

PAE LIMITED

63rd Annual Report 2012-2013



www.paeltd.com

CHAIRMAN'S MESSAGE

Dear Shareowners,

I wish to present to you the Sixty Third Annual Report and accounts for the year ended March, 2013.

The year under review has been a challenging one both on market front and the finance front. However, there is a silver lining of our own products showing consistent growth and promising a brighter future with better profitability for the company. This will help build long term value for the shareholders.

At the beginning of this year, we had reverted back from the system of vertical structure to customer-focused regional structure at the beginning of the year under review. It has considerably helped to reduce costs and increase sale of our own products as expected. We have introduced a full range of our own brand of automotive, inverter and UPS batteries during the course of the year and the products have been very well received in the market. Not only are the products of excellent quality and made available at a competitive price, but also the service offered by our team has been prompt and effective and therefore repeat order business has been strong. We plan to introduce a full range of motorcycle batteries and will continue to provide quality products at competitive prices with full service backup to all our customers across India. We are confident that our products will do very well in the years to come.

The overall slowdown of economy and higher finance costs affected our business, like many others. Slower decision making in Banks and Financial Institutions has also added to our difficulties. The coming year may not show any promise of improvement in their policy. In fact, with increase in NPAs from large corporations affecting lenders' decision making, the smaller and mid-sized deserving borrowers continue to bear the brunt. Slow decision making coupled with ultra-conservative views will affect mid-sized companies such as ours.

With last Sixty Two years of wide experience of distribution and marketing, our team has shown promising growth within first ten months ending March 2013; the market has also given a good response. However, we would have done still better had we got financial support from the concerned quarters.

Solar business all over the world is facing recession due to severe competition. Shurjo Energy Pvt. Ltd., our solar PV panel manufacturing business has suffered alongwith solar business all over the world due to severe competition particularly from China; followed by adverse effect of delayed approvals (over 10 months) from the authorities to shift manufacturing facilities. Our system integration business, PAE Renewables Pvt. Ltd. did few rooftop systems including one in Tirupati Devasthanam, but still much below our capacity thanks to Government subsidy drying up without any notice to us or to our customers following an already delayed subsidy-approval system.

On the brighter side, both our 1MW solar power projects in Rajasthan and Punjab are running satisfactorily and are generating power. Both discoms are paying the monthly bills regularly for power supplied to them from our projects.

Government policies are unclear, approvals are delayed inordinately, thereby, running an honest business with high standards of compliance and integrity is getting more and more difficult in our country.

I am confident that this company will flourish with the investments we have made, hopefully, rest of the support system too will work efficiently, effectively and positively to make it happen. I am also keen to see the country flourish for the sake of all of us.

Regards,

Arvind R. Doshi
Executive Chairman

Company Information

Board of Directors

Shri Arvind R. Doshi - Executive Chairman

Shri Dilip J. Thakkar - Director

Dr. Rajendra Nath Mehrotra - Director

Shri John O. Band - Director

Shri Karthikeyan Muthuswamy - Director

Shri Pritam A. Doshi - Managing Director

Management Team

Shri Arvind R. Doshi - Executive Chairman

Shri Pritam A. Doshi - Managing Director

Shri Rajkumar Bhattad - Head, Finance & Accounts

Shri N. Vijaykumar - National Head, Batteries

Shri C.S. Gopinath - Business Manager

Shri Shashikumar Nair - Head, Human Resources & Administration

Shri Prabhakar Posam - Head, Information System & Business Process

Shri Raghav Taneja - Business Manager

Shri T. Radhakrishnan - Business Manager

Shri Ramnathan Iyer - Business Manager

Shri G. Mahesh - Business Manager

Shri R. V. Subbramanian - Business Manager

Shri S. N. Patil - Service Head

Shri Murli Menon - Head, Internal Audit

Shri Sameer Chavan - Company Secretary & Head, Legal

Annual General Meeting

Day and Date: Tuesday, 30th July, 2013

Venue: M. C. Ghia Hall, Bhogilal Hargovindas Building,
4th Floor, 18/20, K. Dubhash Marg,
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

Tel. No. : 91-22-2594 6970

Fax No. : 91-22-2594 6969

Email : rnt.helpdesk@linkintime.co.in

Registered and Corporate office

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

Telephone: +91-22-6618 5799

Fax : +91-22-6618 5757

Website : www.paeltd.com

Email for Investor grievances :
investors@paeltd.com

NOTICE

NOTICE is hereby given that the Sixty Third Annual General Meeting of the Members of PAE LIMITED will be held on Tuesday, the 30th day of July, 2013 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th 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, 2013 and Statement of Profit & Loss for the year ended as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Karthikeyan Muthuswamy, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Rajendra Nath Mehrotra, 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 Sections 80, 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendments to or re-enactment thereof) and the Articles of Association of the Company and such other consents and approvals, if any, as may be necessary and subject to such conditions and modifications as may be prescribed in granting such consents and approvals and which may be agreed to by the Board of Directors (hereinafter referred to as "the Board" which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the consent of the members of the Company be and is hereby accorded to offer, issue and allot 50,00,000 11% Non-Convertible, Cumulative, Redeemable Preference Shares ("the said shares") of the face value of ₹ 10/- each for cash at par to the Promoters, their nominees, for the purpose of redemption of existing 50,00,000 8% Non-Convertible, Non-Cumulative, Redeemable Preference shares of the Company in the manner set out below:

RESOLVED FURTHER THAT;

1. the offer, issue and allotment of the said shares shall be made at such time or times as the Board may in its

absolute discretion decide subject however, to the applicable statutory regulatory provisions and the guidelines issued, if any;

2. the proceeds of the said shares shall be utilized for the redemption of existing 50,00,000 8% Non-Convertible, Non-Cumulative, Redeemable Preference shares of ₹ 10/- each at par.
3. the said shares issued as stated aforesaid shall qualify for dividend that may be declared for the financial year in which the allotment is made, pro-rata for the period commencing from the date on which the allotment is made and proportionate to the amount paid up on the said shares;
4. the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Directors or any other officer or officers of the Company to give effect to the aforesaid resolution;
5. the said shares shall be redeemable at par at the end of 13 (thirteen) years from the date of allotment or earlier on the terms and conditions as may be deemed fit by the Board of Directors of the Company, subject to the approval of the Regulatory Authorities wherever applicable;
6. the Board be and is hereby authorized to vary, modify or alter any terms and conditions of issue including but not limited to, redemption period, rate of dividend, as it may deem expedient, subject however to compliance with the applicable laws, guidelines notifications, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board acting on its own or through a Committee, be and is hereby authorized to do all acts, matters, deeds and things and to take all steps and do all things and give such directions as may be necessary, expedient or desirable and also to settle any question or difficulties that may arise, in such manner as the Board/ Committee/such authorize person in its/his absolute discretion may deem fit and take all steps which are incidental and ancillary in this connection, without being required to seek any further consent or approval of the shareholders or otherwise with the intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board of Directors

Sameer Chavan
Company Secretary

Registered Office
69, Tardeo Road,
Mumbai- 400 034

Date: May 27, 2013

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 Monday, July 22, 2013 to Tuesday, July 30, 2013 (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.paeltld.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@paeltld.com
10. Members may refer Report on Corporate Governance for particulars of Directors' 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 rnt.helpdesk@linkintime.co.in our Registrars & Transfer Agents, M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400078 or to the Company at 69, Tardeo Road, Mumbai 400034 on investors@paeltld.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:

The Company has issued and allotted 50,00,000 8% Non-Convertible, Non-Cumulative Redeemable Preference Shares on a preferential allotment basis in March, 2013 to promoters of the Company. The terms of issue of the said shares provide that the Company may redeem these shares before the date of redemption period.

The Board at its meeting held on May 27, 2013, has approved in principle the issues of 11% Non-Convertible, Cumulative Redeemable Preference shares to the promoters of the Company and redemption of existing preference shares out the proceeds of this new issue subject to the approval of the shareholders and such other approvals as may be required.

Section 81 of the Companies Act, 1956 inter alia provides that whenever it is proposed to increase the subscribed capital of the Company by further issue of shares, such shares shall be offered to the existing shareholders of the Company, unless the shareholder decides otherwise by a special resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 80, 81, 81 (1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the Listing Agreements executed by the Company with the Stock Exchanges, authorizing Board to issue Preference Shares, as stated in the resolution, in one or more tranches, to persons who may not be shareholders of the Company.

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

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

By Order of the Board of Directors

Sameer Chavan
Company Secretary

Registered Office

69, Tardeo Road,
Mumbai- 400 034

Date: May 27, 2013

REPORT OF THE DIRECTORS' AND MANAGEMENT DISCUSSION & ANALYSIS

To the Members,

Your Directors have pleasure in presenting their Sixty Third Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2013.

1. Financial Results

	Current Year ended 31.03.2013 (₹ in lacs)	Previous Year ended 31.03.2012 (₹ in lacs)
Total revenue	13,901.61	24,715.09
Total expenses	14,094.19	24554.48
Less: Finance cost	690.63	652.84
Less: Depreciation	68.69	90.22
Profit / (Loss) before tax	(951.90)	(582.45)
Less: Provision for tax	(6.52)	(14.90)
Profit / (Loss) after taxes	(945.38)	(567.55)

2. Dividend

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

3. Management Discussion and Analysis

During the year 2011-12 the management has reorganized the structure to a branch management model to optimize marketing and operations resources. Since then PAE's business is divided into 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:

A. Auto Parts

Indian Automobile Industry

- Largest three-wheeler market in the world
- 2nd largest two-wheeler market in the world
- 7th largest passenger car market in Asia & 10th largest in the world
- 4th largest tractor market in the world
- 5th largest commercial vehicle market in the world
- 5th largest bus and truck market in the world

The Automotive Aftermarket Business in India

The Indian automotive aftermarket is currently estimated at ₹ 33,000 Crores, where the global market is at ₹ 2,70,000 Crores. India has been one of the few markets globally to buck the recessionary trend and recorded a strong volume growth in FY 2012.

The automotive aftermarket for parts in India is a large and growing market that spans manufacturers, distributors, retailers, service providers and garages. Currently worth ₹ 19,000 crore to ₹ 24,000 crore, the market has been growing at 11 %, and is estimated to reach ₹ 39,000 crore to ₹ 44,000 crore by 2015.

The Indian market is valued at ₹ 19,000 crore to ₹ 24,000 crore, of which roughly 30% comprises spurious parts.

CV, which include multi-axle vehicles, LCVs, buses and trailers account for roughly 22 per cent of this market (₹ 4,500- ₹ 5,500

crore), with Maharashtra, Tamil Nadu, Gujarat and Kerala accounting for over 40%.

The car market is estimated at ₹ 6,000- ₹ 7,000 crore (34% of the market) with Maharashtra, Andhra Pradesh, Delhi and Tamil Nadu cumulatively accounting for about 40% of the share.

The two - wheeler market is the largest at ₹ 10,000 crore to ₹ 11,000 crore, or 44% of the market, and Tamil Nadu, Maharashtra, Gujarat and Uttar Pradesh constitute close to 45% of the market. This market is also expected to grow the fastest, given the strong growth in new sales (more than 15% per year) and the large volume of two-wheelers entering the vintage for aftermarket parts (2 to 12 years).

With the population of automobiles in India exceeding 110 million and growing at the rate of 12% p.a. the automotive aftermarket business in India is poised for an immense growth. There are tremendous opportunities in Automotive Services, Maintenance and Aftermarket Products. Some of the specific trends in the aftermarket business in India include:

- Growth in Vehicle Sales, Vehicle Population, Replacement Parts and Aftermarket Products
- Huge Demand for Vehicle Servicing, Repairs and Maintenance
- Non Vehicle Manufacturers are getting into Automotive Service Business
- Branded service networks being set up both by vehicle manufacturers and other players
- Fuel Stations adding to the Servicing & Aftermarket Network
- Expansion of Service Networks by Vehicle Manufacturer
- Increased Customer Awareness on Vehicle Maintenance
- Emergence of One-stop-shop for vehicle owners to meet their needs like servicing, spares, accessories, insurance, warranty, etc, under one roof

This growth will primarily be fuelled by the increasing number of vehicles on the road, as well as the aggressive expansion of independent and foreign players.

While current margins for the industry remain attractive, players across the value chain may see margins reducing to the lower levels observed in developed economies. Therefore, to sustain profitability, it is imperative that players evaluate additional ways of capturing value, including expanding service networks, developing branded generic parts, forward integrating and building scale.

B. Power

Company has been in the marketing and distribution of Automotive and Industrial Batteries for over four decades it has launched own Brand of batteries "ZENIDE" in Automotive and Industrial segment in the year 2012-13 which is now well accepted in the market.

Automotive Batteries

Automotive batteries now sold by Company are used in various four-wheelers including Cars, LCV's, trucks and buses, two-wheelers, three-wheelers and tractors. With the brand getting accepted and the new distributors jointly, this business is on a growth path. The strict compliance on the pollution control board norms is now discouraging the way side battery

rebuilders to discontinue their activities there by the organized sector battery business gaining momentum. Due to close contact with the battery aftermarket, Company is able to seize this opportunity with a complete product range and timely schemes implemented.

Industrial Batteries

The various ranges consist of small SMF, mid VRLA and tubular batteries. These batteries with wide application and growing demand has a promising bright future. The timely supplies of tubular batteries and also the confidence of the network on the last year's proven quality has resulted in more than expected performance in this segment as well as establishing the brand as a household name.

Power Back-up Systems

Company markets various capacities of power back-up systems under its own brand - Power Zen. Depending on the type of application, PAE/PAER (PAE Renewables Pvt. Ltd.) designs the system custom made, sells to channel partners and end users. PAER also provides a comprehensive range of installation, commissioning and annual maintenance services to the end customers. The fresh dialogues with the existing domestic and international vendors on increased business potential have resulted in considerable reductions in the costing, which will help regain the market in the forth coming months due to the price sensitivity.

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 auto motive and motor cycle batteries, industrial batteries used for UPS and inverter applications and UPS and inverter system for power backup.

Strengths and Opportunities

- Superior product quality, aesthetics, features and competitive pricing
- Experienced Marketing Team with wide knowledge of Battery business, product launches, market contacts and fast decision making
- Extensive network of 34 sales and service offices throughout the country with Battery Charging/Checking and storage facilities
- Dedicated Distributor/Dealer network
- Due to the unprecedented sales of new cars during the year 2010-11, and these car batteries will be due for replacement during this year there is a great expectation of incremental sales.
- Since Govt of India and large corporates are supporting computer education reaching the rural areas this will lead to increased requirement of UPS and UPS batteries
- The Nationalized and cooperative Banks are having an ambitious target this year for expansion of their Branches and ATM's which will increase the requirement of UPS and UPS batteries

- The battery industry is growing by percentage from unorganized sector to organized sector due to strict norms being implemented by the Pollution control board

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.
- The pricing strategies of large players with the aggressive schemes.

