March 31, 2012	22.32
Accumulated depreciation on revalued portion as on March 31, 2012	96.72
WDV as on March 31, 2012	529.68

42 Others:

- a 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.
- b Till the year ended March 31, 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for the preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements, particularly presentation of balance sheet.

As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants

Registration No. 100186W

Satish K. Kelkar

Partner

Membership No. 38934

Mumbai, Dated June 29, 2012

V. Suresh

Head - Finance & Accounts

Sameer Chavan

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

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 company and its subsidiaries constitute "the Group"), as at March 31, 2012 and also the Consolidated Statement of Profit and Loss 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, as notified under the Companies (Accounting Standards) Rules, 2006.
4. Included in these Consolidated Financial Statements (CFS) are Assets of ₹ **5,096.00** Lacs as at March 31, 2012, revenues of ₹ **1,254.12** Lacs and net cash Inflow of ₹ **359.20** 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 Group as at March 31, 2012;
 - (b) In the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
 - (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Place: Mumbai
Date : June 29, 2012

Satish K. Kelkar
Partner
Membership No: 38934

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

(₹ in lacs)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I EQUITY AND LIABILITIES			
(1) Shareholders' funds:			
Share capital	2	951.96	951.96
Reserves and surplus	3	2,581.21	3,275.28
(2) Minority interest	4	-	51.08
(3) Non-current liabilities			
Long-term borrowings	5	1,360.82	856.64
Deferred tax liabilities (net)	6	33.87	12.00
Other long-term liabilities	7	56.22	56.22
Long-term provisions	8	112.16	32.63
(4) Current liabilities			
Short-term borrowings	9	3,917.50	3,526.91
Trade payables	10	188.25	504.51
Other current liabilities	11	2,167.02	723.83
Short-term provisions	12	176.01	326.70
TOTAL		11,545.02	10,317.76
(II) ASSETS			
(1) Non-current assets			
Fixed assets	13		
(i) Tangible assets		4061.11	1,179.50
(ii) Intangible assets		868.85	480.08
Non-current investment	14	29.57	4.78
Long-term loans and advances	15	197.91	130.31
Other non-current assets	16	41.30	18.16
(2) Current assets			
Inventories	17	1,702.89	3,213.11
Trade receivables	18	3,522.07	3,277.18
Cash and cash equivalents	19	739.22	432.18
Short-term loans and advances	20	218.22	877.05
Other current assets	21	163.88	705.41
TOTAL		11,545.02	10,317.76
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants

Registration No. 100186W

Satish K. Kelkar

Partner

Membership No. 38934

Mumbai, Dated June 29, 2012

V. Suresh

Head - Finance & Accounts

Sameer Chavan

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 STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

Particulars	Note No.	For the year ended March 31, 2012	For the year ended March 31, 2011
I. Revenue from operations	22	25,377.98	26,607.83
II. Other income	23	125.79	67.87
III. Total Revenue (I+II)		<u>25,503.77</u>	<u>26,675.70</u>
IV. Expenses:			
Purchases of stock-in-trade	24	20,402.61	24,097.62
Cost of material consumed	25	944.81	542.81
(Increase)/decrease in inventory of stock-in-trade	26	1,530.00	(1,402.67)
Employee benefits expense	27	1,118.27	1,172.15
Finance costs	28	608.18	333.34
Depreciation and amortization expense	29	153.09	162.60
Other expenses	30	1,727.44	1,541.83
Total expenses		<u>26,484.40</u>	<u>26,447.68</u>
V. Profit / (Loss) before tax		(980.63)	228.02
VI Tax expense			
(1) Previous year's taxes(net)		(2.61)	(9.21)
(2) Current tax		1.15	154.50
(3) Deferred Tax		<u>21.83</u>	<u>(5.22)</u>
VII Profit/(Loss) for the year after tax		(1,001.00)	87.95
Less: Preacquisition loss transferred to Goodwill		278.17	21.72
Less: Minority interest		51.08	64.68
VIII Profit/(Loss) for the year ended		<u>(671.75)</u>	<u>174.35</u>
IX Earnings per equity share:	31		
(1) Basic		(9.98)	1.60
(2) Diluted		(9.98)	1.60

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants

Registration No. 100186W

Satish K. Kelkar

Partner

Membership No. 38934

Mumbai, Dated June 29, 2012

V. Suresh

Head - Finance & Accounts

Sameer Chavan

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 CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
(a) Cash flow from operating activities		
Net profit/(loss) before tax and extraordinary items	(980.63)	228.02
Adjustments for :		
Depreciation	153.09	162.60
Finance cost	608.18	333.34
Interest/dividend income	(29.82)	(13.28)
Pre-acquisition loss transfer to goodwill	278.17	21.72
Minority interest	51.08	64.68
others	0.24	(4.06)
	<u>1,060.94</u>	<u>565.00</u>
Operating profit before working capital changes	80.31	793.02
Adjustments for :		
Trade and other receivables	302.73	(1,442.79)
Short term loans and advances	658.98	(456.73)
Long term loans and advances	(69.83)	(22.76)
Inventories	1,510.22	(1,395.64)
Trade payables and other liabilities	1,097.93	(97.86)
Short term provisions	53.83	59.49
Other long term liabilities	-	(98.48)
Long term provisions	79.53	31.50
	<u>3,633.39</u>	<u>(3,423.27)</u>
Cash generated from operations	<u>3,713.70</u>	<u>(2,630.25)</u>
Direct taxes (paid)/refunds	<u>(61.91)</u>	<u>(163.46)</u>
Net cash flow from operating activities	<u>3,651.79</u>	<u>(2,793.71)</u>
(b) Cash flow from investing activities		
Increase in fixed assets	(3,449.37)	(256.18)
Sale of fixed assets	2.55	10.66
Purchase of investment	(24.79)	(0.10)
Sale of investments	-	100.01
Placement of bank deposits	(23.14)	(5.16)
Interest received	23.48	11.78
Dividend received	0.25	1.23
Net cash used in investing activities	<u>(3,471.02)</u>	<u>(137.76)</u>
(c) Cash flow from financing activities		
Proceeds from short term borrowings	390.58	3,058.53
Finance cost	(583.54)	(333.34)
Proceeds from long term borrowing (net)	504.18	573.36
Increase/(decrease) in minority interest	(51.08)	(94.39)
Dividend paid	(114.57)	(169.45)
Dividend tax paid	(19.30)	(29.93)
Net cash used in financing activities	<u>126.27</u>	<u>3,004.78</u>
Net increase in cash and cash equivalents	307.04	73.31
Opening balance as at beginning of the year	432.18	358.87
Closing balance as at end of the year	<u>739.22</u>	<u>432.18</u>
	307.04	73.31

