



Sec:23

July 12, 2017

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.
Script Code : 517230

National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051.
Script Code : PAEL

Dear Sir(s),

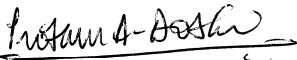
Sub: Uploading of 67th Annual Report pertaining to the year 2016-2017

Further to our letter Ref. Sec:17 dated July 10, 2017, we are uploading PDF file of 67th Annual Report pertaining to the year 2016-2017.

This is for your information and request, you to take the same on your records.

Thanking you,

Very truly yours,
For PAE Limited



Pritam A. Doshi
Managing Director
DIN:00015302



PAE LIMITED

Registered office: 69, Tardeo Road, Mumbai - 400 034 • Phone: +91 22 66185799 • Fax: +91 22 66185757 • www.paeltd.com
CIN: L99999MH1950PLC008152

PAE LIMITED

67th Annual Report 2016-2017



Company Information

Board of Directors

Mr. Arvind R. Doshi - Chairman

Mr. Pritam A. Doshi - Managing Director

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

Mr. John O. Band - Independent Director

Mr. Karthikeyan Muthuswamy - Independent Director

Management Team and Key Managerial Personnel (KMP)

Mr. Pritam A. Doshi - Managing Director and Head Finance

Mr. Shashikumar Nair - Head-HR & Administration

Annual General Meeting	Bankers
Day : Friday Date : July 28, 2017 Time : 11.00 a.m. Venue : The Victoria Memorial School for the Blind, 73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai - 400 034.	State Bank of India Corporation Bank
	Auditors M/s. R. C. Vakharia & Company, Chartered Accountants, (Statutory Auditors) M/s. Leena Agrawal & Company Practicing Company Secretary (Secretarial Auditors)
Registrar and Share Transfer Agent	Registered and Corporate Office
M/s. Link Intime India Private Limited C-101, 247, Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 Phone : 022 49186270 Fax: 022 49186060 Email : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in	CIN : L99999MH1950PLC008152 Regd. Off. : 69, Tardeo Road, Mumbai - 400034, Maharashtra, India Telephone : +91-22-6618 5799 Fax : +91-22-6618 5757 Website : www.paeltd.com Email : investors@paeltd.com

NOTICE

NOTICE is hereby given that the 67th Annual General Meeting of the members of **PAE LIMITED** will be held on 28.7.2017 at The Victoria Memorial School for the Blind, 73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai-400034 at 11.00 a.m. to transact the following businesses:

ORDINARY BUSINESSSES:

- To Consider and approve Financial Statements consist of Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ended on that date.
- To appoint a director in place of Dr. Mrs. Pratibha A. Doshi (holding DIN No. 00519766) Director of the Company who retires by rotation and being eligible offers herself for re-appointment.
- To appoint M/s. R. C. Vakharia & Company, Chartered Accountants, Mumbai, (having Firm Registration no. 111237W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration and out of pocket expenses as may be mutually agreed by them with the Board of Directors.

SPECIAL BUSINESSSES:

- To consider and if thought fit, to pass, with or without modification, if any, the following resolution as a **Special Resolution**:-

"RESOLVED THAT subject to the approval of the Members of the Company and pursuant to the provisions of Section 180(1)(a), 188 and 110 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meeting of Board and its Power) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) (**"the Act"**), the Board of Directors (**"the Board"**) accords its consent to sell M/s. Shurjo Energy Private Limited the step down subsidiary of the Company, including the present movable property comprised in Shurjo Energy Pvt. Ltd., and THAT to transfer 4,56,47,658 Shares of Shurjo Energy Pvt. Ltd., held in its name by M/s. PAE Limited, as the case may be on such terms and conditions, at such time or times and in such forms and manner and with such ranking as to priority, **to the third party or proposed buyer/s or their nominees** or to the Company in which they are Directors/Members at the consideration/price as may be negotiated and mutually agreed by the Board and the proposed buyer;