4. Subsidiary Companies and Consolidated Financial Statements

- PAE Infrastructure Private Limited continues to be the 100% subsidiary of PAE Limited.
- Company continues to hold 85% stake in Shurjo Energy Private Limited.
- During the year under review PAE Limited has further invested ₹ 460.00 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 Pvt. Ltd. further invested USD 8.92 lacs in PAE Renewables Pte Ltd, Singapore. PAE Renewables Pte Ltd., Singapore continues to be 100% subsidiary of PAE Renewables Private Limited.
- Sovox Renewables Pte. Ltd., Singapore continues to be 100% subsidiary of PAE Renewables Pte. Ltd. Singapore.
- Sovox Renewables Private Limited is the subsidiary of Sovox Renewables Pte. Ltd., Singapore.

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956 and General Circular No.2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs 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 27, 2013.

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, 2013 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	2012-13	2011-12
1. Net sales & operating income	13,570.92	24,392.28
2. Other income	330.69	322.81
3. Total Income (1+2)	13,901.61	24,715.09
4. Total expenditure:		
a. Cost of sales	11,979.50	21,983.16
b. Employees' remuneration and benefits	874.39	1,035.59
c. Other expenses	1,240.30	1,535.73
	14,094.19	24,554.48
5. Interest/Finance cost	690.83	652.84
6. Profit after interest but before depreciation & tax	(883.21)	(492.23)
7. Depreciation	68.69	90.22
8. Profit before tax	(951.90)	(582.45)
9. Provision for tax:		
a. Previous years taxes	(6.52)	(2.93)
b. Current tax	-	-
c. Deferred tax (Asset)/Liability	-	(11.97)
10. Net Profit/(Loss) after tax	(945.38)	(567.55)
11. Expenses as a % to net sales & Operating income:		
a. Employee cost	6.44%	4.25%
b. Other expenses	9.14%	6.30%
c. Interest/Finance cost	5.09%	2.68%

Sales and Operating Income for the year has decreased by 44.36% from ₹ 24,392.28 lacs in the previous year to ₹ 13,570.92 lacs on account drop in demand.

During the year, the Company has made a loss of ₹ 945.38 lacs as against loss of ₹ 567.55 lacs in the previous year.

Interest for the year is ₹ 690.63 lacs which is 5.09% of the net sales & operating income as compared to ₹ 652.84 lacs and was 2.68% of the net sales & operating income in the previous year.

Financial Condition

Share Capital

Issued, Subscribed and Paid-up Capital as at March 31, 2013 was ₹ 1,451.96 lacs as against ₹ 951.96 lacs for previous year. The Company allotted 50,00,000 8% Non-Convertible Non-Cumulative Redeemable Preference Shares at par to promoters of the Company.

Reserves and Surplus

As at March 31, 2013 Reserves and Surplus amounted to ₹ 1,832.96 lacs as compared to ₹ 2,800.66 lacs of previous year.

Long Term Borrowings

There has been a decrease in the Long Term Borrowings to

₹ 742.80 lacs as at March 31, 2013 as compared to ₹ 1,314.96 lacs as at March 31, 2012.

Short Term Borrowings

There has been a decrease in the Short Term Borrowings to ₹ 1,799.28 lacs as at March 31, 2013 as compared to ₹ 2,937.57 lacs as at March 31, 2012.

Fixed Asset

Net Fixed Assets as at March 31, 2013 have decreased to ₹ 891.90 lacs as compared to ₹ 978.83 lacs in the previous year.

Investments

Investments are at ₹ 2,001.81 lacs as on March 31, 2013 as compared to last year ₹ 1,541.73 lacs.

Current Assets

Current Assets have decreased to ₹ 2,914.83 lacs as at March 31, 2013 from ₹ 5,436.09 lacs as at March 31, 2012.

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 277 employees as on March 31, 2013.

5. Fixed Deposit

The amount of Fixed Deposits accepted from the public during the year under review is ₹ 149.37 lacs (including renewals). At the end of the year, there were 18 matured deposits for ₹ 9.80 lacs, which were not claimed by the depositors as on date of this Report. There were no deposits during the year, which were claimed but not paid by the Company.

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

6. Directors

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

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

7. Corporate Governance Report

Your Company is committed to good corporate governance practices. The Report on Corporate Governance along with 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, 2013, 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, 2013 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 "BB+" rating for long term bank facilities and "A4+" rating for shortterm bank facilities from Credit Analysis & Research Limited (CARE) which is valid for a period of 1 year.

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

For the financial year 2012-13 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 ₹ 6.41 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 cooperation 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: May 27, 2013

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 endeavors 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 five times i.e. on May 15, 2012, June 29, 2012, July 30, 2012, November 7, 2012 and February 5, 2013.

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 August 31, 2012	No. of Directorship (s) in other public companies	No. of Membership(s)/Chairmanship(s) of Board Committee in other public companies
Executive Directors		Board	Committee			
Shri Arvind R. Doshi	EC	5	AUD – N.A. STC – 2	Yes	1	2 (as Member)
Shri Pritam A. Doshi	MD	5	AUD – 5 STC – 2	Yes	Nil	Nil
Non- Executive Directors						
Shri Dilip J. Thakkar	ID	5	AUD – 5 STC – N.A.	Yes	13	9 (including 4 as Chairman)
Shri John O. Band	ID	4	AUD – 4 STC – 2	Yes	Nil	Nil
Shri Karthikeyan Muthuswamy	ID	4	AUD – 4 STC – N.A.	No	Nil	Nil
Dr. Rajendra Nath Mehrotra	ID	4	AUD – N.A. STC – N.A.	Yes	1	2 (including 1 as Chairman)

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 2012-2013, the Audit Committee met five times on May 15, 2012, June 29, 2012, July 30, 2012, November 7, 2012 and February 5, 2013.

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	5
Shri John O. Band	Member	Merchant Banker, Investment Manager, Accountancy Profession	ID	4
Shri Karthikeyan Muthuswamy	Member	Portfolio Manager, Investment Manager	ID	4
Shri Pritam A. Doshi	Member	Businessman	MD	5

ID: Independent Director

MD: Managing Director

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

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 August 31, 2012.

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, Shri Pritam A. Doshi - Managing Director and Head-Finance certified to the Board the financial statements for the year ended March 31, 2013.

6. Remuneration

Remuneration & Selection Committee

During the year 2012-13 one Remuneration & Selection Committee meeting was held as on June 29, 2012 and which was attended by all the members of 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 2012-13.

Director	* Sitting Fees (₹)	Salaries, Perquisites & Contribution to funds (₹)	Commission (₹)
** Shri Arvind R. Doshi	Nil	59,99,750	Nil
Shri Pritam A. Doshi	Nil	34,03,920	Nil
Shri Dilip J. Thakkar	77,000/-	-	Nil
Shri John O. Band	66,000/-	-	Nil
Shri Karthikeyan Muthuswamy	62,000/-	-	Nil
Dr. Rajendra Nath Mehrotra	42,000/-	-	Nil

* Sitting Fees includes payment to the Directors for attending Board Meetings and Committee Meetings. Sitting Fees is excluding Service Tax.

** 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 act as the Compliance Officer.

During the year under review, the Committee met on July 30, 2012 and February 5, 2013. All committee members were present on both meetings.

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 2012-2013:

Sr. No.	Subject	Received (Nos.)	Cleared (Nos.)	Pending
1	Non receipt of Share Certificates	3	3	Nil
2	Non- receipt of Dividend/Int./Redemption Warrants	6	6	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	2	2	Nil
6	Others	1	1	Nil
	TOTAL	15	15	Nil

All the complaints have been resolved and as on March 31, 2013 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 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 4 meetings of Borrowing Committee were held on May 10, 2012, June 8, 2012, June 20, 2012 and June 28, 2012. All the members were present for the meetings.

9. General Body Meetings

Details of previous General Meetings

Financial Year	Category	Date	Time	Location
2009-10	60 th AGM	July 31, 2010	3.30 p.m.	Babasaheb Dahanukar Hall of Maharashtra Chamber of Commerce, Orion House, 6 th 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., 2 nd floor, 18/20. K. Dubhash Marg Mumbai 400 001
2011-12	62 nd AGM	August 31, 2012	3.30 p.m.	M. C. Ghia Hall Bhogilal Hargovindas Bldg., 2 nd floor, 18/20. K. Dubhash Marg Mumbai 400 001

Special resolutions passed in previous 3 years

a. 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.

b. AGM July 30, 2011

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

c. AGM August 31, 2012

- a) Reappointment of Shri Arvind R. Doshi as Executive Chairman
- b) Payment of remuneration to Shri Pritam A. Doshi Managing Director in the inadequacy of profit.
During the year no resolution passed by way of postal ballot.

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.31 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 62nd Annual General Meeting held on August 31, 2012.
3. Since the half yearly financial results are being published in leading news-papers 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.paeltd.com

Company releases official news on its website from time to time, however there was no official news released or presentation made to institutional investors and analyst by

the Company during the year.

Management Discussion and Analysis forms part of the Annual Report.

12. General Shareholder information

i) Annual General Meeting

Date and Time : July 30, 2013 at 3.30 p.m.
Venue : M. C. Ghia Hall,
Bhogilal Hargovinas Building
4th 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 results : Within forty five days from the end of the quarter
Annual audited results : Within sixty days from the end of the last quarter
Annual General Meeting is proposed to be held in July, 2014.

iii) Book Closure date : From : July 22, 2013
To : July 30, 2013
(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

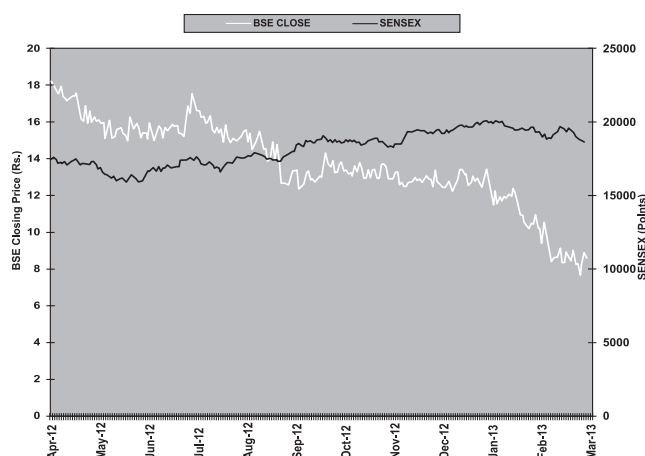
vi) Market price data : Monthly high& low quotations of shares traded at Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the year 2012-2013:

BSE Share Price

Month	Month's High Price (in ₹)	Month's Low Price (in ₹)	Total Turnover (in ₹ lacs)	BSE Sensex High	BSE Sensex Low
Apr-12	20.80	15.80	6.55	17,664.10	17,010.16
May-12	17.40	14.25	4.82	17,432.33	15,809.71
Jun-12	17.40	14.70	2.46	17,448.48	15,748.98
Jul-12	19.00	14.40	6.45	17,631.19	16,598.48
Aug-12	18.00	13.85	3.80	17,972.54	17,026.97
Sep-12	17.00	11.50	7.38	18,869.94	17,250.80
Oct-12	14.99	12.80	7.43	19,137.29	18,393.42
Nov-12	14.35	12.15	4.58	19,372.70	18,255.69
Dec-12	14.00	11.50	4.64	19,612.18	19,149.03
Jan-13	14.85	11.00	4.00	20,203.66	19,508.93
Feb-13	13.90	9.05	3.56	19,966.69	18,793.97
Mar-13	11.95	7.25	4.51	19,754.66	18,568.43

NSE Share Price

Month	Month's High Price (in ₹)	Month's Low Price (in ₹)	Total Turnover (in ₹ lacs)	Nifty High	Nifty Low
Apr-12	19.00	16.00	7.65	5,378.75	5,154.30
May-12	17.10	14.25	6.30	5,279.60	4,788.95
Jun-12	17.10	14.65	4.56	5,286.25	4,770.35
Jul-12	19.00	14.55	14.30	5,348.55	5,032.40
Aug-12	15.95	13.50	3.64	5,448.60	5,164.65
Sep-12	15.50	11.40	11.05	5,735.15	5,215.70
Oct-12	14.50	12.85	6.88	5,815.35	4,888.20
Nov-12	14.15	10.50	4.70	5,885.25	5,548.35
Dec-12	14.00	12.00	7.38	5,965.15	5,823.15
Jan-13	14.20	11.00	5.08	6,111.80	5,935.20
Feb-13	13.90	8.75	2.85	6,052.95	5,671.90
Mar-13	10.70	6.80	3.48	5,971.20	5,604.85



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:

	Category	No. of Shares held	% of Share holding	No. Shares Pledged or otherwise encumbered	% 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. FIs	1,625	0.02	N.A.	N.A.
	SubTotal	93,600	0.98	N.A.	N.A.
3	Others				
	a. Corporate Bodies	3,69,085	3.88	N.A.	N.A.
	b. Indian Public	41,69,676	43.80	N.A.	N.A.
	c. NRIs/OCBs	41,199	0.44	N.A.	N.A.
	d. Others (Clearing Members)	43,229	0.45	N.A.	N.A.
	Sub Total	46,23,189	48.56	N.A.	N.A.
	TOTAL	95,19,600	100.00	Nil	0.00

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, 2013:

*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, 2013

No. of Share holders	% to Total	No of Shares	No. of shares	Amount in ₹	% to Total
11,316	89.53	Upo 500	17,49,820	1,74,98,200	18.38
717	5.67	501-1,000	5,86,935	58,69,350	6.17
316	2.50	1,001-2,000	4,77,945	47,79,450	5.02
99	0.79	2,001-3,000	2,51,446	25,14,460	2.64
57	0.45	3,001-4,000	2,00,564	20,05,640	2.11
27	0.21	4,001-5,000	1,22,945	12,29,450	1.29
54	0.43	5,001-10,000	3,98,688	39,86,880	4.19
53	0.42	10,001 and above	57,31,257	5,73,12,570	60.20
12,639	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 90.30 % of the shares issued by the Company have been dematerialized up to March 31, 2013.

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, 2013, as envisaged in clause 49 of the Listing Agreement with stock exchanges.

For and on behalf of the Board Directors

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To The Members,

PAE Limited.
Mumbai - 400 034.