Notes:

1. Cash and cash equivalents as on 31.03.12 and 31.03.11 includes restricted cash of ₹54 lacs.
2. 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 June 29, 2012

V. Suresh

Head - Finance & Accounts

Sameer Chavan

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.

1. SIGNIFICANT ACCOUNTING POLICIES:

(a) Principles of consolidation:

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

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

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

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

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

* The holding has been increased to 85% with effect from 01.10.2011 from 70%.

(b) Basis of accounting:

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

For the year ended March 31, 2012 the revised Schedule VI notified under the Companies Act, 1956 has become applicable for preparation and presentation of its financial statements. It has significant impact on presentation and disclosures made in the financial statements. The company has reclassified the previous year figures in accordance with the requirements applicable for the current year.

(c) Use of estimates:

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

(d) Fixed assets and depreciation/amortization:

(i) Tangible fixed assets and depreciation:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.

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

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

(ii) Intangible assets and depreciation:

Intangible assets other than goodwill are valued at cost less amortization and as under:

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

Goodwill arising on consolidation is not amortized but is tested for impairment as at the date of balance sheet.

(e) Impairment of asset:

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

(f) Investments:

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

(g) Inventory:

Inventories are valued as below:

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

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

(h) Foreign currency transactions:

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

(i) 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 statement of profit and loss as and when they are incurred.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.

- b) Defined benefit plan and long term benefits: Group's liabilities towards gratuity and long term benefit in the form of leave encashment are recognized on the basis of actuarial valuation using the projected unit credit method as at balance sheet date. Actuarial gains/losses are recognized immediately in the statement of profit and loss.

(j) Leases:

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

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

(k) Revenue recognition:

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

- Sale of manufactured and traded goods is recognized on dispatch. Sales are net of trade discounts, sales tax / VAT and returns.
- Service income is recognized on execution of orders.
- Sale of power is recognized on transmission of net power to the grid.
- Rental income is recognized on accrual basis in accordance with the terms of the respective agreements.
- Dividend is recognized on receipt basis and interest income is recognized on accrual basis.

(l) Financial income and borrowing costs:

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

(m) Tax on income:

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

(n) Earning per share:

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

(o) Provisions, contingent liabilities and contingent assets:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.

(₹ in lacs)

	As at March 31, 2012	As at March 31, 2011		
2 Share Capital:				
a Authorised:				
1,50,00,000 Equity Shares of ₹10 each	1,500.00	1,500.00		
(Previous Year: 1,50,00,000 Equity Shares of ₹10 each)				
50,00,000 Preference Shares of ₹10 each	500.00	500.00		
(Previous Year: 50,00,000 Preference Shares of ₹10 each)	2,000.00	2,000.00		
b Issued, subscribed and paid Up :				
95,19,600 Equity Shares of ₹10 each fully paid up.	951.96	951.96		
(Previous Year 95,19,600 Equity Shares of ₹10 each)				
c Terms/rights attached to equity shares				
The company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.				
d				
Details of shareholders holding more than 5% shares in the company	March 31, 2012	March 31, 2011		
	No. of shares	% held	No. of shares	% held
i Arvind Raoji Doshi	26,55,738	27.90	26,54,738	27.88
ii Pratibha Arvind Doshi	12,45,656	13.09	12,45,656	13.09
iii Pritam Arvind Doshi	6,89,536	7.24	6,72,307	7.06
e Number of shares outstanding at the beginning and at the end of the year remain same.				
3 Reserves and Surplus				
Capital Reserve	0.09		0.09	
Securities Premium Account	531.23		531.23	
Revaluation Reserve	552.00		574.32	
Less: Depreciation on revaluation of assets transferred to statement of profit and loss	22.32		22.32	
	529.68		552.00	
General Reserve:				
As per last Balance Sheet	842.19		834.97	
Transfer from statement of profit and loss	-		7.22	
	842.19		842.19	
Surplus/(Deficit) in the statement of profit and loss				
Balance as per last financial statements	1,349.77		1,320.94	
Add: Profit/(Loss) for the year	(671.75)		174.35	
Balance available for appropriation	678.02		1,495.29	
Less Appropriations:				
Proposed dividend on equity shares	-		119.00	
Tax on proposed dividend	-		19.30	
Transfer to General Reserve	-		7.22	
Net surplus in the statement of profit and loss	678.02		1,349.77	
Total Reserves and Surplus	2,581.21		3,275.28	

4. In terms of AS-21-Consolidated Financial Statements, the debit balance of ₹ 10.93 lacs in respect of minority interest has been adjusted in the profit / (loss) of the majority holder.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.