RESOLVED FURTHER THAT Mr. Arvind R. Doshi, Chairman and/or Mr. Pritam A. Doshi, Managing Director of M/s. PAE Limited be and is hereby severally authorized to negotiate, finalize the terms with the proposed buyer including the price and to finalize, sign and execute for and on behalf of the Company the Agreement for Sale, Memorandum of Understanding, Share Purchase Agreement and such other deeds, agreements, undertakings, writings, etc. as may be required in this regard;

RESOLVED FURTHER THAT all the decision/action taken by Mr. Arvind R. Doshi, Chairman and/or Mr. Pritam A. Doshi, Managing Director of M/s. PAE Limited and its management in connection with any of the matter referred to or contemplated in the above resolutions be and are hereby agreed, approved, ratified and confirmed in all respect by the Board;

RESOLVED FURTHER THAT certified true copy of this resolution be furnished to the concerned authorities by any one of the Directors of the Company as and when required"

- To consider and if thought fit, to pass, with or without modification, if any, the following resolution as a **Special Resolution**:-

"RESOLVED THAT subject to the approval of the Members of the Company and pursuant to the provisions of Section 180(1)(a), 188 and 110 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meeting of Board and its Power) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) (**"the Act"**), the Board of Directors (**"the Board"**) accords its consent to sell M/s. PAE Infrastructure Private Limited subsidiary Company, including the present movable property comprised in PAE Infrastructure Private Limited, and THAT to transfer 3,52,000 Shares of PAE Infrastructure Private Limited, held in its name by M/s. PAE Limited and as the case may be on such terms and conditions, at such time or times and in such forms and manner and with such ranking as to priority to the Promoter/Promoter Group of the Company or **to the third party** or to the prospective buyer/s **or their nominees** or to the Company in which they are Directors/Members at the consideration/price as may be negotiated and mutually agreed by the Board and the proposed buyer/s;

RESOLVED FURTHER THAT Mr. Arvind R. Doshi, Chairman and/or Mr. Pritam A. Doshi, Managing Director of M/s. PAE Limited be and is hereby severally authorized to negotiate, finalize the terms with the proposed buyer/s including the price and to finalize, sign and execute for

and on behalf of the Company the Agreement for Sale, Memorandum of Understanding, Share Purchase Agreement and such other deeds, agreements, undertakings, writings, etc. as may be required in this regard;

RESOLVED FURTHER THAT all the decision/action taken by Mr. Arvind R. Doshi, Chairman and/or Mr. Pritam A. Doshi, Managing Director of M/s. PAE Limited and its management in connection with any of the matter referred to or contemplated in the above resolutions be and are hereby agreed, approved, ratified and confirmed in all respect by the Board;

RESOLVED FURTHER THAT certified true copy of this resolution be furnished to the concerned authorities by any one of the Directors of the Company as and when required"

- To consider and if thought fit, to pass, with or without modification, if any, the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to Sections 42 and 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendments to or re-enactment thereof) (**"Act"**), and subject to applicable provisions of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (**the "ICDR Regulations"**), as applicable and such other statutes, notifications, circulars, rules and regulations as may be applicable and relevant, each as amended or restated and the Memorandum and Articles of Association of the Company, as amended and subject to such approvals, consents, permissions and sanctions, if any, of the Government of India, Central or State as the case may be (**the "GOI"**), the Reserve Bank of India (**the "RBI"**), the Securities and Exchange Board of India (**the "SEBI"**), the concerned Registrar of Companies (**the "ROC"**), the concerned Stock Exchanges and other regulatory authority as may be required under applicable law or regulation and subject to such conditions as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions and such other consents and approvals, if any, as may be necessary and subject to such conditions and modifications as may be prescribed in granting such consents and approvals the consent of the members be and is hereby accorded to create, offer, issue and allot 5,20,000 share warrants Convertible into 5,20,000 equity shares of Rs. 10/- each fully paid up, in one of more tranches, to the promoters or promoters group on preferential allotment basis, at a price, which shall not be lower than the price determined in accordance with the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, to the following allottees:

Sr. No.	Name of Promoters	No. of Share Warrants
1.	Mr. Pritam A. Doshi	2,60,000
2.	Mrs. Pratibha A. Doshi	2,60,000
	Total	5,20,000

RESOLVED FURTHER THAT relevant date for the purpose of issue of warrants convertible into equity shares as per Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended upto date for determination of the applicable price of equity shares arising out of conversion of warrants will be June 28, 2017 being 30 days prior to the date of 67th Annual General meeting i.e. July 28, 2017 thus, the relevant date for calculating the conversion price of the said shares is June 28, 2017.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and matters flowing from, connected with and incidental to any of the matters mentioned in the aforesaid resolution, the Board be and is hereby authorized to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue / offer or allotment or conversion of the aforesaid warrants, listing thereof with stock exchange(s) and to resolve and settle all questions and difficulties that may arise in the proposed issue/ offer, allotment and conversion of any of the aforesaid warrants, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT Board of directors of the company be and are hereby authorized to issue and allot such number of Securities as may be required, including issue and allotment of equity shares upon conversion of any warrants referred to above or as may be necessary in accordance with the terms of the offer, and all such equity shares shall be ranking pari passu and inter-se with the then existing equity shares of the Company in all respects including dividend;

RESOLVED FURTHER THAT the Board be authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee or Sub-Committee of Directors or the Chairperson or any other Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution, with the power to such Committee/sub-Committee of the Board to further delegate all or any of its powers/duties to any of its members."

Item No. 5 : Approval of Related Party Transaction under Section 188 of the Companies Act, 2013:

To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any of the Companies Act, 2013 and relevant Rules made there under including any statutory modification(s) or re-enactment thereof, for the time being in force, Consent of the members be and is hereby accorded to the Board of Directors of the Company to enter into an agreement with promoter or promoter group for sale of PAE Infrastructure Private Limited a wholly owned subsidiary of the company at a fair value which will be negotiated and mutually agreed by the Board and the proposed buyer on such terms and conditions and with such modifications as may be required by the concerned authority or as the board of the company may deem fit and appropriate in the interest of the Company.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto for giving effect to the aforementioned resolution."

For PAE Limited

Sd/-
Pritam A. Doshi
Managing Director
DIN:00015302

CIN:L99999MH1950PLC008152
Regd. Off.: 69, Tardeo Road, Mumbai-400034.
Phone: 022-66185799 Fax No.:022-66185757.
Web.: www.paeltld.com
Email : investors@paeltld.com

Date: May 29, 2017
Place: Mumbai

SPECIAL BUSINESS:

- To consider and if thought fit, to pass, with or without modification, if any, the following resolution as a **Special Resolution**:-

"RESOLVED THAT subject to the approval of the Members of the Company and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meeting of Board and its Power) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) ("**the Act**"), the Board of Directors ("**the Board**") accords its consent to convert its subsidiary Company M/s. PAE Infrastructure Private Limited into a Limited Liability Partnership and also enjoy other benefits of a LLP under Limited Liability Partnership Act, 2008;

RESOLVED FURTHER THAT Mr. Arvind R. Doshi, Chairman and/or Mr. Pritam A. Doshi, Managing Director of the Company be and is hereby authorised to sign and execute applications, forms, undertaking, Agreement and any other requisite documents, writings and deed as may be deemed necessary or expedient as and when required and complete all the formalities as may be necessary in this regard; the Company will adhere to lot of compliances which can be dispensed with and it is in the interest of the Company to convert its subsidiary Company namely PAE Infrastructure Private Limited into a Limited Liability Partnership;

RESOLVED FURTHER THAT subject to approval of members consent is hereby accorded for the conversion of the Company into Limited Liability Partnership under the name and style of PAE INFRASTRUCTURE LLP such as may be approved by the statutory authorities, subject to such approvals as may be deemed necessary;

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorised to sign digitally the prescribed e-Form and file the same with the Registrar of Companies, Mumbai and to do all such matters, things, acts as may be necessary and expedient to do to give effect to this resolution;

RESOLVED FURTHER THAT a certified true copy of this resolution be furnished by any one of the Directors of the Company to the concerned Authorities."