We have examined the compliance of conditions of Corporate Governance by PAE Limited for the financial year ended March 31, 2013, 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. 100186

Place: Mumbai
Date: May 27, 2013

Arvind R. Doshi
Executive Chairman

Place: Mumbai
Dated: May 27, 2013

Satish K. Kelkar
Partner
Membership No. 38934

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

Name of Director	Shri Karthikeyan Muthuswamy	Dr. Rajendra Nath Mehrotra
Date of Birth	June 6, 1974	January 26, 1945
Date of Initial Appointment	April 29, 2005	October 10, 2007
Expertise in specific functional areas	Portfolio Manager Investment Manager	Dr. Rajendra Nath Mehrotra is an Electrical and Mechanical Engineer with Masters and Ph.D. He has the Degree in Management from the University of Mumbai and a Post Graduate Diploma in Industrial Management from the Research Institute of Management Studies, Delft, (now called Maastricht School of Management), Netherlands.
Qualifications	BBA, CFA	Electrical & Mechanical Engineer.
Other Public Companies in which Directorship is held as on March 31, 2013.	Subex Ltd.	Novartis India Limited
Chairman of Committees formed by Board of other Companies on which he is a Director as on March 31, 2013.	Nil	Shareholder Grievances Committee: Novartis India Limited
Member of Committees formed by Board of other Companies on which he is a Director as on March 31, 2013.	Nil	Shareholder Grievances Committee: Novartis India Limited Audit Committee: Novartis India Limited
Shareholding in the Company as on March 31, 2013	Nil	Nil

INDEPENDENT AUDITOR'S REPORT

To,
The Members of PAE Limited

Report on the Financial Statements

We have audited the accompanying financial statements of PAE Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (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.

Emphasis of Matter

We draw attention to Note No.34(d) to the financial statement regarding companies exposure in the nature of long term Investment of ₹ 785.66 lacs and loans and advances of ₹ 1296.62 lacs given to its subsidiary, Shurjo Energy Private limited (SEPL). For the reason mentioned in the note the management considers the diminution in the value of investment as temporary in nature despite losses incurred by the SEPL exceeding its networth as at the end of the year. Also loans and advances due from SEPL have been considered as fully recoverable. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. 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;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Satish K. Kelkar
Partner

Place: Mumbai
Date: May 27, 2013

Membership Number: 38934

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the financial statements for the year ended on March 31, 2013 of **PAE Limited**.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) A substantial portion of fixed assets have been physically verified by the management during the year. In our opinion the same is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) During the year the Company has not disposed off any substantial part of its fixed assets.
- (ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals.
- (b) The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
- (c) In our opinion and according to the explanation given to us, The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and properly dealt within the books of accounts.
- (iii) (a) During the year the Company has taken unsecured loan in the form of inter-corporate deposit from a company covered in the register maintained under Section 301 of the Companies Act, 1956, wherein balance payable at the year end is ₹ 484.28 lacs (Previous year ₹ 518.38 lacs). Maximum balance during the year was ₹ 978.43 lacs (Previous year ₹ 518.38 lacs.)
- (b) Based on the information and explanations given to us, we are of the opinion that the rate of interest and other terms and conditions of loan taken from such party covered in the Register maintained under Section 301 is not prima facie prejudicial to the interests of the company.
- (c) The company has 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 ₹ 1283.67 lacs (Previous year ₹ 1536.56 lacs). Maximum balance during the year was ₹ 2291.30 lacs (Previous year ₹ 1536.56 lacs.)
- (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.
- (e) In our opinion and according to the explanations given to us, the company is regular in receiving the principal and interest as stipulated.
- (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 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.
- (v) (a) According to the information and explanations provided by management, we are of the opinion that the particulars of contracts or arrangements that are referred to in Section 301 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 are not applicable to the activities of the company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it and there are no arrears outstanding as at the year end for a period of more than six months from the date they became payable.
- (b) According to the records of the company, there are no disputed Wealth Tax, Customs Duty, Service Tax or Cess. The details of dues in respect of Sales Tax, which have not been deposited on account of any dispute are given below:

Name of the Statute	Nature of the dues	Period to which the amount relates	(₹ in lacs)
			Forum where dispute is pending Sales Tax Commissioner
VAT Acts	VAT, penalty and interest	2006-07	2.89
VAT Acts	VAT, penalty and interest	2007-08	10.02
VAT Acts	VAT, penalty and interest	2008-09	17.69
VAT Acts	VAT, penalty and interest	2009-10	27.86
Central Sales Tax and Various State VAT Acts	VAT, Central Sales Tax, penalty and interest	2010-11	31.39
	Total		89.85

- (x) The Company has accumulated losses as per the Balance Sheet as at the end of the financial year. The Company has incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of Clauses 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

- (xv) The company has given guarantees for loans taken by subsidiaries from the banks and prima facie the terms and conditions thereof are not prejudicial to the interest of the company.
- (xvi) The term loan has been applied for the purpose for which it was raised.
- (xvii) According to the information and explanations given to us, and on an overall examination of Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment/applications.
- (xviii) The Company has made preferential allotment of preference shares to parties covered in the register maintained under section 301 of the Companies Act, 1956 at par in terms of Special Resolution passed at the Annual General Meeting of the company. According to the information and explanations given to us, the price at which shares have been issued is not prejudicial to the interest of the company.
- (xix) The Company has not issued any debentures during the financial year.
- (xx) The Company has not raised any money during the year by public issue.
- (xxi) As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place: Mumbai
Date: May 27, 2013

Satish K. Kelkar
Partner
Membership Number: 38934

STANDALONE BALANCE SHEET AS AT MARCH 31, 2013

(₹ in lacs)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	2	1,451.96	951.96
Reserves and surplus	3	1,832.96	2,800.66
(2) Non-current liabilities			
Long-term borrowings	4	742.80	1,314.96
Other long term liabilities	5	54.39	56.22
Long-term provisions	6	116.94	111.80
(3) Current liabilities			
Short-term borrowings	7	1,799.28	2,937.57
Trade payables	8	1,399.71	170.32
Other current liabilities	9	1,107.21	754.68
Short-term provisions	10	145.28	182.75
Total		8,650.53	9,280.92
II ASSETS			
(1) Non-current assets			
Fixed assets	11		
Tangible assets		882.88	965.24
Intangible assets		9.02	13.59
Non-current investment	12	2,001.81	1,541.73
Long-term loans and advances	13	166.24	180.22
Other non-current assets	14	23.55	36.30
(2) Current assets			
Inventories	15	1,178.21	1,498.09
Trade receivables	16	1,803.51	2,632.14
Cash and bank balances	17	456.89	456.33
Short-term loans and advances	18	1,994.85	1,798.47
Other current assets	19	133.57	158.81
Total		8,650.53	9,280.92
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report attached

For and on behalf of the Board of Directors

For K.S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Satish K. Kelkar
Partner
Membership No. 38934

Dilip J. Thakkar
Director

Kartikeyan Muthuswamy
Director

Sameer Chavan
Company Secretary

Mumbai, Dated May 27, 2013

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

Particulars	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
I Revenue from operations	20	13,570.92	24,392.28
II Other income	21	330.69	322.81
III Total revenue (I+II)		<u>13,901.61</u>	<u>24,715.09</u>
IV Expenses:			
Purchases of stock-in-trade	22	11,750.49	20,376.09
(Increase) / decrease in inventory of stock-in-trade	23	229.01	1,607.07
Employee benefits expense	24	874.39	1,035.59
Finance costs	25	690.63	652.84
Depreciation and amortization expense		68.69	90.22
Other expenses	26	1,240.30	1,535.73
Total expenses		<u>14,853.51</u>	<u>25,297.54</u>
V Profit/(Loss) before tax		(951.90)	(582.45)
VI Tax Expense			
Previous year's taxes (net)		(6.52)	(2.93)
Current tax		-	-
Deferred Tax		-	(11.97)
VII Profit/(Loss) for the period		<u>(945.38)</u>	<u>(567.55)</u>
VIII Earnings per equity share	27		
Basic		(9.93)	(5.96)
Diluted		(9.93)	(5.96)
Significant accounting policies	1		

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

As per our report attached

For and on behalf of the Board of Directors

For K.S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Satish K. Kelkar
Partner
Membership No. 38934

Dilip J. Thakkar
Director

Kartikeyan Muthuswamy
Director

Sameer Chavan
Company Secretary

Mumbai, Dated May 27, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

	For the year ended March 31, 2013	For the year ended March 31, 2012
(A) Cash flow from operating activities		
Net Profit/(loss) before tax and extraordinary items	(951.90)	(582.45)
Adjustments for:		
Depreciation	68.69	90.22
Finance cost	690.63	652.84
Interest/dividend income	(286.90)	(10.71)
Unrealised foreign exchange loss	0.93	3.00
Bad debts written off	48.55	61.05
Others	1.53	2.28
	<u>523.43</u>	<u>798.68</u>
Operating profit before working capital changes	(428.47)	216.23
Adjustments for :		
Trade and other receivables	805.11	1,272.32
Short term loans and advances	(196.38)	(856.52)
Long term loans and advances	41.18	(65.51)
Inventories	319.88	1,529.17
Trade payables and other liabilities	1,116.33	(285.19)
Short term provisions	(28.81)	53.97
Long term provisions	5.14	79.85
	<u>2,062.44</u>	<u>1,728.09</u>
Cash generated from operations	1,633.97	1,944.32
Direct taxes (paid)/refunds	(29.41)	(57.64)
Net cash flow from operating activities	<u>1,604.56</u>	<u>1,886.68</u>
(B) Cash flow from investing activities		
Purchase of fixed assets	(8.83)	(44.27)
Sale of fixed assets	3.25	0.70
Investment	(460.08)	(968.13)
Sale of investments	0.00	0.00
(Placement)/refund of bank/margin money deposits	28.40	(60.16)
Interest received	286.86	9.44
Dividend received	0.27	0.25
Net cash used in investing activities	<u>(150.14)</u>	<u>(1,062.17)</u>
(C) Cash flow from financing activities		
Issue of preference shares	500.00	-
Proceeds from short term borrowings (net)	(1,138.28)	(550.87)
Finance cost	(582.95)	(628.20)
Proceeds from long term borrowing (net)	(216.29)	458.32
Unpaid dividend bank balance	0.70	(4.43)
Dividend paid	(0.70)	(114.57)
Dividend tax paid	-	(19.30)
Net cash used in financing activities	<u>(1,437.52)</u>	<u>(859.05)</u>
Net increase in cash and cash equivalents	16.91	(34.54)
Opening balance as at beginning of the year	308.51	343.05
Closing balance as at end of the year	<u>325.42</u>	<u>308.51</u>
	<u>16.91</u>	<u>(34.54)</u>

Notes:

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

As per our report attached

For and on behalf of the Board of Directors

For K.S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Satish K. Kelkar
Partner
Membership No. 38934

Dilip J. Thakkar
Director

Kartikeyan Muthuswamy
Director

Sameer Chavan
Company Secretary

Mumbai, Dated May 27, 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013:

1. Significant Accounting Policies:

a) Basis of preparation:

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

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

b) Use of Estimates:

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

c) Tangible Fixed Assets:

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

d) Depreciation on tangible fixed assets:

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

e) Intangible assets:

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

f) Impairment of Assets:

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

g) Investments:

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

h) Inventories:

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

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

- b) Goods in Transit are valued at cost.

i) Revenue Recognition:

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

j) Foreign Currency Transactions:

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

k) Employee Benefits

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

l) Leases:

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

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

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

m) Income Taxes:

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

n) Earnings per share:

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

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

o) Provisions, Contingent Liabilities and Contingent Assets:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

	As at March 31, 2013	As at March 31, 2012
2 Share Capital:		
Authorised		
1,50,00,000 Equity Shares of ₹ 10 each	1,500	1,500
(Previous Year: 1,50,00,000 Equity Shares of ₹ 10 each)		
50,00,000 Preference Shares of ₹ 10 each	500	500
(Previous Year: 50,00,000 Preference Shares of ₹ 10 each)	2,000	2,000
Issued, subscribed and fully paid up		
95,19,600 Equity Shares of ₹ 10 each fully paid up	951.96	951.96
(Previous Year: 95,19,600 Equity Shares of ₹ 10 each)		
50,00,000 8% Redeemable Non-cumulative Preference Shares of ₹ 10 each fully paid up	500.00	-
(Previous Year: Nil)	1,451.96	951.96

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

(i) **Equity shares:**

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

(ii) Preference shares:	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	-	-	-	-
Issued during the year	5,000,000	500.00	-	-
Outstanding at the end of the year	5,000,000	500.00	-	-

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

- (i) The company has equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (ii) During the year the company issued 50,00,000 8% redeemable non convertible non-cumulative preference shares of ₹ 10 each, for cash at par to the promoters.

(c) Details of equity shareholders holding more than 5% shares in the company	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
i Arvind Raoji Doshi	2,655,738	27.90%	2,655,738	27.90%
ii Pratibha Arvind Doshi	1,245,656	13.09%	1,245,656	13.09%
iii Pritam Arvind Doshi	689,536	7.24%	689,536	7.24%

(d) Details of preference shareholders holding more than 5% shares in the company	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
i Arvind Raoji Doshi	4,000,000	80%	-	0.00%
iii Pritam Arvind Doshi	1,000,000	20%	-	0.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	(₹ in lacs)
	As at
	March 31, 2013
	March 31, 2012
3 Reserves and Surplus:	
Capital reserve	0.09
Securities premium account	531.22
Revaluation reserve	529.69
Less: depreciation on revaluation of assets transferred to statement of profit & loss	22.32
	507.37
General Reserve	
Balance as per last financial statement	842.21
Transfer from profit & loss account	-
	842.21
Surplus/(Deficit) in the statement of profit & loss	
Balance as per last financial statements	897.45
Add: Profit for the year	(945.38)
Net surplus in the statement of profit & loss	(47.93)
	1,832.96
4 Long-Term Borrowings:	
Secured	
Motor vehicle loan	6.72
Unsecured	
Fixed deposits from related parties	5.00
Fixed deposits from shareholders	13.89
Fixed deposits from others	365.19
From bank	-
	384.08
Unsecured loan from enterprise controlled by key management personnel	352.00
	742.80
	1,314.96

- (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 date installments due w.r.t balance sheet date	Amount of installment	Rate of Interest
Loan 1	1	185,300	8.12%
Loan 2	4	11,979	12.52%

- (b) During the year ₹ Nil (previous year ₹ 92 lacs) was taken as loan against refinance of existing motor vehicles owned by the company from Kotak Mahindra Prime Ltd. This loan carries an interest of 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 1 year and 4 months with EMI of ₹ 3.31 lacs for 4 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 11% to 11.75% 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 11% to 11.75% p.a.) and are repayable after 2 years and 3 years from the respective dates of deposit.
- (e) During the year, unsecured loan of ₹ Nil (previous year ₹ 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 5 months with EMI of ₹ 1.50 lacs.
- (f) Unsecured loan from related party carries interest ranging from 14% to 16.50% p.a. and has a tenure of 3 years.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