(₹ in lacs)

	As at March 31, 2012	As at March 31, 2011
5 Long - Term Borrowings:		
Secured :		
a Motor vehicle loan*	33.48	30.43
b Term loan from bank**	45.86	-
	<u>79.34</u>	<u>30.43</u>
Unsecured :		
a Fixed deposits from related parties #	138.00	143.00
b Fixed deposits from shareholders # #	61.56	104.15
c Fixed deposits from others # #	577.79	379.06
d From bank # # #	7.13	0.00
	<u>784.48</u>	<u>626.21</u>
e Unsecured loan from enterprise controlled by key management personnel ^	497.00	200.00
Total	<u>1,360.82</u>	<u>856.64</u>

* Motor vehicle loans were taken from Kotak Mahindra Prime Ltd. during the financial years 2009-10 and 2010-11 and are repayable in 36 equated monthly installments.

(₹ in lacs)

Particulars	No. of installments due w.r.t balance sheet date	Amount of installment	Rate of Interest
Loan 1	13	1.85	8.12%
Loan 2	16	0.12	12.52%
Loan 3	4	0.17	9.96%
Loan 4	3	0.15	10.07%

During the year, an amount of ₹ 92 lacs was taken as loan against refinance of existing motor vehicles owned by the company from Kotak Mahindra Prime Ltd. These loans carries an interest of 19.467% p.a. and is payable in 36 installments alongwith interest from the date of the loan. The period of maturity w.r.t. balance sheet date is 2 years and 4 months with installment of ₹4.49 lacs for 4 months, ₹3.31 lacs for 12 months and ₹1.82 lacs for 12 months).

** Mortgage loan of ₹ 70 lacs was taken from Jain Sahakari Bank Ltd. during the financial year 2011-12 and carries interest @14.50% p.a. The loan is repayable in 36 equated monthly installments each along with interest , from the date of the loan.

Fixed deposit from related parties carry interest ranging from 11% to 11.75% p.a.(previous year 10.50% to 11.25% p.a.) and are repayable after 3 years from the respective dates of deposit.

Fixed deposit from shareholders and others carry interest ranging from 11% to 11.75% p.a.(previous year 10.50% to 11.25% p.a.) and are repayable after 2 years and 3 years from the respective dates of deposit.

Unsecured loan from Kotak Mahindra Bank carries interest @9.50% p.a. and is repayable in 24 installments. The period of maturity w.r.t. balance sheet date is 1 year and 5 months with installment of ₹4.35 lacs for 1 month, ₹2.94 lacs for 8 months and 1.50 lacs for 8 months.

^ Unsecured loan from related party carries interest ranging from 14% to 16.50% p.a. and has a tenure of 3 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.

(₹ in lacs)

	As at March 31, 2012	As at March 31, 2011
6 Deferred Tax Liability (net):		
Deferred tax asset:		
Provision for employee benefits	15.05	4.40
Others	2.59	2.41
	<u>17.64</u>	<u>6.81</u>
Deferred tax liability:		
Depreciation	(47.71)	18.81
Net deferred tax (liability)/asset	<u>(30.07)</u>	<u>(12.00)</u>
Deferred tax asset/(liability) recognized during the year	<u>(21.83)</u>	<u>5.22</u>
Deferred tax asset/(liability) at the year end	<u>(33.87)</u>	<u>(12.00)</u>
7 Other Long - Term Liabilities:		
Sundry creditors for expenses	<u>56.22</u>	<u>56.22</u>
Total	<u>56.22</u>	<u>56.22</u>
8 Long - Term Provisions:		
Provision for employee benefits		
Leave Encashment	37.36	30.19
Gratuity*	<u>74.80</u>	<u>2.44</u>
Total	<u>112.16</u>	<u>32.63</u>
* Provision for gratuity is adequately backed by funds lying with LIC of India, classified under 'Long Term Advances' and 'Other Current Assets'.		
9 Short Term Borrowings:		
Secured:		
Working capital loan from banks repayable on demand*	2,644.18	3,195.97
Unsecured:		
a Fixed deposits from shareholders**	5.20	7.20
b Fixed deposits from others**	<u>30.72</u>	<u>48.75</u>
	35.92	55.95
Inter-corporate deposit ***	273.00	275.00
Loan from bank - buyers credit for 180 days	454.91	-
Loan from others****	<u>509.49</u>	<u>-</u>
Total	<u>3,917.50</u>	<u>3,526.91</u>

* Working capital loan from banks is secured by hypothecation of current assets and all movables, both present and future and with a collateral charge on immovable, movable and investment properties. The working capital from banks carry interest of @14.50%, 15.75% and 16.15% p.a. Packing credit loan is hypothecated by way of stocks ment for export.

** Fixed deposits from shareholders and others carry interest ranging from 10% to 10.75% p.a. (previous year 10% to 10.25% p.a.)

*** Inter-corporate deposits are having a tenure of 90 days to 120 days and carry interest @13.50% to 17.75% p.a.

**** Loan from others is interest free loan from a party, payable on demand.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.

(₹ in lacs)

	As at March 31, 2012	As at March 31, 2011
10 Other Current Liabilities:		
Trade payables (including acceptances)	188.25	504.51
11 Other Liabilities:		
a Current maturities of long term debts:		
Current maturity of motor vehicle loan	78.95	29.73
Current maturity of unsecured loan from bank	28.10	-
Current maturity of fixed deposits from related parties	5.00	-
Current maturity of fixed deposits from shareholders	14.31	4.60
Current maturity of fixed deposits from public	82.61	173.78
b Interest accrued but not due	3.26	-
c Interest payable	21.38	-
d Unclaimed dividend	26.07	21.64
e Unclaimed matured fixed deposits	3.20	2.10
f Other payables:		
Sundry creditors for expenses	1,634.42	333.07
Sundry creditors for capital purchase	3.81	-
Dealer deposits	89.91	14.43
Rent deposit	3.45	103.45
Advance from customers	47.40	16.11
Statutory dues payable	125.15	24.92
Total	2,167.02	723.83
12 Short Term Provisions:		
a Provision for employee benefits:		
Leave encashment	17.37	5.61
Gratuity	35.39	28.32
	52.76	33.93
b Others:		
i Proposed dividend on equity shares	-	119.00
ii Tax payable on proposed dividend	-	19.30
	-	138.30
iii Provision for taxation (net of taxes paid):		
iv Income Tax	1.84	67.56
v Fringe Benefit Tax	-	0.50
	1.84	68.06
vi Provision for warranties	121.41	86.41
Total	176.01	326.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.