For PAE Limited

Sd/-
Pritam A. Doshi
Managing Director
DIN:00015302

CIN:L99999MH1950PLC008152
Regd. Off.: 69, Tardeo Road, Mumbai-400034.
Phone: 022-66185799 Fax No.:022-66185757.
Web.: www.paeltld.com
Email : investors@paeltld.com

Date: June 27, 2017
Place: Mumbai

NOTES:

- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Ordinary/Special Businesses to be transacted at the Annual General Meeting is annexed hereto.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

- The instrument(s) appointing a proxy, if any shall be deposited at the Registered Office of the Company at 69, Tardeo Road, Mumbai-400034 not less than 48 hours before the commencement of the meeting.

A person acting as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying voting rights. A member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- Members are requested to intimate the Registrar and Share Transfer Agent of the Company-Link Intime India Private Ltd, immediately of any change in their address on respect of equity shares held in physical mode and to their Depository Participants (DP) in respect of equity shares held in dematerialized form.

- Members holding share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant share certificates to the Registrar and Share Transfer Agent of the Company.

- The Register of Members and Share Transfer books of the Company will remain closed from Tuesday July 24, 2017 to Friday July 28, 2017 (both days inclusive).

- Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to Sections 124(5) and other applicable provisions, if any, of the Companies Act, 2013, all unclaimed/unpaid dividends, remaining unclaimed for a period of seven (7) years from the date it became due for payment, in relation to the Company have to be transferred to IEPF and no claim shall lie against the Company for the amounts so transferred. Members who have not yet encashed their dividend warrant(s) pertaining to final dividend for the financial year 2009-10 are requested to make their claim without any delay. It may be noted that the unclaimed final dividend for the financial year 2009-10 declared by the Company on July 31, 2010 can be claimed by the shareholders by September 15, 2017 and any request for claim received after this date, will be considered as not received.

- According to the Circular nos.17/2011 dated 21.4.2011 and no.18/2011 dated 29.4.2011 on "Green Initiative in Corporate Governance" issued by the Ministry of Corporate Affairs introducing paperless compliances allowing service of documents through electronic mode. The Companies are now permitted to send various notices/documents to its shareholders through electronic mode which would be sufficient compliance under Section 53 of the Companies Act, 1956. In order to support the Green Initiative, Notice of AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company /Depositories, unless Member has requested

for a physical copy of the same. Members who have not registered their e-mail addresses, physical copies are being sent to them by the permitted mode.

To support Green Initiative the Members who have not registered their e-mail address are requested to register the same with our Registrars & Transfer Agents, M/s. Link Intime India Pvt. Ltd., C-101, 247, Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 or with their respective Depositories.

8. Investor Grievance Redressal:

The Company has designated an exclusive e-mail ID viz. investors@paeltld.com to enable investors to register their complaints, if any.

9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, Members have been provided with the facility to cast their vote electronically, through the evoting services provided by Central Depository Services Limited, on all resolutions set forth in this notice.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24.7.2017 (9.00 a.m. IST) and ends on 26.7.2017 (5.00 p.m. IST) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21 July, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Now, select the "PAE Limited" form the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For members holding shares in demat form and physical form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for PAE Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of member receiving the physical copy:

- (A) Please follow all steps from sl. no.(i) to sl. No (xviii) above to cast vote.
- (B) The voting period begins on 24.7.2017 (9.00 a.m. IST) and ends on 26.7.2017 (5.00 p.m. IST). During these period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. July 21, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut – off date and not casting their votes electronically, may cast their vote at the AGM venue, facility will be available at the venue. The results of e-voting will be placed by the Company on the website: www.paeltld.com within two days of the AGM and also communicated to the stock exchanges, where the shares of the Company are listed.

10. The resolutions proposed will be deemed to have been passed on the date of AGM subject to receipt of number of votes in favour of the resolutions.