		(₹ in lacs)	
		As at March 31, 2013	As at March 31, 2012
5 Other long-term liabilities:			
Sundry creditors for expenses		54.39	56.22
		<u>54.39</u>	<u>56.22</u>
6 Long-term Provisions:			
Provision for employee benefits (refer note no. 28)			
Leave encashment		34.70	37.00
Gratuity		82.24	74.80
		<u>116.94</u>	<u>111.80</u>
		<u>116.94</u>	<u>111.80</u>
Provision for Gratuity is adequately backed by funds lying with LIC of India classified under "Long Term advances" and "Other Current Assets".			
7 Short-term borrowings:			
Secured			
Working capital loan from banks repayable on demand		1,652.05	2,628.65
		<u>1,652.05</u>	<u>2,628.65</u>
Unsecured			
Fixed deposits from shareholders		-	5.20
Fixed deposits from others		10.23	30.72
		<u>10.23</u>	<u>35.92</u>
Inter-corporate deposit		137.00	273.00
		<u>1,799.28</u>	<u>2,937.57</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 16.75% p.a.			
(b) Inter-corporate deposits are having a tenure of 90 days to 120 days and carry interest @16.50% to 17.25% p.a. (previous year 13.50% to 17.75% p.a.)			
(c) Fixed deposits from others and shareholders carry interest ranging from 11% to 11.75% p.a. (previous year 10% to 10.75% p.a.).			
8 Trade Payables (including acceptances) (refer note no. 35)		1,399.71	170.32
9 Other current liabilities:			
(a) Current maturities of long term debts			
Current maturity of motor vehicle loan		25.59	58.44
Current maturity of unsecured Loan from Bank		7.13	28.10
Current maturity of fixed deposits from related parties		138.00	5.00
Current maturity of fixed deposits from shareholders		48.59	14.31
Current maturity of fixed deposits from public		325.02	82.61
(b) Interest accrued but not due		132.31	24.64
(c) Unclaimed dividend *		25.37	26.07
(d) Unclaimed matured fixed deposits		9.80	3.20
(e) Other payables			
Sundry creditors for expenses		176.70	263.48
Sundry creditors for capital purchase		-	2.92
Dealer deposits		120.53	89.91
Rent deposit		6.75	3.45
Advance from customers		10.76	18.80
Advance from subsidiary for goods		-	44.02
Statutory dues payable		80.66	89.73
Total		<u>1,107.21</u>	<u>754.68</u>

* There is no amount due & outstanding as at balance sheet date to be credited to Investor Education and Protection Fund.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

	As at March 31, 2013	As at March 31, 2012
10 Short-term provisions:		
Provision for employee benefits		
Leave encashment	15.70	17.30
Gratuity	35.39	35.39
	<u>51.09</u>	<u>52.69</u>
Provision for taxation (net of taxes paid)		
Income tax	-	8.66
	-	8.66
Provision for warranties (refer note no. 32)	<u>94.19</u>	<u>121.40</u>
	<u>145.28</u>	<u>182.75</u>

Note No 11 : FIXED ASSETS

GROSS BLOCK						DEPRECIATION / AMORTISATION					NET BLOCK	
Particulars	As at 01.04.2012	Added on Revaluation	Additions this year	Sales this year	As at 31.03.2013	As at 01.04.2012	Adjustment on Revaluation	Depreciation this year	Sales this year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible assets												
Freehold land	-	-	-	-	-	-	-	-	-	-	-	-
Building and ownership flats *	948.90	-	-	-	948.90	206.03	22.32	10.66	-	239.01	709.89	742.87
Other plant & machinery	21.60	-	0.54	0.08	22.06	11.03	-	1.49	0.08	12.44	9.62	10.57
Furniture & fixtures	196.03	-	2.25	2.14	196.14	138.43	-	10.79	1.88	147.34	48.80	57.61
Office equipments	99.84	-	2.57	2.13	100.28	50.40	-	8.12	1.87	56.65	43.63	49.45
Computers	209.85	-	3.45	16.09	197.21	172.67	-	15.97	14.41	174.23	22.98	37.18
Motor vehicles	162.64	-	0.02	6.28	156.38	95.06	-	17.09	3.73	108.42	47.96	67.58
Sub total	1,638.86	-	8.83	26.72	1,620.97	673.62	22.32	64.12	21.97	738.10	882.88	965.25
Previous year sub total	1,612.82	-	41.49	15.45	1,638.86	580.21	22.32	84.52	13.43	673.62	965.24	
Intangible assets												
Software	33.78	-	-	-	33.78	20.19	-	4.58	-	24.75	9.02	13.59
Sub total	33.78	-	-	-	33.78	20.19	-	4.58	-	24.75	9.02	13.59
Previous year sub total	31.00	-	2.78	-	33.78	14.49	-	5.70	-	20.19	13.59	
Total	1,672.64	-	8.83	26.72	1,654.75	693.81	22.32	68.70	21.97	762.85	891.90	978.83
Previous year total	1,643.82	-	44.27	15.45	1,672.63	594.70	22.32	90.22	13.43	693.81	978.83	

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

+ Refer Note 40

	As at March 31, 2013	As at March 31, 2012
12 Non Current Investment:		
Trade Investments:		
Investment in equity instruments		
Investment in subsidiary companies (unquoted):		
Shurjo Energy Pvt. Ltd. (refer note no.34)	785.66	785.66
3,87,90,409(Previous Year: 3,87,90,409 shares) equity shares of ₹ 1 each fully paid		
PAE Renewables Pvt. Ltd. (refer note no.34)	1,176.00	716.00
93,85,000 (Previous Year: 47,85,000 shares) equity shares of ₹ 10 each fully paid		
PAE Infrastructure Pvt. Ltd.	35.20	35.20
3,52,000 (Previous Year: 3,52,000) equity shares of ₹ 10 each fully paid		
	<u>1,996.86</u>	<u>1,536.86</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at March 31, 2013	(₹ in lacs) As at March 31, 2012
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	85.34	85.34
	2.30	2.30
South India Paper Mills Ltd.	1.18	1.18
8000 (Previous Year: 8,000 shares) equity shares of ₹10 each fully paid		
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		
	3.54	3.54
Other Investments (Unquoted)		
Jain Sahakari Bank Ltd.	0.01	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	0.10	0.10
	0.02	0.01
Kongarar Integrated Fibres Ltd.	0.52	0.52
1,200 (Previous Year: 1200 shares) equity shares of ₹ 10 each fully paid (Formerly known as Kongarar Textiles Ltd.)		
Less: Provision for diminution in value	0.51	0.51
	0.01	0.01
	0.03	0.03
Investment in Mutual Funds:		
8,000 Units of Unit Trust of India Balance Fund	1.38	1.30
(Previous Year: 7,648 units)		
	1.38	1.30
	2,001.81	1,541.73
Aggregate Book Value of Investments:		
Quoted investments	3.54	3.54
Unquoted investments	2084.22	1624.14
Provision for diminution in value	85.96	85.96
(Market value of quoted investments ₹ 10.85 lacs, Previous Year: ₹ 15.53 lacs)	2001.81	1541.73
13 Long-term Loans & Advances:		
Unsecured considered good		
Capital advances	0.12	1.15
Sundry deposits	138.16	100.55
PAE Employees' Group Gratuity Fund	0.00	77.76
Advance income tax	27.21	0.00
Other advances	0.75	0.76
	166.24	180.22
14 Other Non-current Assets:		
Non current bank balances		
Margin money deposits with bank	1.57	23.30
Other deposits with bank	21.98	13.00
	23.55	36.30

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	(₹ in lacs)	
	As at March 31, 2013	As at March 31, 2012
15 Inventories:		
Stock in trade	1,161.40	1,390.41
Goods-in-transit (at cost)	16.81	107.68
	<u>1,178.21</u>	<u>1,498.09</u>
16 Trade Receivables: (Unsecured, considered good unless otherwise stated)		
Outstanding over six months	241.08	20.73
Others	1562.43	2611.41
	<u>1803.51</u>	<u>2632.14</u>
17 Cash and Bank Balances:		
Cash and cash equivalents		
Balances with banks:		
On current account	20.14	15.33
Deposit with maturity of less than/upto three months	13.00	2.00
Cash on hand	22.91	8.98
Cheques deposited in CMS facility	152.23	95.71
Cheques/ drafts on hand	117.14	186.49
	<u>325.42</u>	<u>308.51</u>
Other bank balances:		
Margin money deposits with maturity of less than/upto three months	26.13	46.06
Unpaid dividend account	25.37	26.07
Deposits with maturity of more than 3 months and upto 12 months	54.00	74.00
Margin money deposit with maturity of more than 3 months and upto 12 months	25.97	1.69
	<u>131.47</u>	<u>147.82</u>
	<u>456.89</u>	<u>456.33</u>
(a) Margin money deposits with maturity of 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.		
18 Short-term Loans & Advances:		
Unsecured considered good:		
Loans and advances to subsidiaries (refer note no. 39)	1927.61	1705.58
Others:		
Sundry deposits	18.14	40.02
Advances receivable in cash or kind or for value to be received	49.10	52.87
	<u>1994.85</u>	<u>1798.47</u>
19 Other Current Assets:		
Claims/incentives receivable	24.71	121.41
PAE Employees' Group Gratuity Fund	107.07	35.39
Interest accrued but not due	1.79	2.01
Advance income tax	0.00	0.00
	<u>133.57</u>	<u>158.81</u>
20 Revenue from operations:		
	For the year ended March 31, 2013	For the year ended March 31, 2012
Net sale of traded goods less returns	13,365.51	23,886.13
Other operating revenues:		
Incentive/turnover discounts from suppliers	145.77	248.43
Cash discount from suppliers	22.61	217.55
Bad debts recovered	15.03	3.72
Interest on overdue payments	-	19.34
Others	22.00	17.11
	<u>205.41</u>	<u>506.15</u>
	<u>13,570.92</u>	<u>24,392.28</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	For the year ended March 31, 2013	(₹ in lacs) For the year ended March 31, 2012
Details of traded goods:		
Power products	8,383.05	15,889.84
Other auto products	4,861.25	7,417.13
Solar products	121.21	579.15
	<u>13,365.51</u>	<u>23,886.12</u>
Net sale of traded goods less returns is exclusive of VAT collected on sales of ₹ 1675.87 lacs (previous year ₹ 2725.06 lacs)		
21 Other Income:		
Interest	286.63	155.61
Rent income	15.95	47.08
Dividend earned	0.27	0.25
Previous years' provision written back	-	43.89
Other non operating income	27.84	75.98
	<u>330.69</u>	<u>322.81</u>
22 Details of purchase of traded goods:		
Power products	7,393.80	13,002.93
Other auto products	4,227.13	6,879.68
Solar products	129.56	493.48
	<u>11,750.49</u>	<u>20,376.09</u>
23 Changes in inventories stock-in-trade:		
Closing stock	1,161.40	1,390.41
Opening stock	1,390.41	2,997.48
(Increase)/decrease in stock	<u>229.01</u>	<u>1,607.07</u>
Details of inventory		
Traded goods		
Power products	847.47	771.75
Other auto products	255.61	585.03
Solar products	58.31	33.63
	<u>1,161.39</u>	<u>1,390.41</u>
24 Employee Benefits Expense:		
Salaries and wages	737.32	885.37
Contribution to provident and other funds	71.26	68.98
Staff welfare expenses	65.81	81.24
	<u>874.39</u>	<u>1,035.59</u>
25 Finance Costs:		
Interest expense	636.11	596.34
Bank charges	54.52	38.01
Exchange difference to the extent considered as an adjustment to borrowing costs	-	18.49
	<u>690.63</u>	<u>652.84</u>
26 Other Expenses:		
Stationery, postage, advertisement, telephone, electricity, etc.	467.30	537.67
Clearing and forwarding agency charges	64.71	127.36
Packing and forwarding (inward & outward)	253.09	340.93
Rent	102.60	111.19
Rates & taxes	53.03	53.70
Cash discount	33.16	57.18
Incentive/turnover discounts	30.86	56.71

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	For the year ended March 31, 2013	(₹ in lacs) For the year ended March 31, 2012
Repairs to:		
(i) Buildings	6.51	7.21
(ii) Others	34.48	33.93
	40.99	41.14
Insurance	18.09	18.44
Payment to auditor:		
As auditor:		
(i) Audit fees	8.08	8.82
(ii) Tax audit fees	2.29	2.21
(iii) Limited review	5.06	6.62
(iv) Other services(certification fee)	2.86	1.64
For reimbursement of expenses	0.63	0.23
	18.91	19.52
Miscellaneous expenses	79.11	105.66
Foreign currency fluctuation(net)	25.84	1.43
Directors' fees	2.59	2.44
Loss on assets sold/discarded(net)	1.47	1.32
Bad debts written off	48.55	61.05
	1,240.30	1,535.73

27 Earnings Per Share (EPS):

Profit after tax	(945.38)	(567.55)
Weighted average number of equity share outstanding	9,519,600	9,519,600
Basic and diluted earnings per share (in ₹)	(9.93)	(5.96)

28 Employee defined benefits

(₹ in lacs)

Particulars	2012-13		2011-12	
	Gratuity (Funded)	Leave Encashment (Non Funded)	Gratuity (Funded)	Leave Encashment (Non Funded)
I. Reconciliation of opening and closing balances of defined benefit obligation:				
Liability at the beginning of the year	110.18	54.30	109.78	34.98
Current service cost	8.28	9.15	12.87	25.86
Interest cost	9.37	4.62	9.06	2.89
Past service cost(vested benefit) incurred during the period	-	-	-	-
Benefits paid	(15.43)	(23.49)	(8.42)	(14.65)
Actuarial(gain)/loss	5.23	5.82	(13.09)	5.22
Liability at the end of the year	117.63	50.40	110.20	54.30
II. Reconciliation of opening and closing balances of fair value of plan assets:				
Fair value of plan assets at the beginning of the year	113.15	-	79.09	-
Expected return on plan assets	9.73	-	6.33	-
Contributions	-	-	33.68	-
Benefits paid	(15.43)	-	(8.42)	-
Actuarial(gain)/loss on plan assest	(0.38)	-	2.48	-
Fair value of plan assets at the end of the year	107.07	-	113.15	-
Net actuarial (gain)/loss to be recognised	5.61	5.82	(15.57)	5.22
actuarial return on plant assets:				
Expected return on plan assets	9.73	-	6.33	-
Actuarial gain/(loss) on plan assets	(0.38)	-	2.48	-
Actuarial return on plan assets	9.35	-	8.81	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

III.	Reconciliation of fair value of assets and obligations:				
	Liability at the end of the year	117.63	50.40	110.18	54.30
	Fair value of plant assets at the end of the year	107.07	-	113.15	-
	Amount recognised in the balance sheet under "Provisions for retirement benefits"	10.56	50.40	(2.97)	54.30
IV.	Expenses recognised in the profit and loss account:				
	Current service cost	8.28	9.15	12.87	25.86
	Interest cost	9.37	4.62	9.06	2.89
	Expected return on plan assets	(9.73)	-	(6.33)	-
	Past Service cost (vested benefit) incurred during the period	-	-	-	-
	Net actuarial (gain)/loss to be recognised	5.61	5.82	(15.57)	5.22
	Expense recognised in the profit and loss account under "Contribution to provident, gratuity and other funds"	13.53	19.59	0.03	33.97
V.	Principal assumptions:	In Percent	In Percent	In Percent	In Percent
	Mortality table LIC	1994-96	1994-96	1994-96	1994-96
	Discount rate	8.25	8.50	8.25	8.25
	Expected return on plan assets	8.70	-	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

29 Leases:

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

a Where the Company is a lessee:

The company has taken various office and godown premises under leave and licence agreements. These are not non cancellable and range between 11 months and 5 years under leave and licence and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free security deposits under certain agreements. Amounts paid during the year under such agreements are ₹ 102.60 lacs (previous year ₹ 111.19 lacs) and are recognised in the statement of profit and loss under "Rent" Note no.26.

b Where company is a lessor:

The company has given its own office and residential premises under leave and licence agreements. These are not non cancellable and range between 11 months and 5 years under leave and licence and are renewable by mutual consent on mutually agreeable terms. The company has taken refundable interest free security deposits under certain agreements. Amounts received during the year under such agreements are ₹ 15.95 lacs (previous year ₹ 47.08 lacs) and are recognised in the statement of profit and loss under 'Rent Income' in Note no. 21.