(₹ in lacs)

13 Fixed Assets

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK		
	As at 01.04.2011	Added on Revaluation	Additions this year	Sales this year	As at 31.03.2012	As at 01.04.2011	Adjustment on Revaluation	Depreciation this year	Sales / this year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	
Tangible assets:													
Land	-	-	60.71	-	60.71	-	-	-	-	-	60.71	-	
Office Equipment (owned)	114.18	-	11.95	5.64	120.49	48.48	-	12.38	3.81	57.05	63.44	65.70	
Building*	948.90	-	215.19	-	1,164.09	172.48	22.32	12.92	-	207.72	956.37	776.42	
Pland and Machinery	173.74	-	2,702.48	1.04	2,875.18	64.92	-	21.62	0.92	85.62	2,789.56	108.82	
Electrical Installation	15.65	-	-	-	15.65	3.77	-	1.66	-	5.43	10.22	11.88	
Furniture and Fixtures	210.01	-	17.89	1.94	225.96	138.91	-	15.34	1.24	153.01	72.95	71.10	
Computers	215.12	-	14.61	8.61	221.13	160.73	-	27.79	7.68	180.84	40.28	54.39	
Motor Vehicles	162.66	-	0.08	0.10	162.64	71.47	-	23.69	0.10	95.06	67.58	91.19	
Sub Total	1,840.26	-	3,022.91	17.33	4,845.84	660.76	22.32	115.40	13.75	784.73	4,061.11	1,179.50	
Previous year total	1,685.33	-	198.60	43.67	1,840.26	546.15	22.32	124.17	31.88	660.76	1,179.50		
Intangible Assets:													
Goodwill	356.99	-	422.59	-	779.58	-	-	-	-	-	779.58	356.99	
Technical Knowhow	79.46	-	-	-	79.46	20.65	-	13.24	-	33.89	45.57	58.81	
Accreditation	35.52	-	-	-	35.52	12.41	-	8.88	-	21.29	14.23	23.11	
Software	66.23	-	3.87	-	70.10	25.06	-	15.57	-	40.63	29.47	41.17	
Sub Total	538.20	-	426.46	-	964.66	58.12	-	37.69	-	95.81	868.85	480.08	
Previous year total	448.49	-	89.71	-	538.20	19.69	-	38.43	-	58.12	480.08		
Total	2,378.46	-	3,449.37	17.33	5,810.50	718.88	22.32	153.09	13.75	880.54	4,929.96	1,659.58	
Previous year total	2,133.82	-	288.31	43.67	2,378.46	565.84	22.32	162.60	31.88	718.88	1,659.58		

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

(₹ in lacs)

14 Non Current Investment (at cost):

a Investment property:

Land at Rajasthan

As at March 31, 2012	As at March 31, 2011
22.19	-

b Other Investments (quoted):

Pal Credit & Capital Ltd.

22.19	-
-------	---

8,53,305 (Previous Year: 8,53,305 shares) Equity Shares of ₹ 10 each fully paid

Less: Provision for diminution in value

87.64	87.64
-------	-------

85.34	85.34
-------	-------

2.30	2.30
------	------

1.18	1.18
------	------

South India Paper Mills Ltd.

8000 (Previous Year: 8,000 shares) Equity Shares of ₹ 10 each fully paid

Exide Industries Ltd.

216 (Previous Year: 216 shares) Equity shares of ₹ 1 each fully paid

Finolex Cables Ltd.

50 (Previous Year: 50 shares) Equity Shares of ₹ 2 each fully paid

Bosch Ltd.

10 (Previous Year: 10 shares) Equity shares of ₹ 10 each fully paid

(Formerly known as Mico Industries Company Ltd.)

Gabriel India Ltd.

500 (Previous Year: 500 shares) Equity Shares of ₹ 1 each fully paid

0.01	0.01
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0.01	0.01
------	------

0.02	0.02
------	------

0.01	0.01
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3.53	3.53
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NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.

(₹ in lacs)

	As at March 31, 2012	As at March 31, 2011
c Other Investments (unquoted):		
Jain Sahakari Bank Ltd. 10,120 (Previous Year: Nil) Equity shares of ₹ 25 each fully paid	2.53	-
Stiefel Und Shuh Ltd. 1,100 (Previous Year: 1,100 shares) Equity Shares of ₹ 10 each fully paid	0.11	0.11
Less: Provision for diminution in value	0.10	0.10
	0.01	0.01
Kongarar Integrated Fibres Ltd. 1,200 (Previous Year: 1200 shares) Equity Shares of ₹ 10 each fully paid (Formerly known as Kongarar Textiles Ltd.)	0.52	0.52
Less: Provision for diminution in value	0.51	0.51
	0.01	0.01
	2.55	0.02
Investment in Mutual Funds 7,648 Units of Unit Trust of India Balance Fund (Previous Year 7,280 units)	1.30	1.23
	1.30	1.23
Total	29.57	4.78
Aggregate book value of investments:		
Quoted investments	3.53	3.53
Unquoted investments	111.99	87.20
Less : Provision for diminution in value (Market Value of quoted investments ₹15.53 lacs - Previous Year ₹26.12 lacs)	85.95	85.95
Total	29.57	4.78
15 Long-Term Loans & Advances:		
Unsecured considered good:		
a Capital advances:	5.59	1.59
b Sundry deposits	113.80	125.72
c PAE Employees' Group Gratuity Fund	77.76	-
d Other advances	0.76	0.77
e Advance income tax	-	2.23
Total	197.91	130.31
16 Other Non Current Assets:		
a Margin money deposits with bank	28.30	3.16
b Other deposits with bank	13.00	15.00
Total	41.30	18.16
17 Inventories:		
Raw material	135.71	119.56
Packing material	3.49	6.33
<u>Work-in-progress</u>	-	-
Solar photovoltaic panel	17.01	19.08
Finished / traded goods	1,433.58	3,032.48
Stores and spares	4.08	5.87
Goods-in-transit (at cost):	109.02	29.79
Total	1,702.89	3,213.11

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.