11. M/s. Leena Agrawal & Co., Practicing Company Secretary, (Membership No.: FCS 6607) has been appointed as the Scrutinizer to scrutinize the e-voting process.
12. In terms of Clause 35B of the Listing Agreement, those members, who do not access to e-voting facility, may send their assent or dissent in writing on the Ballot Form sent along with this AGM Notice so as to reach the Scrutinizer at the Address- M/s. Leena Agrawal & Co., Practicing Company Secretary, (Membership No.: FCS 6607) C/o. Link Intime India Private Limited (Unit: PAE Limited), at C-101, 247, Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 on or before July 26, 2017. Any Ballot Form received after 5.00 p.m. on July 26, 2017 will be treated as the reply from the member has not been received.
13. Voting will be provided to the members through e-voting and / or at the venue of the Meeting. A member can opt for only one mode of voting i.e. either through e-voting or ballot. If a member cast votes by both modes, then voting done through e-voting shall prevail and the ballot shall be treated as invalid.
14. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Registered office on all working days of the Company between 10.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting except Saturday, Sundays and Public holidays.
15. Members/Proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report to the Meeting.

ANNEXURE TO NOTICE:

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is annexed hereto.

Item No. 4: Explanatory statement for sale of Shurjo Energy Pvt. Ltd.

The Company holds 99.98% of the shareholding in Shurjo Energy Private Limited, a Wholly Owned Subsidiary (WOS) i.e. 4,56,47,658 shares of Rs.1/- each in view of recurring losses and avoid the consequences thereof on the core business of PAE Limited and considering the present financial constraints, the company has been exploring options to sell shares of Shurjo Energy Private Limited with the intent to improve the capital structure.

It is thus proposed to dispose-off the investment of the Company in the WOS by way of sale of 99.98% shareholding of the Company based on the fair valuation of shares / Assets to the third party / prospective buyer/s for an aggregate consideration of not less than as per valuation backed by an Independent Valuer/s.

The proceeds from the sale of the WOS are proposed to be used for the purpose of repayment of Creditors and Outstanding Liabilities of the Company. The approval of the members is being sought under Section 180(1)(a) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges for the sale of the WOS by way of transfer of shares. In terms of Section 180(1)(a) of the Companies Act, 2013, the Board may sell or otherwise dispose of the whole of an undertaking of the company only with the consent of the members by way of special resolution. As the disposal of 99.98% shareholding in the WOS by the Company may be deemed to be sale or otherwise disposal of 99.98% of an undertaking, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, consent of the Members by way of Special Resolution is being sought for transfer of the entire investment of the WOS Company. The Board of Directors is of the opinion that the proposed sale of 99.98% investment of the Company in the WOS is in the overall interest of the Company. The proposed special resolutions provide adequate flexibility and discretion to the Board to finalise the terms of the sale in consultation with advisors, experts or other authorities as may be required.

The Board recommends the resolution as set out in the Notice for approval by the shareholders.

Item No. 5 :Explanatory statement for sale of PAE Infrastructure Pvt. Ltd.

The Company holds 100% of the shareholding in PAE Infrastructure Private Limited a wholly owned Subsidiary (WOS) i.e. 3,52,000 shares of Rs.10/- each comprising value of Rs.3,520,000.00. Considering the present financial constraints, the company has been exploring options to sell shares of PAE Infrastructure Private Limited with the intent to improve the capital structure.

It is thus proposed to dispose-off the investment of the WOS Company by way of the sale of 100% of the shareholding of the Company to a third party/ prospective buyer/s and/or promoter / promoters group or their nominees for an aggregate consideration of not less than as per valuation backed by an Independent Valuer. The proceeds from the sale of the WOS are proposed to be used for the purpose of repayment of Creditors and Outstanding Liabilities of the Company. The approval of the members is being sought under Section 180(1)(a) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges for the sale of the WOS by way of transfer of shares. In terms of Section 180(1)(a) of the Companies Act, 2013, the Board may sell, lease or otherwise dispose of the whole of an undertaking of the company only with the consent of the members by way of special resolution. As the disposal of 100% shareholding in the WOS by the Company may be deemed to be sale or otherwise disposal of whole of an undertaking, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, consent of the Members by way of Special Resolution is being sought for transfer of the entire investment of the WOS Company. The Board of Directors is of the opinion that the proposed sale of the entire investment of the Company in the WOS is in the overall interest of the

Company. The proposed special resolutions provide adequate flexibility and discretion to the Board to finalise the terms of the sale in consultation with advisors, experts or other authorities as may be required.