30 Segment information:

The company has defined its business segments as Power products, other auto products and solar products, taking into account the nature of products, and differential risks and returns.

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

(₹ in lacs)

	Particulars	Year ended 31.03.2013	Year ended 31.03.2012
A	SEGMENT REVENUE		
	1 Sales (net of VAT) and operating income		
	Power products	8,493.93	16,040.48
	Other auto products	4,918.75	7,732.31
	Solar products	121.21	579.32
	Unallocated operating income	37.03	40.17
	Net sales and operating income	A	13,570.92
B	RESULT		
	1 Segment result		
	Power products	1,175.86	1,389.12
	Other auto products	362.20	893.10
	Solar products	16.33	86.73
	Unallocated operating income	37.03	40.17
	Gross segment result	B	1,591.42

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

2	Less: Allocated expenses		
	Power products	985.84	1,303.49
	Other auto products	568.76	419.64
	Solar products	23.41	164.55
	Total allocated expenses	C	1,578.01
3	Net segment result	B- C	13.41
	Less:		
4	Unallocated expenses(net)	205.99	360.83
5	Depreciation	68.69	90.22
6	Finance expense	690.63	652.84
7	Profit/(Loss) from ordinary activities	(951.90)	(582.45)
8	Net Profit/(Loss) before tax	(951.90)	(582.45)
9	Segment assets		
	Power products	2,007.49	2,098.73
	Other auto products	742.75	1,553.17
	Solar products	292.54	478.33
	Unallocated assets	5,607.75	5,150.69
	Total assets	8,650.53	9,280.92
10	Segment liabilities		
	Power products	543.37	-
	Other auto products	764.31	376.39
	Solar products	97.01	62.06
	Unallocated liabilities	3,960.92	5,089.84
	Total	5,365.61	5,528.29

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

31 Related party disclosure as per AS-18**A Particulars of Subsidiary Companies**

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

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

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

C Key Management Personnel:

Name of related party	Nature of relationship
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
Miss Nitya P. Doshi	Daughter of Shri Pritam A. Doshi

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

E Details of transactions with related parties:

Particulars	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
Remuneration:				
Shri Arvind R. Doshi	-	-	60.00	-
	-	-	(58.65)	-
Shri Pritam A. Doshi	-	-	34.04	-
	-	-	(34.22)	-
Rent Received:				
PAE Renewables Pvt. Ltd.	2.61	-	-	-
	(1.99)	-	-	-
Rent Paid:				
PAE Infrastructure Pvt. Ltd.	1.92	-	-	-
	(1.20)	-	-	-
Sales:				
PAE Renewables Pvt. Ltd.	25.91	-	-	-
	(33.19)	-	-	-
Sovox Renewables Pvt. Ltd.	3.09	-	-	-
	(158.87)	-	-	-
Purchases:				
PAE Renewables Pvt. Ltd.	2.35	-	-	-
	(0.21)	-	-	-
Shurjo Energy Pvt. Ltd.	158.17	-	-	-
	(62.64)	-	-	-
Purchase of fixed assets:				
Shurjo Energy Pvt. Ltd.	-	-	-	-
	(0.05)	-	-	-
Sale of fixed assets:				
Shurjo Energy Pvt. Ltd.	0.18	-	-	-
	(0.00)	-	-	-
Sovox Renewables Pvt. Ltd.	0.07	-	-	-
	(0.00)	-	-	-
Rendering Services:				
PAE Renewables Pvt. Ltd.	-	-	-	-
	(20.18)	-	-	-
Shurjo Energy Pvt. Ltd.	-	-	-	-
	(61.89)	-	-	-
Other receipts/payments(net):				
Shurjo Energy Pvt. Ltd.	537.66	-	-	-
	(0.21)	-	-	-
Sovox Renewables Pvt. Ltd.	64.60	-	-	-
	(92.39)	-	-	-
Interest paid on fixed deposits:				
Arvind R Doshi HUF	-	7.40	-	-
	-	(7.40)	-	-
Pritam A Doshi HUF	-	3.08	-	-
	-	(3.08)	-	-
Mrs. Pratibha A. Doshi	-	-	-	3.59
	-	-	-	(3.59)
Mrs. Priyadarshani A. Doshi	-	-	-	0.33
	-	-	-	(0.33)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

Nitya P. Doshi	-	-	-	0.08
	-	-	-	(0.08)
Advance received towards sale of goods:				
PAE Renewables Pvt. Ltd.	-	-	-	-
	(70.00)	-	-	-
Interest paid on advance received:				
PAE Renewables Pvt. Ltd.	-	-	-	-
	(1.78)	-	-	-
ICD Received:				
Rajubai Investment Private Limited	-	400.00	-	-
	-	(375.00)	-	-
Interest paid on ICD				
Rajubai Investment Private Limited	-	123.23	-	-
	-	(41.64)	-	-
ICD given/repaid:				
Rajubai Investment Private Limited	-	545.00	-	-
	-	(78.00)	-	-
Shurjo Energy Pvt. Ltd.	45.10	-	-	-
	(663.07)	-	-	-
Sovox Renewables Pvt. Ltd.	260.80	-	-	-
	(1169.48)	-	-	-
ICD taken/repaid:				
Shurjo Energy Pvt. Ltd.	53.45	-	-	-
	(0.00)	-	-	-
Sovox Renewables Pvt. Ltd.	710.53	-	-	-
	(425.00)	-	-	-
Interest received on ICD:				
Shurjo Energy Pvt. Ltd.	118.66	-	-	-
	(62.50)	-	-	-
Sovox Renewables Pvt. Ltd.	153.90	-	-	-
	(82.65)	-	-	-
Investment:				
PAE Renewables Pvt. Ltd.	460.00	-	-	-
	(705.00)	-	-	-
Shurjo Energy Pvt. Ltd.	-	-	-	-
	(227.85)	-	-	-
PAE Infrastructure Pvt. Ltd.	-	-	-	-
	(35.20)	-	-	-
Preference shares issued:				
Mr. Arvind R Doshi	-	-	400.00	-
	-	-	(0.00)	-
Mr. Pritam A Doshi	-	-	100.00	-
	-	-	(0.00)	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

Amount outstanding on balance sheet date	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
Fixed deposits outstanding:				
Mr. Arvind R Doshi HUF	-	74.00	-	-
	-	(74.00)	-	-
Mr. Pritam A Doshi HUF	-	30.00	-	-
	-	(30.00)	-	-
Mrs. Pratibha A. Doshi	-	-	-	35.00
	-	-	-	(35.00)
Mrs. Priyadarshani A. Doshi	-	-	-	3.25
	-	-	-	(3.25)
Nitya P. Doshi	-	-	-	0.75
	-	-	-	(0.75)
Advance received towards sale of goods				
PAE Renewables Pvt. Ltd.	-	-	-	-
	(45.21)	-	-	-
Interest payable(net of TDS)				
Rajubai Investment Private Limited	-	132.29	-	-
	-	(21.38)	-	-
PAE Renewables Pvt. Ltd.	-	-	-	-
	(1.60)	-	-	-
Remuneration payable				
Pritam A. Doshi	-	-	-	-
	-	-	(3.73)	-
Outstanding debit/(credit)				
Shurjo Energy Pvt. Ltd.	480.47	-	-	-
	(38.15)	-	-	-
Sovox Renewables Pvt. Ltd.	317.80	-	-	-
	(251.26)	-	-	-
PAE Renewables Pvt. Ltd.	5.71	-	-	-
	(-35.12)	-	-	-
PAE Infrastructure Pvt. Ltd.	0.34	-	-	-
	(3.00)	-	-	-
ICD outstanding alongwith interest (net of TDS)				
Shurjo Energy Pvt. Ltd.	816.15	-	-	-
	(717.70)	-	-	-
Sovox Renewables Pvt. Ltd.	467.52	-	-	-
	(818.86)	-	-	-
Rajubai Investment Private Limited	-	352.00	-	-
	-	(497.00)	-	-
Corporate guarantee given & outstanding				
Shurjo Energy Pvt. Ltd.	350.00	-	-	-
	(350.00)	-	-	-
PAE Renewables Pvt. Ltd.	100.00	-	-	-
	(100.00)	-	-	-

Figures for the previous year have been given in brackets.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

32 Provision for Warranties:

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

	As at March 31, 2013	As at March 31, 2012
At the beginning of the year	121.40	86.41
Provision for warranty made during the year	94.19	120.19
Utilised during the year	(121.41)	(85.20)
Closing provision for warranty as at the end of the year	94.18	121.40

33 Contingent liabilities:

- Disputed sales tax demand of ₹ 112.71 lacs (previous year ₹ 58.18 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 ₹ 48.14 lacs (previous year ₹ 91.96 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 Pvt. Ltd. and PAE Renewables Pvt. Ltd. respectively (previous year ₹ 350 lacs and ₹ 100 lacs for secured loan availed by its subsidiary Shurjo Energy Pvt. Ltd. and PAE Renewables Pvt. Ltd. respectively).

34 Investment in subsidiaries:

- During the year, the company subscribed to Nil equity shares (previous year 2,27,85,178) for a total consideration of ₹ Nil (previous year ₹ 227.85 lacs) in Shurjo Energy Pvt. Ltd. thereby increasing its stake to Nil% (previous year 85% in the company w.e.f. 1st October, 2011). The company is engaged in manufacturing of solar photovoltaic panels using CIGS technology.
- During the year, the company subscribed to 46,00,000 equity shares (previous year 46,75,000) of ₹ 10/- each for a total consideration of ₹ 460 lacs (previous year ₹ 467.75 lacs) in PAE Renewables Pvt. Ltd. PAE Renewables Pvt. Ltd. is a 100% subsidiary of PAE Limited and is engaged in the business to design, install, sell and service renewable energy solutions of small and medium sizes in India.
- During the year, the company subscribed to Nil equity shares (previous year 3,52,000) of ₹ 10/- each for a total consideration of ₹ Nil (previous year ₹ 35.20) in PAE Infrastructure Pvt. Ltd. PAE Infrastructure Pvt. Ltd. is a 100% subsidiary of PAE Limited.
- The company's subsidiary Shurjo Energy Pvt. Ltd. (SEPL) has been manufacturing solar panels, an industry currently in a challenging situation worldwide. As at March 31, 2013, the accumulated losses in SEPL have exceeded its net worth by ₹ 216.74 lacs. The management has plans to diversify the activities of SEPL by introduction of trading in power back up systems to Original Equipment customers and is of the opinion that losses suffered during the initial years by SEPL are temporary in nature. In view of this, and also taking into consideration the company's long term, strategic investment in SEPL, no provision for diminution in the value of investment of ₹ 785.66 lacs is considered necessary. Also the loans and advances of ₹ 1296.62 lacs due from SEPL as at the balance sheet date are considered as fully recoverable.

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

(₹ in lacs)

Principle amount remaining unpaid and interest due thereon:

Principle amount	0.51	-
Interest accrued and due on above	0.03	-
Payment made to suppliers beyond appointed day during the year	-	-
Interest paid to suppliers under MSMED Act.	-	-
Interest due and payable to suppliers under MSMD Act towards payments already made.	-	-
Interest accrued and remaining unpaid at the end of the account year	0.03	-

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

36 Value of imports calculated on CIF basis:

i) Traded goods	1,311.18	563.58
ii) Expenditure in foreign currency:		
a) Foreign tour expenses	6.41	17.59
	6.41	17.59

- In accordance with Accounting Standard 11, the exchange loss debited to profit and loss account is ₹ 25.84 lacs (previous year ₹ 19.92 lacs).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**38 Unhedged foreign currency exposure as at year end:**

(₹ in lacs)

		March 31, 2013		March 31, 2012	
Nature of transactions	Currency	Amount in foreign currency	Equivalent amount at the year end	Amount in foreign currency	Equivalent amount at the year end
Amount payable in foreign currency for import of goods for trading	USD	65,167.67	35.78	502,393.49	259.39

39 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	March 31, 2013		March 31, 2012	
	Outstanding balance as on 31.03.2013	Maximum balance during the period	Outstanding balance as on 31.03.2012	Maximum balance during the period
Shurjo Energy Pvt. Ltd.	1,296.63	1,230.76	790.88	790.88
Sovox Renewables Pvt. Ltd.	624.51	1,318.95	911.70	1,311.03
PAE Renewables Pvt. Ltd.	6.13	6.13	-	528.13
PAE Infrastructure Pvt. Ltd.	0.34	3.10	3.00	32.48
Total	1,927.61	2,558.94	1,705.58	2,662.52

40 Revaluation of assets:

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

Particulars	(₹ in lacs)
Original Cost as at 01.12.2007	139.10
Fair Market Value as at 01.12.2007	765.50
Amount written up as at 01.12.2007	626.40
Depreciation on Revalued Portion from 01.04.2012 to 31.03.2013	22.32
Accumulated depreciation on revalued portion as on 31.03.2013	119.03
WDV as on 31.03.2013	507.37

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

As per our report attached

For and on behalf of the Board of Directors

For K.S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Satish K. Kelkar
Partner
Membership No. 38934

Dilip J. Thakkar
Director

Kartikeyan Muthuswamy
Director

Mumbai, Dated May 27, 2013

Sameer Chavan
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **PAE Limited**

We have audited the accompanying Consolidated financial statements of **PAE Limited** ("the Company"), and its Subsidiaries ("The PAE Group") which comprise the consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and Presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss Account, of the loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of certain Subsidiaries whose financial statements reflect total assets of ₹ 5019.23 lacs, Company's share in Revenue of ₹ 707 lacs and Net cash ₹ 0.60 lacs. These financial statements have been audited by other auditors whose reports(s) have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the said audited Subsidiaries, is based solely on the Reports of the other auditors.