(₹ in lacs)

	As at March 31, 2012	As at March 31, 2011
18 Trade Receivables: (Unsecured, considered good unless otherwise stated. Outstanding for a period exceeding six months from the date they are due for payment)		
a Outstanding over six months	20.73	29.85
b Others	3,501.34	3,247.33
Total	<u>3,522.07</u>	<u>3,277.18</u>
19 Cash and Bank Balances:		
a Cash and cash equivalents:		
1 Balances with banks:		
i On current accounts	117.32	38.63
ii Fixed deposits with maturity of upto three months	2.00	-
iii Margin money deposits with maturity of less than/upto three months*	46.09	19.32
iv Unpaid dividend account	26.07	21.64
2 Cash / stamps on hand	9.47	9.13
3 Cheques/ drafts on hand	186.49	280.89
	<u>387.44</u>	<u>369.61</u>
b Other bank balances:		
i Deposits with maturity of more than 3 months and upto 12 months**	74.00	54.00
ii Margin money deposit with maturity of more than 3 months and upto 12 months***	277.78	8.57
	<u>351.78</u>	<u>62.57</u>
Total	<u>739.22</u>	<u>432.18</u>
* Margin money deposits with maturity of less than/upto three months is against letter of credit and bank guarantees.		
** Margin money deposits with maturity more than three months and upto 12 months is against buyer's credit and bank guarantees.		
*** Deposits with maturity of more than three months and upto 12 months of ₹ 54 Lacs (previous year ₹ 54 Lacs) is kept as collateral against cash credit limits with banks.		
20 Short-Term Loans and Advances:		
Unsecured considered good:		
Others:		
i Sundry deposits	47.14	7.95
ii Advances receivable in cash or kind or for value to be received	171.08	869.10
Total	<u>218.22</u>	<u>877.05</u>
21 Other Current Assets:		
a Claims/incentives receivable	121.41	610.79
b PAE Employees' Group Gratuity Fund	35.39	-
c VAT paid on purchase (net)	-	93.63
d Interest accrued but not due	7.08	0.99
Total	<u>163.88</u>	<u>705.41</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.

(₹ in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
22 Revenue from Operations:		
Net sale of traded goods less returns	24,891.17	25,542.15
Other operating revenues:		
Incentive/turnover discounts from suppliers	248.43	719.42
Cash discount from suppliers	217.55	307.10
Bad debts recovered	3.72	18.85
Others	17.11	20.31
	<u>486.81</u>	<u>1,065.68</u>
Total	<u>25,377.98</u>	<u>26,607.83</u>
Details of traded goods:		
Lead acid storage batteries	13,929.24	16,645.14
Power backup systems	2,062.32	2,299.77
Other auto products	7,417.13	5,861.90
Solar products	1,478.71	735.34
Solar power generation	3.77	-
Total	<u>24,891.17</u>	<u>25,542.15</u>
23 Other Income:		
Interest	29.57	12.05
Rent income	45.10	43.64
Dividend earned	0.25	1.23
Foreign exchange fluctuation (net)		8.71
Previous years' provision written back	43.88	1.66
Other non operating income	6.99	0.58
Total	<u>125.79</u>	<u>67.87</u>
24 Cost of Material Consumed:		
Opening stock :		
Raw material	119.56	163.62
Packing material	3.92	2.25
	<u>123.48</u>	<u>165.87</u>
Add: Purchases :		
Raw material	953.01	491.76
Packing material	7.52	8.66
	<u>960.53</u>	<u>500.42</u>
Less: Stock at close :		
Raw material	135.71	119.56
Packing material	3.49	3.92
	<u>139.20</u>	<u>123.48</u>
Total	<u>944.81</u>	<u>542.81</u>
Details of Material Consumed:		
Solar cells	614.94	338.05
Solar tempered glass	57.52	45.29
Aliminium extruded profile	39.51	21.10
EVADNP sheet	69.01	35.00
Tape	74.79	46.68
Others	89.04	56.69
Total	<u>944.81</u>	<u>542.81</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.

(₹ in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
25 Details of Purchase of Traded Goods:		
Lead acid storage batteries	12,470.80	16,559.74
Power backup systems	603.34	1,871.79
Other auto products	6,879.69	5,583.44
Solar products	448.78	82.65
Total	20,402.61	24,097.62
26 Changes in Inventories of Traded Goods:		
Closing stock	1,647.46	3177.46
Opening stock	3,177.46	1774.79
(Increase)/decrease in stock	1,530.00	(1,402.67)
Details of Inventory		
Traded goods		
Lead acid storage batteries	404.50	2,027.59
Power backup systems	372.81	381.18
Other auto products	585.03	533.77
Solar products	285.12	234.92
Total	1,647.46	3,177.46
27 Employee Benefits Expense:		
Salaries and wages	961.57	976.07
Contribution to provident and other funds	72.34	95.26
Staff welfare expenses	84.36	100.82
Total	1,118.27	1,172.15
28 Finance Costs:		
Interest expense	537.24	261.83
Bank charges	52.45	47.80
Exchange difference to the extent considered as an adjustment to borrowing costs	18.49	23.71
Total	608.18	333.34
29 Depreciation and Amortisation Expense:		
Depreciation of tangible assets	137.72	146.49
Amortisation of intangible assets	37.69	38.43
	175.41	184.92
Less: Transferred from revaluation reserve	22.32	22.32
Total	153.09	162.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.

