K. S. AIYAR & CO
CHARTERED ACCOUNTANTS

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

RE: **LIMITED REVIEW OF THE UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED 30th June 2012.**

1. We have reviewed the accompanying statement of unaudited financial results of PAE Limited., for the period ended June 30,2012, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors at its meeting held on July 30, 2012. Our responsibility is to issue a report on these financial results based on our review.

2. We conducted our review in accordance with Standard on Review Engagements **(SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".** A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

3. Without qualifying our opinion we draw attention to the fact that despite continuing substantial losses incurred by the subsidiary of the company Shurjo Energy Private Ltd.(SEPL) no provision has been considered necessary by the management in the value of investments made in SEPL amounting to Rs.7.86 crores as in its opinion the losses incurred are temporary in nature. Also the advance of Rs.10.33 crores made by the company to SEPL is considered as fully recoverable.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For K. S. AIYAR & Co.
Chartered Accountants
FRN: 100186W

Satish K. Kelkar
Partner
Membership No:38934

Offices also at
Chennai Kolkata Goa
Bangalore Coimbatore

Date : July 30, 2012
Place: Mumbai