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

Satish K. Kelkar
Partner
Membership No. 38934

Place: Mumbai
Date: May 27, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(₹ in lacs)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
I EQUITY AND LIABILITIES			
(1) Shareholders' funds:			
Share capital	2	1,451.96	951.96
Reserves and surplus	3	1,066.04	2,581.23
(2) Non-current liabilities			
Long-term borrowings	4	742.80	1,360.82
Deferred tax liabilities (net)	5	-	33.87
Other long term liabilities	6	54.39	56.22
Long-term provisions	7	117.86	112.16
(3) Current liabilities			
Short-term borrowings	8	2,554.29	4,013.21
Trade payables	9	1,418.68	188.25
Other current liabilities	10	1,410.32	2,167.00
Short-term provisions	11	146.45	176.00
TOTAL		8,962.79	11,640.72
II ASSETS			
(1) Non-current assets			
Fixed assets	12		
(i) Tangible assets		3,933.69	4,061.11
(ii) Intangible assets		686.64	868.85
Deferred tax asset		34.04	
Non-current investment	13	36.88	29.57
Long-term loans and advances	14	180.54	197.91
Other non-current assets	15	113.51	41.30
(2) Current assets			
Inventories	16	1,339.33	1,702.89
Trade receivables	17	1,747.44	3,522.07
Cash and bank balances	18	637.89	834.92
Short-term loans and advances	19	116.99	218.22
Other current assets	20	135.84	163.88
TOTAL		8,962.79	11,640.72
Significant accounting policies	1		

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

As per our report attached

For and on behalf of the Board of Directors

For K.S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Satish K. Kelkar
Partner
Membership No. 38934

Dilip J. Thakkar
Director

Kartikeyan Muthuswamy
Director

Sameer Chavan
Company Secretary

Mumbai, Dated May 27, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

Particulars	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
I. Revenue from operations	21	14,074.19	25,377.98
II. Other income	22	64.13	206.27
III. Total revenue (I+II)		<u>14,138.32</u>	<u>25,584.25</u>
IV. Expenses:			
Purchases of stock-in-trade	23	11,798.29	20,329.21
Cost of material consumed	24	53.47	944.81
(Increase)/decrease in inventory of stock-in-trade	25	217.89	1,603.39
Employee benefits expense	26	985.44	1,118.27
Finance costs	27	822.66	688.66
Depreciation and amortization expense		407.41	153.09
Other expenses	28	1,420.45	1,727.44
Total expenses		<u>15,705.61</u>	<u>26,564.87</u>
V. Profit / (loss) before tax		(1,567.29)	(980.63)
VI Tax expense			
(1) Previous year's taxes(Net)		(6.52)	(2.61)
(2) Current tax		-	1.15
(3) Deferred Tax		(67.91)	21.83
VII Profit/(loss) for the year after tax		<u>(1,492.87)</u>	<u>(1,000.99)</u>
Less: Preacquisition loss transferred to goodwill		-	278.17
Less: Minority interest	3	-	51.08
VIII Profit/(loss) for the year ended		<u>(1,492.87)</u>	<u>(671.75)</u>
IX Earnings per equity share:	29		
(1) Basic		(15.68)	(9.98)
(2) Diluted		(15.68)	(9.98)

Significant accounting policies

1

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

As per our report attached

For and on behalf of the Board of Directors

For K.S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Satish K. Kelkar
Partner
Membership No. 38934

Dilip J. Thakkar
Director

Kartikeyan Muthuswamy
Director

Sameer Chavan
Company Secretary

Mumbai, Dated May 27, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

	For the year ended March 31, 2013	For the year ended March 31, 2012
(A) Cash flow from operating activities		
Net Profit/(loss) before tax and extraordinary items	(1,567.29)	(980.63)
Adjustments for :		
Depreciation	407.41	153.09
Finance cost	822.66	688.66
Interest/dividend income	(20.10)	(29.82)
Pre-acquisition loss transfer to goodwill	-	278.17
Minority interest	-	51.08
Unrealised foreign exchange loss	0.93	-
Loss on sale of assets	1.38	0.24
Bad debts written off	48.55	61.05
	<u>1,260.83</u>	<u>1,202.47</u>
Operating profit before working capital changes	(306.47)	221.84
Adjustments for :		
Trade and other receivables	1,749.60	241.68
Short term loans and advances	101.23	658.98
Long term loans and advances	50.29	(69.83)
Inventories	363.56	1,510.22
Trade payables and other liabilities	(70.80)	1,097.93
Short term provisions	(27.70)	53.83
Long term provisions	5.70	79.53
	<u>2,171.88</u>	<u>3,572.34</u>
Cash generated from operations	1,865.41	3,794.18
Direct taxes (paid)/refunds	(28.25)	(61.91)
Net cash flow from operating activities	<u>1,837.16</u>	<u>3732.29</u>
(B) Cash flow from investing activities		
Increase in fixed assets	(125.19)	(3,449.37)
Sale of fixed assets	3.69	2.55
Purchase of investment	(7.31)	(24.79)
Sale of investments	-	0.00
(placement)/refund of bank/margin money deposits	219.35	(339.12)
Interest received	24.31	23.48
Dividend received	0.31	0.25
Net cash used in investing activities	<u>115.16</u>	<u>(3,787.00)</u>
(C) Cash flow from financing activities		
Issue of preference shares	500.00	-
Proceeds from short term borrowings (net)	(1,458.92)	443.88
Finance cost	(709.85)	(664.02)
Proceeds from long term borrowing (net)	(188.32)	504.18
Increase/(decrease) in minority interest	-	(51.08)
Dividend paid	(0.70)	(114.57)
Unpaid dividend bank balance	0.70	(4.43)
Dividend tax paid	-	(19.30)
Net cash used in financing activities	<u>(1,857.09)</u>	<u>94.66</u>
Net increase in cash and cash equivalents	95.23	39.93
Opening balance as at beginning of the year	410.99	371.07
Closing balance as at end of the year	<u>506.22</u>	<u>411.00</u>
	<u>95.23</u>	<u>39.93</u>

Notes :

1. Cash and cash equivalents as on 31.03.13 and 31.03.12 includes restricted cash of ₹ 54 lacs.
2. Previous year figures have been regrouped/reclassified wherever necessary.

As per our report attached

For and on behalf of the Board of Directors

For K.S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Satish K. Kelkar
Partner
Membership No. 38934

Dilip J. Thakkar
Director

Kartikeyan Muthuswamy
Director

Sameer Chavan
Company Secretary

Mumbai, Dated May 27, 2013

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2013.**1. SIGNIFICANT ACCOUNTING POLICIES:****(a) Principles of consolidation:**

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

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

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

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

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

* 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.

(c) Change in accounting policy:**Goodwill amortization:**

Till the previous year the goodwill arising on consolidation was not amortised but was tested for impairment as at balance sheet date. During the current year the company has decided to amortize the goodwill over a period of five years. Had the company continued not to amortize the goodwill the loss would have been lower by ₹156.01 lacs and intangible assets would have been higher by equal amount.

(d) Use of estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2013.

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.

(e) Fixed Assets and Depreciation/Amortization:**(i) Tangible fixed assets and depreciation:**

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

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

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

(ii) Intangible assets and depreciation:

Intangible assets 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	5

(f) 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.

(g) 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.

(h) Inventory:

Inventories are valued as below:

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

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

(i) Foreign currency transactions:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2013.**(j) 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.
- 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.

(k) Leases:

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

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

(l) Revenue recognition:

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

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

(m) Financial income and borrowing costs:

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

(n) Tax on income:

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

(o) Subsidy:

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

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

(p) Earning per share:

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

(q) Provisions, contingent liabilities and contingent assets:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2013.

(₹ in lacs)

As at
March 31, 2013 As at
March 31, 2012

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)	<u>2,000.00</u>	<u>2,000.00</u>

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)		
50,00,000 8% Redeemable Non-cumulative Preference Shares of ₹ 10 each fully paid up	500.00	-
(Previous Year: Nil)		
	<u>1,451.96</u>	<u>951.96</u>

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

(i) Equity shares:

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

Preference Shares:	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	-	-	-	-
Issued during the year	5,000,000	500.00	-	-
Outstanding at the end of the year	5,000,000	500.00	-	-

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

- (i) The company has equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (ii) During the year the company issued 50,00,000 8% redeemable non convertible non-cumulative preference shares of ₹ 10 each, for cash at par to the promoters.

(c) Details of equity shareholders holding more than 5% shares in the company	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
i Arvind Raoji Doshi	2,655,738	27.90%	2,655,738	27.90%
ii Pratibha Arvind Doshi	1,245,656	13.09%	1,245,656	13.09%
iii Pritam Arvind Doshi	689,536	7.24%	689,536	7.24%

(d) Details of preference shareholders holding more than 5% shares in the company	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
i Arvind Raoji Doshi	4,000,000	80%	-	0.00%
iii Pritam Arvind Doshi	1,000,000	20%	-	0.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2013.

(₹ in lacs)

	As at March 31, 2013	As at March 31, 2012
3 Reserves and surplus:		
Capital reserve	0.09	0.09
Securities premium account	531.22	531.22
Revaluation reserve	529.69	552.01
Less: Depreciation on revaluation of assets transferred to Statement of profit & loss	<u>22.32</u>	<u>22.32</u>
	507.37	529.69
General reserve:		
As per last balance sheet	842.21	842.21
Transfer from profit & loss account	<u>-</u>	<u>-</u>
	842.21	842.21
Surplus/(Deficit) in the statement of profit & loss		
Balance as per last financial statements	678.02	1,349.77
Add: Profit/(loss) for the year *	(1,492.87)	(671.75)
Net Surplus in the statement of profit & loss	<u>(814.85)</u>	<u>678.02</u>
Total reserves and surplus	<u>1,066.04</u>	<u>2,581.23</u>

* The loss exceeding the minority interest in equity amounting to ₹ 32.76 lacs (previous year ₹ 10.93 lacs) has been adjusted against majority interest in terms of Accounting Standard - 21

	As at March 31, 2013	As at March 31, 2012
4 Long - term borrowings:		
Secured :		
a Motor vehicle loan	6.72	33.48
b Term loan from bank	-	45.86
Unsecured :		
a Fixed deposits from related parties	5.00	138.00
b Fixed deposits from shareholders	13.89	61.56
c Fixed deposits from others	365.19	577.79
d From bank	<u>384.08</u>	<u>784.48</u>
	352.00	497.00
e Unsecured loan from enterprise controlled by key management personnel	<u>742.80</u>	<u>1,360.82</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 date installments due w.r.t balance sheet date	Amount of installment	Rate of Interest
Loan 1	1	185300	8.123%
Loan 2	4	11979	12.52%

- (b) During the year ₹ Nil (previous 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 1 year and 4 months with EMI of ₹ 3.31 lacs for 4 months and ₹ 1.82 lacs for 12 months respectively.
- (c) Mortgage loan of ₹ Nil (previous year ₹ 70 lacs) was taken from Jain Sahakari Bank Ltd. and carries interest @14.50% p.a. The loan is repayable in 36 equated monthly installments each along with interest, from the date of the loan. The loan is secured by buildings belonging to PAE Limited and PAE Infrastructure Pvt. Ltd. and cash collateral of ₹ 5 lacs.
- (d) During the current year, a term loan of ₹ 706 lacs was taken from Power Finance Corporation Limited towards solar power plant in Rajasthan. This loan carries and interest 13.75% p.a. and is repayable in 40 quarterly equated installments. The loan is secured by plant and machinery of the solar power plant in Rajasthan and immovable property at Rajkot.
- (e) Fixed deposits from related parties carry interest @ 11% to 11.75% p.a. (Previous Year 11% to 11.75% p.a.) and are repayable after 3 years from the respective dates of deposit.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2013.

- (f) Fixed deposits from shareholders and others carry interest ranging from 11% to 11.75% p.a. (Previous Year 11% to 11.75% p.a.) and are repayable after 2 years and 3 years from the respective dates of deposit.
- (g) During the year, unsecured loan of ₹ Nil (previous year ₹ 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 5 months with EMI of ₹ 1.50 lacs.
- (h) Unsecured loan from related party carries interest ranging from 14% to 16.50% p.a. and has a tenure of 3 years.

	As at March 31, 2013	As at March 31, 2012
5 Deferred tax liability (net):		
Deferred tax asset:		
Provision for employee benefits	0.50	15.05
Others	48.86	2.59
	<u>49.36</u>	<u>17.64</u>
Deferred tax liability:		
Depreciation	(15.32)	(47.71)
Net deferred tax (liability)/asset	34.04	(30.07)
Deferred tax asset/(liability) recognised during the year	67.91	(21.83)
Deferred tax asset/(liability) at the year end	<u>34.04</u>	<u>(33.87)</u>
6 Other long - term liabilities:		
Sundry creditors for expenses	54.39	56.22
Total	<u>54.39</u>	<u>56.22</u>
7 Long - term provisions:		
Provision for employee benefits:		
Leave Encashment	35.62	37.36
Gratuity	82.24	74.80
	<u>117.86</u>	<u>112.16</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 (Refer note (a) below)	1,748.91	2,739.89
	<u>1,748.91</u>	<u>2,739.89</u>
Unsecured:		
a Fixed deposits from shareholders	-	5.20
b Fixed deposits from others	10.23	30.72
	<u>10.23</u>	<u>35.92</u>
Inter-corporate deposit	137.00	273.00
Loan from bank	658.15	454.91
Loan from others	-	509.49
	<u>2,554.29</u>	<u>4,013.21</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, movable and investment properties. The working capital from banks carry interest of @14.50%, 15.75% and 16.75% p.a.		
(b) Inter-corporate deposits are having a tenure of 90 days to 120 days and carry interest @16.50% to 17.25% p.a. (previous year 13.50% to 17.75% p.a.)		
(c) Fixed deposits from others and shareholders carry interest ranging from 11% to 11.75% p.a. (Previous Year 10% to 10.75% p.a.)		
Other current liabilities:		
9 Trade payables (including acceptances)	1,418.68	188.25
10 Other liabilities:		
a Current maturities of long term debts:		
i Current maturity of motor vehicle loan	25.59	78.95
ii Current maturity of unsecured loan from bank	7.13	28.10
iii Current maturity of fixed deposits from related parties	138.00	5.00
iv Current maturity of fixed deposits from shareholders	48.59	14.31

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2013.