(₹ in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
30 Other Expenses:		
Stationery, postage, advertisement, telephone, electricity,	566.67	566.70
Clearing and forwarding agency charges, etc.	130.36	101.03
Packing and forwarding (inward and outward)	342.48	244.02
Rent	124.05	103.24
Rates and taxes	95.70	36.25
Cash discount	57.21	68.66
Incentive/turnover discounts	60.06	83.46
Repairs to:		
a) Buildings	7.34	13.99
b) Others	44.41	50.46
	51.75	64.45
Insurance	20.96	19.62
Payment to Auditor:		
As Auditor:		
a) Audit fees	14.69	7.11
b) Tax audit fees	2.38	1.76
c) Limited review	6.62	6.07
d) Other services(certification fee)	1.89	2.09
For reimbursement of expenses	0.23	1.23
	25.81	18.26
Miscellaneous expenses	147.25	129.80
Foreign currency fluctuation (net)	13.37	-
Directors' fees	2.44	2.85
Loss on assets sold/discarded (net)	1.05	1.39
Bad Debts written off	61.05	49.95
Donation	-	25.00
Consumption of stores and spare parts	10.15	10.94
Power and fuel	17.08	16.15
Total	1,727.44	1541.83
31 Earnings Per Share (EPS):		
Profit after tax	(949.92)	152.63
Weighted average number of equity share outstanding	95.20	95.20
Basic and diluted earnings per share (in ₹)	(9.98)	1.60

32 Contingent Liabilities:

Contingent Liabilities not provided for in respect of:

- Disputed Sales Tax demand of ₹ 59.88 Lacs (previous year ₹ 34.29 Lacs). The management has been advised that there will be no liability arising on this account.
- Disputed income tax demand of ₹ Nil (previous year ₹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 ₹1.83 Lacs (previous year ₹0.56 Lacs) under Central Excise Act, 1944 is pending with Asst. Commissioner, Central Excise, Kalyani.
- Disputed Service Tax demand of ₹ 5.35 lacs (previous year Nil).
- Counter Guarantee by the Company in respect of guarantees issued by the banks ₹ 91.96 Lacs (previous year ₹157.29 Lacs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.**33 Segment information:**

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 products, and differential risks and returns.

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

		(₹ in lacs)	
	Particulars	Year ended March 31, 2012	Year ended March 31, 2011
A	SEGMENT REVENUE		
1	Sales (Net of VAT)		
	Lead Acid Storage Batteries	14,079.88	17,371.88
	Power Backup Systems	2,062.32	2,350.26
	Other Auto Products	7,732.31	6,122.51
	Solar Products	1,478.87	724.02
	Solar Power Generation	3.77	-
	Unallocated Operating Income	20.83	39.16
	Net Sales/Income from Operations	25,377.98	26,607.83
B	RESULT		
1	Segment Result		
	Lead Acid Storage Batteries	1,133.30	2,122.40
	Power Backup Systems	290.61	381.16
	Other Auto Products	893.10	722.73
	Solar Products	158.96	104.63
	Solar Power Generation	3.77	-
	Unallocated Operating Income	20.83	39.16
	Gross Segment Result	2,500.57	3,370.08
2	Less: Allocated Expenses		
	Lead Acid Storage Batteries	1,026.26	1,094.19
	Power Backup Systems	310.80	247.97
	Other Auto Products	425.33	359.76
	Solar Products	353.78	327.47
	Solar Power Generation	8.37	-
	Total Allocated Expenses	2,124.54	2,029.39
3	Net Segment Result	376.03	1,340.69
	Less:		
4	Unallocated Expenses(Net)	595.39	616.73
5	Depreciation	153.09	162.60
6	Finance Expense	608.18	333.34
7	Profit / (loss) from ordinary activities	(980.63)	228.02
8	Net Profit / (loss) before Tax	(980.63)	228.02
9	Capital Employed:		
	Lead Acid Storage Batteries	3,715.33	4,143.85
	Power Backup Systems	594.45	663.02
	Other Auto Products	1,486.13	1,657.54
	Solar Products	445.84	497.26
	Solar Power Generation	904.69	0.00
	Unallocated	1,344.34	1,356.31
	Total Capital Employed	8,490.78	8,317.98

34 Capital Commitments:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2012.

35 Related party disclosure as per AS-18

A Particulars of Enterprises controlled by any person described as Key Management Personnel:		Nature of Relationship
Name of the Related Party		
Rajubai Investment Pvt. Ltd.	}	Controlled through key management personnel
Assure Insurance Advisors Pvt. Ltd.		
Arvind R. Doshi HUF		
Pritam A. Doshi HUF		
B Key Management Personnel:		
Name of the Related Party		Nature of Relationship
Shri Arvind R. Doshi		Executive Chairman
Shri Pritam A. Doshi		Managing Director
C 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

D Details of Transactions with Related Parties:

(₹ in lacs)

Particulars	Enterprises mentioned in 'A' above	Key Management Personnel	Relatives of Key Management Personnel
Remuneration	-	92.87 (99.52)	-
Deposits Accepted	- (98.00)	-	- (38.25)
Interest on deposits	10.48 (3.25)	-	4.00 (1.51)
ICD Received	375.00 (338.00)	-	-
Interest paid on ICD	41.64 (5.38)	-	-
ICD repaid	78.00 (138.00)	-	-
Amount outstanding on balance sheet date	Enterprises mentioned in 'A' above	Key Management Personnel	Relatives of Key Management Personnel
Fixed Deposits Outstanding	104.00 (104.00)	-	39.00 (39.00)
Remuneration payable	-	- (3.73)	-
ICD outstanding	497.00 (200.00)	-	-

Figures for the previous year have been given in brackets.