None of the Director, Key Managerial Personnel or their relatives, either directly or indirectly in any way concerned or interested in the above resolution except Mr. Arvind R. Doshi, Mr. Pritam A. Doshi and Mrs. Pratibha A. Doshi (promoters) by virtue of their position as Directors and Managing Director in the Company.

The Board recommends the resolution as set out in the Notice for approval by the shareholders.

Item No.6: Issue of 5,20,000 share warrants to Promoter/Promoter group

- A. Material Facts relating to the Preferential Allotment, In terms of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all the material facts relating to the Item No.8 of the accompanying Notice dated May 29, 2017.
 1. Pursuant to the provision of Section 55 of the Companies Act, 2013, redemption of preference shares shall be made out of profits which otherwise be available for dividend or out of proceeds of a fresh issue of shares. Hence in view of inadequacy of profit, the company proposed to issue Share Warrants to promoters or promoters group and proceeds thereof will be utilized for funding redemption of existing 11% Non-convertible, Cumulative, Redeemable Preference shares (NCRPS).
 2. The Board of Directors of the Company, at its meeting held on May 29, 2017, subject to necessary approval(s), has approved the proposal for issuing 5,20,000 warrants convertible into equity shares through preferential offer to investors who are Promoters or Promoters Group. The price, at which such warrants shall be converted over a period of 18 months from the date of allotment shall be the price determined as per the provision of Regulation 76 of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 (SEBI (ICDR) Regulations, 2009).
 3. The Equity Shares allotted on exercise of option by Warrant holder pursuant to the above Resolution shall rank pari- passu in all respects with the existing Equity Shares of the Company.
 4. Pursuant to provisions of Section 62 of Companies Act, 2013, any offer or issue of warrants / shares of the Company to persons other than the exiting holders of the equity shares of a Company requires prior approval of the Shareholders in general meeting by a Special Resolution.
 5. The preferential allotment of Securities to investors who are Promoters would be strictly in accordance with Chapter VII of the SEBI (ICDR) Regulations, 2009 and the following parameters would be subject to such changes as may be required to conform to the SEBI (ICDR) Regulations, 2009. The Preferential issue would comprise of 5,20,000 Warrants with a right exercisable by the Warrant holder to subscribe for one Equity Share per Warrant. The holders of the Warrants shall have the option to exercise the Warrants to subscribe to Equity Shares of the Company within eighteen months of its allotment.
 6. The pricing of the warrants to be allotted on preferential basis to investors who are Promoters shall not be lower than the price determined in accordance with the SEBI (ICDR) Regulations, 2009.
 7. The Equity shares arising out of exercise of right attached to the warrant(s) to be allotted to investors who are Promoters pursuant to the proposed Special Resolution shall be subject to lock-in for such period from the date of allotment of such shares, consistent with SEBI (ICDR) Regulations, 2009.

B. The details of the issue and other particulars as required in terms of SEBI (ICDR) Regulations, 2009 in relation to the resolution proposed under Item No.8 are given as under:

(i) The Objects of the issue through preferential offer:

The proceeds of the preferential offer are proposed to be used for funding redemption of 11% Non-Convertible, Cumulative, Redeemable Preference Shares.

(ii) The intention of the promoters/directors/key management persons to subscribe to the offer:

The preferential issue is being made to the investors who are Promoters. As such this resolution is being sought to approve subscription to the warrants by the Promoters who are being offered through this resolution.