(₹ in lacs)

	As at March 31, 2013	As at March 31, 2012
v Current maturity of fixed deposits from public	325.02	82.61
vi Current maturity of mortgage loan	94.34	-
b Interest accrued but not due	137.44	24.64
c Unclaimed dividend *	25.37	26.07
d Unclaimed matured fixed deposits	9.80	3.20
e Other Payables:		
Sundry creditors for expenses	340.02	1,634.39
Sundry creditors for capital purchase	-	3.81
Dealer Deposits	120.53	89.91
Rent Deposit	6.75	3.45
Advance from customers	36.54	47.40
Statutory dues payable	95.20	125.15
	<u>1,410.32</u>	<u>2,167.00</u>

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

11 Short Term Provisions:

a Provision for employee benefits:		
Leave encashment	15.80	17.37
Gratuity	36.26	35.39
	<u>52.06</u>	<u>52.76</u>
b Provision for taxation (net of taxes paid):		
Income tax	-	1.84
	<u>-</u>	<u>1.84</u>
c Provision for warranties	94.39	121.41
	<u>146.45</u>	<u>176.00</u>

Note No 12 : Fixed Asset

GROSS BLOCK						DEPRECIATION / AMORTISATION					NET BLOCK	
Particulars	As at 01.04.2012	Added on Revaluation	Additions this year	Sales this year	As at 31.03.2013	As at 01.04.2012	Adjustment on Revaluation	Depreciation this year	Sales this year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible assets												
Land	60.71	-	-	-	60.71	-	-	-	-	-	60.71	60.71
Building	1,164.09	-	24.51	-	1,188.60	207.71	22.32	22.06	-	252.09	936.51	956.38
Plant and Machinery	2,875.18	-	86.34	0.08	2,961.44	85.63	-	142.91	0.08	2,28.45	2,732.99	2,789.55
Electrical Installation	15.65	-	-	-	15.65	5.43	-	1.43	-	6.86	8.79	10.22
Furniture and Fixtures	225.96	-	2.25	2.17	226.04	153.01	-	13.57	1.89	164.69	61.35	72.95
Office Equipment	120.49	-	4.78	2.53	122.74	57.05	-	10.29	1.99	65.35	57.39	63.45
Computers	221.13	-	3.74	16.12	208.75	180.85	-	17.31	14.42	183.74	25.01	40.28
Motor Vehicles	162.64	-	0.02	6.28	156.38	95.06	-	17.09	3.73	108.42	47.96	67.58
Other Renewal energy Devices	-	-	3.09	-	3.09	-	-	0.10	-	0.10	2.99	-
Sub Total	4,845.85	-	124.73	27.18	4,943.40	784.73	22.32	224.76	22.11	1,009.71	3,933.69	4,061.11
Previous year 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	
Intangible assets												
Goodwill	779.58	-	0.46	-	780.04	-	-	156.01	-	156.01	624.03	779.58
Technical Knowhow	79.46	-	-	-	79.46	33.89	-	10.25	-	44.14	35.32	45.58
IEC certification	35.52	-	-	-	35.52	21.29	-	5.47	-	26.76	8.76	14.23
Software	70.10	-	-	-	70.10	40.63	-	10.94	-	51.57	18.53	29.47
Sub Total	964.66	-	0.46	-	965.12	95.81	-	182.67	-	278.48	686.64	868.85
Previous year total	538.20		426.46		964.66	58.12		37.69		95.81	868.85	
Total	5,810.51	-	125.19	27.18	5,908.51	880.55	22.32	407.43	22.11	1,288.18	4,620.33	4,929.96
Previous year 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	

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2013.

		(₹ in lacs)	
		As at March 31, 2013	As at March 31, 2012
13 Non Current Investment (at cost):			
a Investment property:			
Land at Rajasthan		22.19	22.19
Property at Rajkot		7.23	-
		<u>29.42</u>	<u>22.19</u>
b 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.		1.18	1.18
8000 (Previous Year: 8,000 shares) equity shares of ₹ 10 each fully paid			
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
1000 (Previous Year: 500 shares) equity shares of ₹ 1 each fully paid		<u>3.53</u>	<u>3.53</u>
c Other investments (Unquoted):			
Jain Sahakari Bank Ltd.		2.53	2.53
40 (Previous Year: 10120) 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: 1200 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
		<u>2.55</u>	<u>2.55</u>
Investment in Mutual Funds			
8,000 Units of Unit Trust of India Balance Fund		1.38	1.30
(Previous Year 7,648 units)			
		<u>1.38</u>	<u>1.30</u>
Total		<u><u>36.88</u></u>	<u><u>29.57</u></u>
Aggregate Book Value of Investments:			
Quoted Investments		3.53	3.53
Unquoted Investments		119.30	111.99
Less: Provision for diminution in value		<u>85.95</u>	<u>85.95</u>
(Market value of quoted investments ₹ 10.85 lacs		<u>36.88</u>	<u>29.57</u>
& Previous Year: ₹ 15.53 lacs)			
14 Long-term loans & advances:			
Unsecured considered good:			
a Capital advances:		4.56	5.59
b Sundry deposits		142.31	113.80
c PAE Employees' group gratuity fund		-	77.76
e Other advances		0.75	0.76
f Advance income tax		<u>32.92</u>	-
		<u><u>180.54</u></u>	<u><u>197.91</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2013.

	(₹ in lacs)	
	As at March 31, 2013	As at March 31, 2012
15 Other non current assets:		
Non current bank balances:		
a Margin money deposits with bank	6.57	28.30
b Other deposits with bank	21.98	13.00
c Store & spare	84.96	-
	<u>113.51</u>	<u>41.30</u>
16 Inventories:		
Raw material	82.27	135.71
Packing material	3.46	3.49
<u>Work-in-progress</u>		
Solar photovoltaic panel	14.49	17.01
Finished / traded goods	1,218.22	1,433.58
Stores and spares	4.08	4.08
Goods-in-transit(at cost):	16.81	109.02
	<u>1,339.33</u>	<u>1,702.89</u>
17 Trade Receivables: (Unsecured, considered good unless otherwise stated)		
a Outstanding over six months	241.97	20.73
b Others	1,505.47	3,501.34
	<u>1,747.44</u>	<u>3,522.07</u>
18 Cash and Bank Balances:		
a Cash and cash equivalents:		
1 Balances with Banks:		
i On current accounts	200.10	117.32
ii Fixed deposits with maturity of upto three months	13.00	2.00
2 Cash / stamps on hand	23.75	9.47
3 Cheques deposited in CMS facility	152.23	95.71
4 Cheques/ drafts on hand	117.14	186.49
	<u>506.22</u>	<u>410.99</u>
b Other bank balances:		
i Margin money deposits with maturity of less than/upto three months	26.13	46.08
ii Unpaid dividend account	25.37	26.07
iii Deposits with maturity of more than 3 months and upto 12 months	54.20	74.00
iv Margin money deposit with maturity of more than 3 months and upto 12 months	25.97	277.78
	<u>131.67</u>	<u>423.93</u>
	<u>637.89</u>	<u>834.92</u>
(a) Margin money deposits with maturity of less than/upto three months is against letter of credit and bank guarantees.		
(b) Margin money deposits with maturity more than three months and upto 12 months is against buyer's credit and bank guarantees.		
(c) Deposits with maturity of more than three months and upto 12 months of ₹ 54.00 lacs (previous year ₹ 54.00 lacs) is kept as collateral against cash credit limits with banks.		
19 Short-term loans & advances:		
Unsecured considered good:		
Others:		
i Sundry deposits	26.73	47.14
ii Advances receivable in cash or kind or for value to be received	90.26	171.08
	<u>116.99</u>	<u>218.22</u>
20 Other current assets:		
a Claims/incentives receivable	24.71	121.41
b PAE employees' group gratuity fund	107.07	35.39
c Subsidy receivable from MNRE	1.50	-
d Interest accrued but not due	2.56	7.08
	<u>135.84</u>	<u>163.88</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2013.

(₹ in lacs)

	For the year ended March 31, 2013	For the year ended March 31, 2012
21 Revenue from operations:		
Net Sale of traded goods less returns	13,865.72	24,891.17
Other operating revenues:		
Incentive/turnover discounts from suppliers	147.95	248.43
Cash discount from suppliers	22.63	217.55
Bad debts recovered	15.02	3.72
Subsidy on solar projects	1.50	
Others	21.37	17.11
	<u>208.47</u>	<u>486.81</u>
	<u>14,074.19</u>	<u>25,377.98</u>
Details of traded goods:		
Power products	8,478.70	15,991.56
Other auto products	4,861.25	7,417.13
Solar products	152.28	1,478.71
Solar power generation	373.49	3.77
	<u>13,865.72</u>	<u>24,891.17</u>
22 Other income:		
Interest	19.79	110.05
Rent income	13.34	45.10
Dividend earned	0.31	0.25
Previous years' provision written back	-	43.88
Other non operating income	30.69	6.99
	<u>64.13</u>	<u>206.27</u>
23 Details of purchase of traded goods:		
Power products	7,461.33	13,074.14
Other auto products	4,227.13	6,879.68
Solar products	109.83	375.39
	<u>11,798.29</u>	<u>20,329.21</u>
24 Cost of material consumed:		
Opening stock :		
Raw material	135.71	119.56
Packing material	3.49	3.92
	<u>139.20</u>	<u>123.48</u>
Add: Purchases :		
Raw material	-	953.01
Packing material	-	7.52
	<u>-</u>	<u>960.53</u>
Less: Stock at Close :		
Raw Material	82.27	135.71
Packing Material	3.46	3.49
	<u>85.73</u>	<u>139.20</u>
	<u>53.47</u>	<u>944.81</u>
Details of material consumed:		
Solar cells	10.94	614.94
Solar tempered glass	6.03	57.52
Aluminium extruded profile	5.45	39.51
EVADNP sheet	5.81	69.01
Tape	10.45	74.79
Others	14.78	89.04
	<u>53.47</u>	<u>944.81</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2013.

(₹ in lacs)

	For the year ended March 31, 2013	For the year ended March 31, 2012
25 Changes in inventories Stock-in-trade:		
Closing stock	1,232.70	1,450.59
Opening stock	1,450.59	3,053.98
(Increase)/decrease in stock	217.89	1,603.39
Details of Inventory:		
Traded goods		
Power products	854.77	777.32
Other auto products	255.61	585.03
Solar products	122.32	88.24
	1,232.70	1,450.59
26 Employee benefits expense:		
Salaries and wages	836.75	961.57
Contribution to provident and other funds	76.62	72.34
Staff welfare expenses	72.07	84.36
	985.44	1,118.27
27 Finance costs:		
Interest expense	710.51	617.72
Bank charges	112.15	52.45
Exchange difference to the extent considered as an adjustment to borrowing costs	-	18.49
	822.66	688.66
28 Other expenses:		
Stationery, postage, advertisement, telephone, electricity, etc.	565.44	566.67
Clearing and forwarding agency charges	64.72	130.36
Packing and forwarding (inward & outward)	254.48	342.48
Rent	122.14	124.05
Rates & taxes	59.54	95.70
Cash discount	33.16	57.21
Incentive/turnover discounts	31.41	60.06
Repairs to:		
a) Buildings	6.51	7.34
b) Others	39.86	44.41
	46.37	51.75
Insurance	22.71	20.96
Payment to auditor:		
As Auditor:		
a) Audit fees	13.34	14.69
b) Tax audit fees	2.45	2.38
c) Limited review	-	6.62
d) Other services(certification fee)	8.47	1.89
e) For reimbursement of expenses	0.63	0.23
	24.89	25.81
Miscellaneous expenses	116.00	147.25
Foreign currency fluctuation(net)	27.07	13.37
Directors' fees	2.59	2.44
Loss on assets sold/discarded(net)	1.38	1.05
Bad debts written off	48.55	61.05
Consumption of stores and spare parts	-	10.15
Power & fuel	-	17.08
	1,420.45	1,727.44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2013.

(₹ in lacs)

	For the year ended March 31, 2013	For the year ended March 31, 2012
--	---	---

29 Earnings per share (EPS):

Profit after tax	(1,492.87)	(949.92)
Weighted average number of equity share outstanding	95.20	95.20
Basic and diluted earnings per share (in Rupees)	(15.68)	(9.98)

30 Contingent liabilities:

Contingent liabilities not provided for in respect of :

- Disputed sales tax demand of ₹ 149.01 lacs (previous year ₹ 59.88 lacs). The management has been advised that there will be no liability arising on this account.
- Disputed excise duty of ₹ 15.63 lacs (previous year ₹ 1.83 lacs) under Central Excise Act, 1944 is pending with Asst. Commissioner, Central Excise, Kalyani.
- Disputed service tax demand of ₹ 5.35 lacs (previous year ₹ 5.35 lacs).
- Counter indemnities given by the Company in respect of guarantees issued by the banks ₹ 48.14 lacs (previous year ₹ 91.96 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 Pvt Ltd and PAE Renewables Pvt. Ltd respectively (previous year ₹ 350 lacs and ₹ 100 lacs for secured loan availed by its subsidiary Shurjo Energy Pvt. Ltd. and PAE Renewables Pvt Ltd respectively.)

31 Segment information:

The company has defined its business segments as power products, other auto products and solar products, taking into account the nature of products, and differential risks and returns.

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

(₹ in lacs)

	Particulars	Year ended 31.03.2013	Year ended 31.03.2012
A	SEGMENT REVENUE		
1	Sales (Net of VAT) and Operating Income		
	Power products	8591.78	16142.20
	Other auto products	4918.75	7732.31
	Solar products	152.28	1478.87
	Solar power generation	373.49	3.77
	Unallocated operating income	37.89	20.83
	Net sales and operating income A	14074.19	25377.98
B	RESULT		
1	Segment Result		
	Power products	1207.90	1423.91
	Other auto products	362.20	893.10
	Solar products	23.07	158.96
	Solar power generation	373.49	3.77
	Unallocated operating income	37.89	20.83
	Gross segment result B	2004.55	2500.57
2	Less: allocated expenses		
	Power products	1053.77	1337.06
	Other auto products	568.06	425.33
	Solar products	120.02	353.78
	Solar power generation	116.75	8.37
	Total allocated expenses C	1858.60	2124.54
3	Net segment result B-C	145.95	376.03
	Less:		
4	Unallocated expenses(net)	483.17	514.91
5	Depreciation	407.41	153.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2013.