As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants

Registration No. 100186W

Satish K. Kelkar

Partner

Membership No. 38934

Mumbai, Dated June 29, 2012

V. Suresh

Head - Finance & Accounts

Sameer Chavan

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

(₹ in lacs)

Particulars	Shurjo Energy Pvt. Ltd.	PAE Renewables Pvt. Ltd. *	PAE Renewables Pte Ltd., Singapore *	Sovox Renewables Pte Ltd., Singapore ##	Sovox Renewables Pvt. Ltd. ###	PAE Infrastructure Pvt. Ltd. *
A) The financial year of the subsidiary companies	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012
B) Shares of the subsidiary held by PAE Limited on the above dates						
1) Number and face value	3,87,85,424 shares of ₹ 1/- each fully paid up	47,85,000 shares of ₹ 10/- each fully paid up	10,18,072 shares of USD 1/- each fully paid up	2,00,100 shares of USD 1/- each fully paid up	71,60,913 shares of ₹ 10/- each fully paid up	3,52,000 shares of ₹ 10/- each fully paid up
2) Extent of holding	84.98%	100%	100%	100%	100%	100%
C) Net aggregate of profits/(losses) of the subsidiary company so far as it relates to PAE Limited						
I Dealt with in the accounts of PAE Limited for the year ended March 31, 2012 amounted to	-	-	-	-	-	-
- for the subsidiaries financial year ended as above						
II Not dealt with in the accounts of PAE Limited for the year ended March 31, 2012 amounted to						
- for the subsidiaries financial year ended as in 'A' above	(278.86)	2.42	(11.21)	(37.98)	(41.34)	(2.14)

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

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

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

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

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

(₹ in lacs)

Sr. No.	Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in subsidiary	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend
1	Shurjo Energy Private Limited	456.48	(384.19)	1,512.41	1,440.12	-	1,068.60	(278.54)	0.32	(278.86)	-
2	PAE Renewables Private Limited	478.50	245.19	812.82	89.13	2.51	154.38	3.61	1.19	2.42	-
3	PAE Renewables Pte Limited, Singapore	458.21	(11.21)	964.00	517.00	-	-	(11.21)	-	(11.21)	-
4	Sovox Renewables Pte Limited, Singapore	757.34	(42.81)	720.82	6.29	-	-	(37.98)	-	(37.98)	-
5	Sovox Renewables Private Limited	946.09	(48.95)	3,193.20	2,296.06	22.19	3.77	(7.58)	33.76	(41.34)	-
6	PAE Infrastructure Private Limited	35.20	(2.14)	35.02	1.96	0.01	1.20	(2.14)	-	(2.14)	-

For and on behalf of Board of Directors

V. Suresh

Head - Finance & Accounts

Arvind R. Doshi

Executive Chairman

Pritam A. Doshi

Managing Director

Dilip J. Thakkar

Rajendra Nath Mehrotra

Directors

Sameer Chavan

Company Secretary

Mumbai, Dated June 29, 2012

Financial Analysis

₹ in Lacs

Year ending	2011-12	2010-11	2009-10	2008-09	2007-08
Gross Income	27,117	29,035	24,140	27,655	25,639
PBDIT & Exceptional Income	15	772	932	1,131	948
Exceptional Income	-	-	-	-	158
EBIDITA	15	772	932	1,131	1,106
Depreciation	90	102	81	92	81
Interest	508	248	126	194	149
PBT	(582)	422	725	845	876
Taxes	(15)	133	250	309	278
PAT	(568)	289	475	536	598
Dividend (including tax on dividend distribution)	-	138	206	167	167

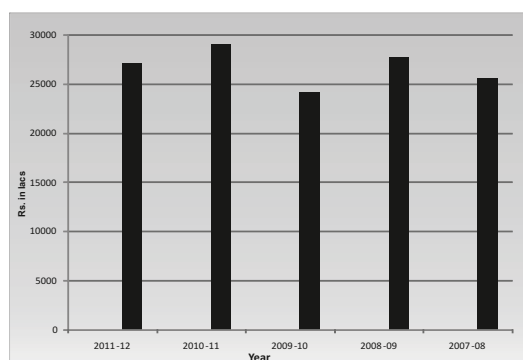
Balance Sheet Items

Net Fixed Assets	979	1,049	988	1,048	1,095
Investments	1,542	574	612	180	17
Net Current Assets	5,340	6,990	2,977	3,136	3,006
Total Capital Employed	7,861	8,612	4,577	4,364	4,118
Shareholders Funds	3,753	4,342	4,214	3,967	3,620
Borrowings (net)	4,108	4,258	346	379	477
Deferred Tax Liability	-	12	17	18	21
Sources of Funds	7,861	8,612	4,577	4,364	4,118

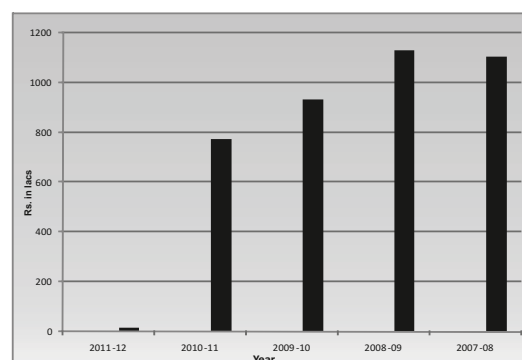
Ratios

Book Value Per Share	39.42	45.62	44.27	41.67	38.03
CEPS	(5.01)	4.11	5.84	6.60	7.13
EPS	(5.96)	3.03	4.99	5.63	6.28