The existing promoters and management team will continue to remain in the management. Further, the composition of the present Board of Directors is not expected to undergo any change.

(iii) The Company hereby undertakes that:

a) It would re-compute the price of the Securities specified above in terms of the provisions of the SEBI (ICDR) Regulations, 2009 where it is required to do so.

b) If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, 2009, the above specified securities shall continue to be locked in till the time such amount is paid by allottees.

(iv) Securities to be issued:

The resolution set out at Item No. 6 of the accompanying Notice authorises the Board to issue to the Promoters, upto 5,20,000 warrants entitling the holder of each warrant to apply for and obtain allotment of one equity share of face value of Rs.10/- each against each warrant in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009.

(v) Relevant Date:

The Relevant Date for the purpose of determining the pricing of shares arising out of Warrants in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 is June 27, 2017 or June 28, 2017 (i.e. 30 days prior to the date of the Annual General Meeting)

(vi) Terms of Issue of Warrants to Investors who are Non Promoters:

- The proposed allottees of Warrants shall, on the date of allotment, pay an amount equivalent to at least 25% of the price fixed per warrant in terms of the SEBI, (ICDR) Regulations, 2009.
- The holder of each warrant will be entitled to apply for and obtain allotment of one equity share of face value of Rs. 10/- each of the Company against each Warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the warrant holder(s) shall pay the balance of the consideration towards the subscription to each equity share. The amount so paid will be adjusted/ set-off against the issue price of the resultant Equity shares.
- If the entitlement against the warrants to apply for the equity shares is not exercised within the aforesaid period, the entitlement of the warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
- Upon receipt of the requisite payment as above, the Board (or a Committee thereof) shall allot one equity share per warrant by appropriating Rs.10/- towards equity share capital and the balance amount paid against each warrant, towards the securities premium.
- In the event of the Company making a bonus issue by way of capitalization of its reserves, prior to allotment of Equity shares resulting from the exercise of the option under the warrants, the number of shares to be allotted against such warrants shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium shall stand reduced proportionately.

6. In the event of the Company making a rights offer by way of issue of new equity shares prior to allotment of Equity shares resulting from the exercise of the option under the warrants, the entitlement of the Equity shares under the warrants shall stand increased in the same proportion in the rights offer and such additional equity shares will be offered to the warrant holder(s) at the same price at which the existing shareholders are offered equity shares.

7. The warrant(s) by itself until converted into equity shares, does not give to the holder(s) thereof any rights with respect to that of a shareholder of the Company except as specified above.

8. The equity shares issued as above shall rank pari passu in all respects including with respect to dividend, with the then fully paid up equity shares of the Company, subject however to the provisions of the Memorandum and Articles of Association of the Company.

(vii) Particulars of Subscribers to Warrants:

The Company proposes to issue Warrants by way of preferential issue to the promoters as per the details given herein below:

Sr. No.	Names of proposed Warrant holders	Pre Preferential Allotment		Post Preferential Allotment(*)	
		No. of Shares	% of Total Voting Rights	No. of Warrants/ Shares	% of Total Voting Rights
1.	Pritam A. Doshi	1395199	13.3902	1655199	15.1303
2.	Pratibha A. Doshi	1695656	16.2738	1955656	17.8768
TOTAL		3090855	29.6640	3610855	33.0071

(*) Assuming full conversion of Warrants in to Equity shares.

(viii) Under subscription, if any:

Any of the warrants issued as above, that may remain unsubscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any person/entity/investor as mentioned hereinabove, on the same terms and conditions.