(₹ in lacs)

6	Finance expense	822.66	688.66
7	Profit/(loss) from ordinary activities	(1567.29)	(980.63)
8	Net Profit/(loss) before Tax	(1567.29)	(980.63)
9	Segment Assets		
	Power products	2,008	2,096.06
	Other auto products	742.75	1,553.17
	Solar products	422.38	1,987.60
	Solar power generation	3,322.77	3,129.54
	Unallocated assets	2,467.26	2,874.35
	Total Assets	8,962.80	11,640.72
10	Segment Liabilities		
	Power products	543	-
	Other auto products	764.31	376.39
	Solar products	190.58	708.66
	Solar power generation	837.51	1,384.35
	Unallocated liabilities	4,109.01	5,638.13
	Total	6,444.78	8,107.53

31 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).

32 Related party disclosure as per AS-18**A Particulars of Enterprises controlled by any person described as Key Management Personnel:****Name of the Related Party****Nature of Relationship**

Rajubai Investment Pvt. Ltd.

Assure Insurance Advisors Pvt. Ltd.

Walchand Institute of Technology

Seth Sakharan Nemchand Jain

Aushadhalay Trust

Arvind R. Doshi HUF

Pritam A. Doshi HUF

Controlled through key management personnel

B Key Management Personnel:**Name of the Related Party****Nature of Relationship**

Shri Arvind R. Doshi

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

Miss Nitya P. Doshi

Daughter of Shri Pritam A. Doshi

D Details of Transactions with Related Parties:

Particulars	Enterprises mentioned in 'A' above	Key Management Personnel	Relatives of Key Management Personnel
Remuneration			
Mr. Arvind R. Doshi	-	60.00	-
	-	(58.65)	-
Mr. Pritam A. Doshi	-	34.04	-
	-	(34.22)	-
Sale of goods			
Seth Sakharan Nemchand Jain Aushadhalay Trust	8.96	-	-
	(0.00)	-	-
Advance received towards sale of goods			
Walchand Institute of Technology	10.00	-	-
	(0.00)	-	-
Interest on deposits			
Arvind R. Doshi HUF	7.40	-	-
	(7.40)	-	-
Pritam A. Doshi HUF	3.08	-	-
	(3.08)	-	-
Mrs. Pratibha A. Doshi	-	-	3.59
	-	-	(3.59)
Ms. Priyadarshani A. Doshi	-	-	0.33
	-	-	(0.33)
Nitya P. Doshi	-	-	0.08
	-	-	(0.08)
ICD Received			
Rajubai Investment Pvt. Ltd.	400.00	-	-
	(375.00)	-	-
Interest paid on ICD			
Rajubai Investment Pvt. Ltd.	123.23	-	-
	(41.64)	-	-
ICD repaid			
Rajubai Investment Pvt. Ltd.	545.00	-	-
	(78.00)	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2013.

(₹ in lacs)

Amount outstanding on balance sheet date	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
Fixed Deposits Outstanding			
Arvind R. Doshi HUF	74.00 (74.00)	-	-
Pritam A. Doshi HUF	30.00 (30.00)	-	-
Mrs. Pratibha A. Doshi	-	-	35.00 (35.00)
Mrs. Priyadarshani A. Doshi	-	-	3.25 (3.25)
Nitya P. Doshi	-	-	0.75 (0.75)
Interest payable (net of TDS)			
Rajubai Investment Pvt. Ltd.	132.29 (21.38)	-	-
ICD outstanding			
Rajubai Investment Pvt. Ltd.	352.00 (497.00)	-	-
Outstanding debit/(credit)			
Seth Sakham Nemchand Jain Aushadhalay Trust	3.96 (0.00)	-	-
Walchand Institute of Technology	(10.00) (0.00)	-	-

Figures for the previous year have been given in brackets.

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

As per our report attached

For and on behalf of the Board of Directors

For K.S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Satish K. Kelkar
Partner
Membership No. 38934

Dilip J. Thakkar
Director

Kartikeyan Muthuswamy
Director

Sameer Chavan
Company Secretary

Mumbai, Dated May 27, 2013

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, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
B) Shares of the subsidiary held by PAE Limited on the above dates:						
1) Number and face value	38,785,424 shares of ₹ 1/- each fully paid up	93,85,000 shares of ₹ 10/- each fully paid up	19,10,072 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, 2013 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, 2013 amounted to						
- for the subsidiaries financial year ended as in A above	(289.03)	(52.04)	23.73	(35.20)	(29.31)	0.12

* 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	(673.22)	1,307.77	1,524.51	-	179.44	(289.03)	-	(289.03)	-
2	PAE Renewables Private Limited	938.50	192.68	1,269.33	138.15	2.51	133.55	(52.47)	(0.43)	(52.04)	-
3	PAE Renewables Pte Limited, Singapore	914.14	12.51	935.10	8.45	-	-	23.73	-	23.73	-
4	Sovox Renewables Pte Limited, Singapore	310.81	(78.01)	720.97	488.17	-	-	(35.20)	-	(35.20)	-
5	Sovox Renewables Private Limited	946.09	(78.26)	3,384.41	2,516.58	29.42	373.49	(96.79)	(67.48)	(29.31)	-
6	PAE Infrastructure Private Limited	35.20	(2.01)	33.64	0.45	0.01	1.92	0.12	-	0.12	-

For and on behalf of the Board of Directors

Arvind R. Doshi
Executive Chairman

Pritam A. Doshi
Managing Director

Dilip J. Thakkar
Director

Kartikeyan Muthuswamy
Director

Sameer Chavan
Company Secretary

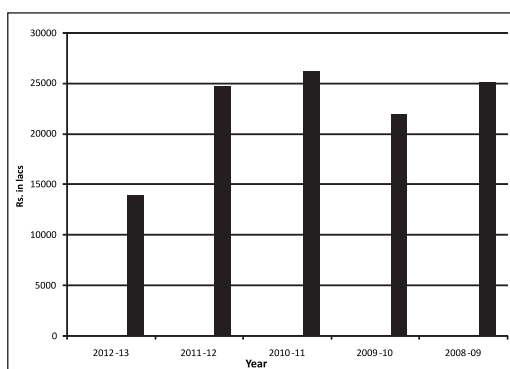
Mumbai, Dated May 27, 2013

Financial Analysis

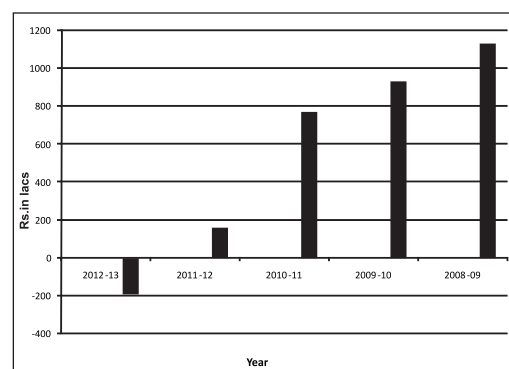
₹ in Lacs

Year ending	2012-13	2011-12	2010-11	2009-10	2008-09
Profitability Items					
Gross Income	1,3902	2,4715	2,6213	2,1918	2,5082
PBDIT & Exceptional Income	(192)	160	772	932	1131
EBIDITA	(192)	160	772	932	1131
Depreciation	69	90	102	81	92
Interest	691	653	248	126	194
PBT	(952)	(583)	422	725	845
Taxes	(7)	(15)	133	250	309
PAT	(945)	(568)	289	475	536
Dividend (including tax on dividend distribution)	-	-	138	206	167
Balance Sheet Items					
Net Fixed Assets	892	979	1,049	988	1,048
Investments	2,002	1,542	574	612	180
Net Current and Net Non Current Assets	2,476	5,029	6,823	2,977	3,136
Total Capital Employed	5,370	7,550	8,446	4,577	4,364
Shareholders Funds	3,285	3,753	4,342	4,214	3,967
Borrowings (net)	2,085	3,797	4,092	346	379
Deferred Tax Liability	-	-	12	17	18
Sources of Funds	5,370	7,550	8,446	4,577	4,364
Ratios					
Book Value Per Share	34.51	39.42	45.61	44.27	41.67
CEPS	(9.20)	(5.02)	4.11	5.84	6.60
EPS	(9.93)	(5.97)	3.03	4.99	5.63

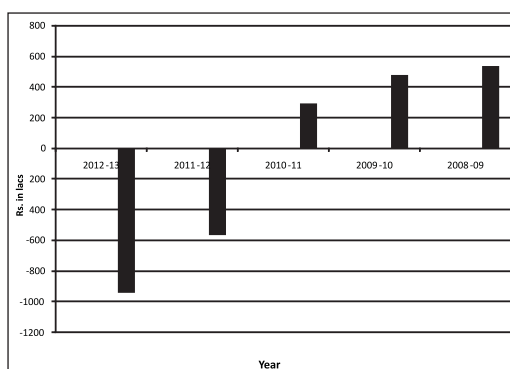
Gross Income



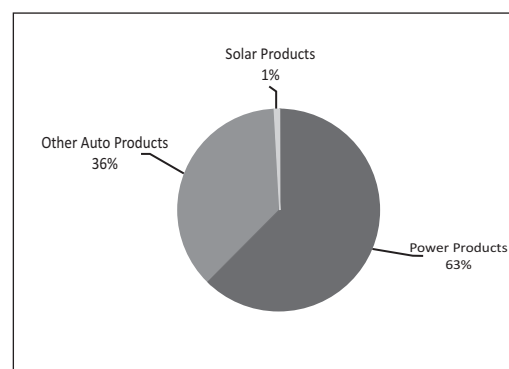
EBIDTA



Profit after tax



Net Sales Breakup





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

PROXY FORM

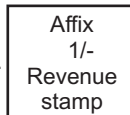
DP Id *	
Client Id*	

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 THIRD ANNUAL GENERAL MEETING of the said Company to be held on Tuesday,
30th July, 2013 at 3.30 p.m., at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Mumbai
400 001 and at any adjournment thereof.

Signed this day of2013.

Signature (s) of
the Member (s).....

Folio No.....



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

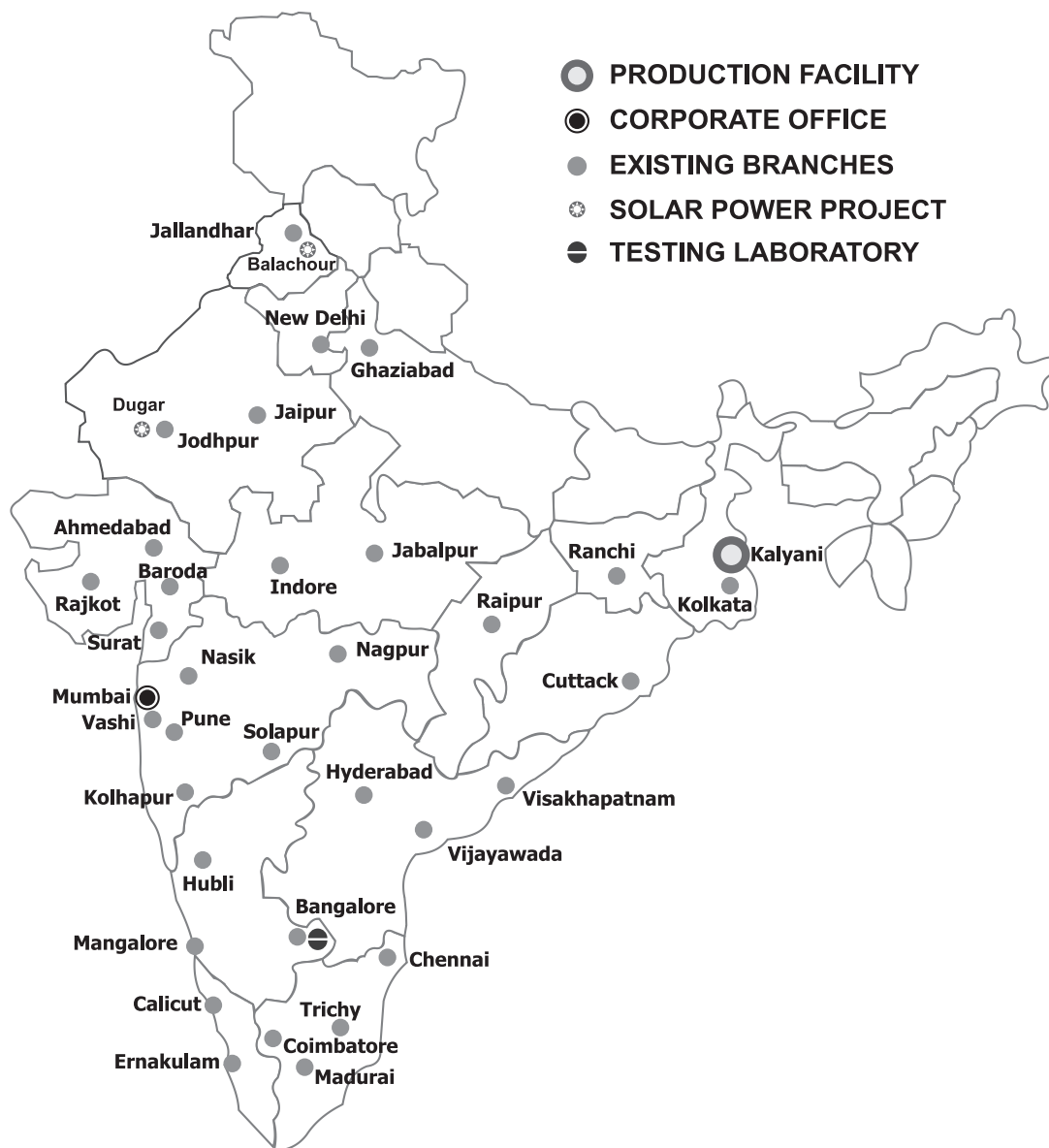
I hereby record my presence of the SIXTY THIRD ANNUAL GENERAL MEETING at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Mumbai 400 001 on Tuesday, 30th July, 2013 at 3.30 p.m.

Name of the Member	DP Id*	
Folio No.	Client Id*	

..... Name or 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



BOOK-POST



If undelivered please return to:
PAE LIMITED
 69, Tardeo Road, Mumbai - 400 034



FORM A

1.	Name of the company	PAE Limited
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Unqualified/Matter of Emphasis [✓]
4.	Frequency of observation	Appeared first time.
5.	Signed By:	
	a. Shri Pritam A. Doshi – Managing Director and Head – Finance	<u>Pritam A. Doshi</u>
	b. For K.S. Aiyar & Co – Shri Satish Kelkar – Statutory Auditor	<u>Satish Kelkar</u>
	c. Shri. Dilip J. Thakkar – Chairman of Audit Committee	<u>D. J. Thakkar</u>

Place: Mumbai

Dated: 27th May, 2013

PAE LIMITED