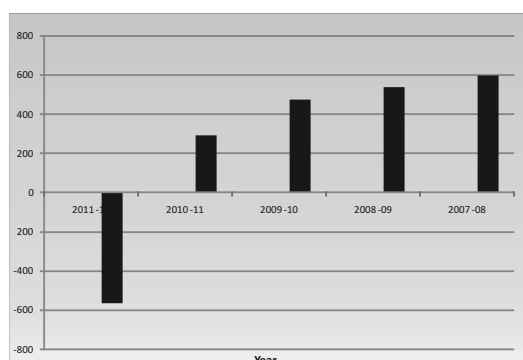
Gross Income



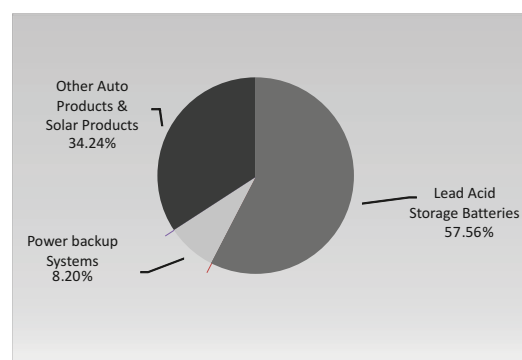
EBIDTA



Profit after tax



Net Sales Breakup



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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 SECOND ANNUAL GENERAL MEETING of the said Company to be held on Friday,
August 31, 2012 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 2012.

Signature(s) of
the Member(s)

Folio No.

Affix
Re.1/-
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 of the SIXTY SECOND ANNUAL GENERAL MEETING at M. C. Ghia Hall, Bhogilal
Hargovindas Building, 2nd Floor, 18/20, K. Dubhash Marg, Mumbai - 400 001 on Friday, August 31, 2012 at 3.30 p.m.

Name of the Member	DP Id*	
Folio No.	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.



1 MW Solar Power Project
at Dugar Village, Shergarh Tehsil,
Jodhpur District, Rajasthan



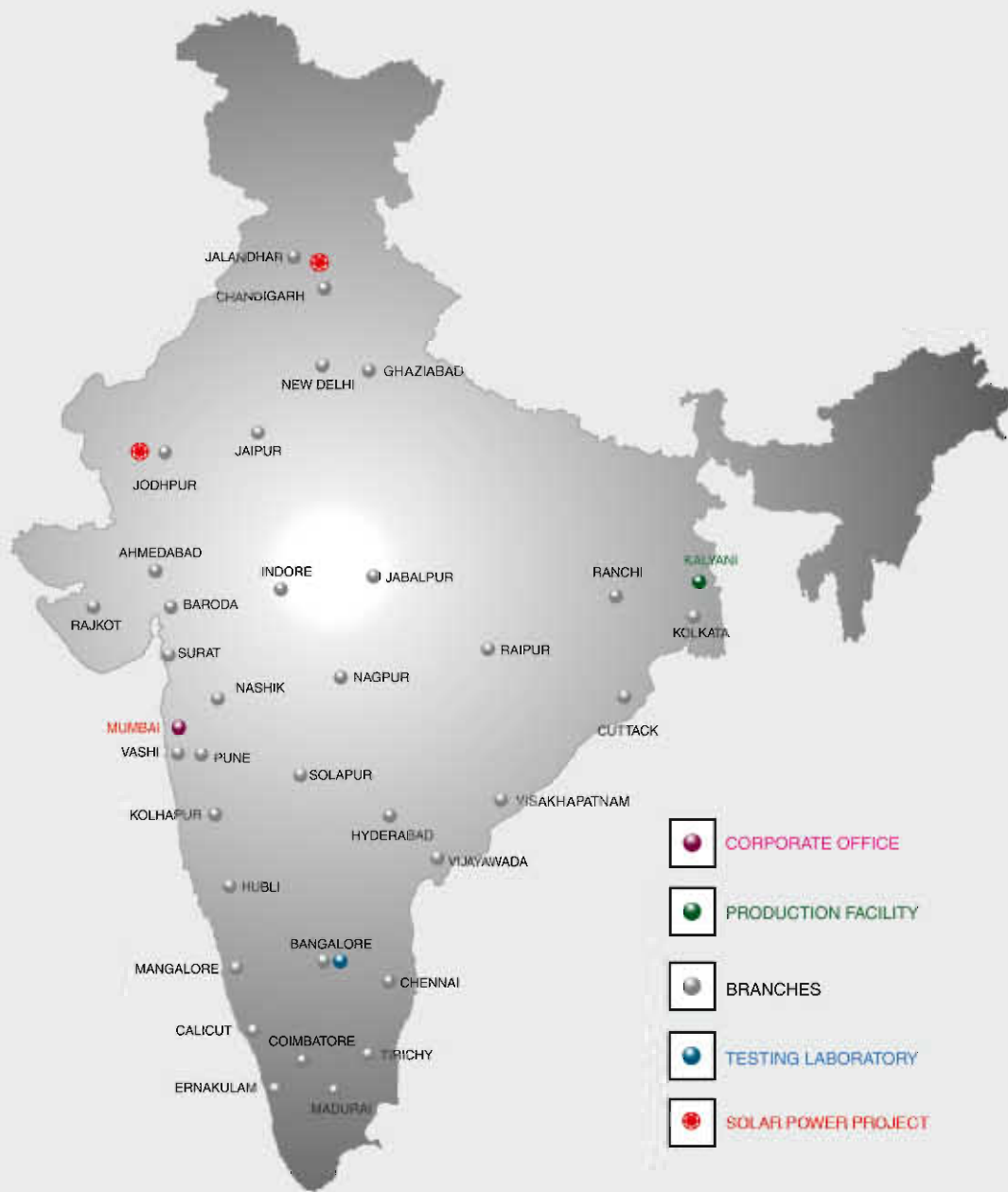
2.2 KW Solar rooftop installation on
Government building in Ranchi, Jharkhand



6.0 KW Solar rooftop installation at Bispanthi
Religious Trust in Ranchi, Jharkhand

All India PAE Sales Conference at
Kodaikanal, Tamil Nadu in April, 2012





BOOK-POST