(ix) Shareholding Pattern Pre and Post Preferential Offer:

The Shareholding pattern giving the present position as also considering full allotment of warrants to the investors who are Promoters and equity shares arising out of the conversion thereof, as per Resolution 4 of the Notice are given below:-

Category of Shareholders	Pre-Allotment (As on March 31, 2017)		Post allotment of Equity Shares on exercise of Warrants (assuming full conversion)	
	Total No. of Shares	% of Total Voting Rights	Total No. of shares	% of Total Voting Rights
Promoters/Promoters' Group	5774963	55.42	6294963	57.54%
Foreign Investors/	75550	0.73	75550	0.69
Mutual Funds / UTI/ Banks	1200	0.01	1200	0.01
Banks, Insurance Companies etc.	15225	0.15	15525	0.14
Foreign Institutional Investors	1625	0.02	1625	0.01
Other Bodies Corporate	385000	3.69	385000	3.52
Non Resident Indians	43348	0.42	43348	0.40
Public	4069144	39.05	4069144	37.20
Others – clearing Members	53545	0.51	53545	0.49
Total	10419600	100	10939600	100

(x) Proposed time within which the allotment shall be completed:-

As required under the SEBI (ICDR) Regulations, 2009, the Company shall complete the allotment(s) of warrants as aforesaid on or before the expiry of 15 days from the date of passing of this resolution by the shareholders granting consent for preferential issue or in the event allotment of warrants would require any approval(s) from any regulatory authority or the Central Government, within 15 (fifteen) days from the date of such approval(s), as the case may be.

(xi) Others:

The certificate of the Statutory Auditors to the effect that the present preferential offer is being made in accordance with the requirements contained in Chapter VII of the SEBI (ICDR) Regulations, 2009 shall be open for inspection at the Registered office of the Company on all working days except Sundays between 11.00 a.m. to 1.00 p.m. prior to the date of the declaration of the result of the Postal Ballot.

As it is proposed to issue warrants on preferential basis, special resolution is required to be approved by members pursuant to the provisions of Section 62 and 42 of the Companies Act, 2013 and Chapter VII of the SEBI (ICDR) Regulations, 2009 and other applicable provisions (if any).

The Board of Directors recommends the passing of this resolution as mentioned in Item No.7 as a Special Resolution.

None of the directors is interested except to the extent of their shareholding.

Item No.5: Approval of Related Party Transaction under Section 188 of the Companies Act, 2013:

Members of the Company are further requested to note that Section 188(1) of the Companies Act, 2013 read with the relevant rules made thereunder required any transaction entered into between related parties for 'selling or otherwise disposing of, or buying, property of any kind' where the amount involved exceeds 10% of Net worth, to be approved by the members of the Company by way of Special Resolution. PAE Infrastructure Private Limited, being a wholly owned subsidiary of the company is a related party of the Company.

The Third proviso to Section 188(1) of the Companies Act, 2013, states that Section 188(1) shall not apply to any transaction entered into by the company in its ordinary course of business, on an arm's length basis.

Accordingly, even though the proposed transaction of the sale and transfer of wholly owned subsidiary to promoter of promoters group, based on the valuation arrived by independent valuer. Since the transaction could be construed as being outside ordinary course of business, the approval of the members of the Company under section 188 of the Companies Act, 2013 is being sought by way of a Special Resolution for said transaction.

The particulars of transaction which is proposed to be entered into by the Company are provided in brief, herein below:

Nature of Transaction as per Sec. 188 of the Companies Act, 2013	Name of the Directors / KMP who is/are related and nature of relationship	Name of the related party	Amount (Rs. in Lacs)
To enter into agreement for sale of wholly owned subsidiary to the promoter or promoter group	Mr. Arvind R. Doshi (Director), Promoter Mr. Pritam A. Doshi (Managing Director), Promoter and Mrs. Pratibha A. Doshi (Director), Promoter	PAE Infrastructure Private Limited	

None of the Director, Key Managerial Personnel or their relatives, either directly or indirectly in any way concerned or interested in the above resolution except Mr. Arvind R. Doshi, Mr. Pritam A. Doshi and Mrs. Pratibha A. Doshi by virtue of their position as Directors and Managing Director in the Company.

**By Order of the Board
For PAE Limited**

sd/-
Pritam A. Doshi
Managing Director
DIN: 00015302

Date: May 29, 2017
Place: Mumbai

ANNEXURE TO NOTICE:

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is annexed hereto.

Item No. 7: Conversion M/s. PAE Infrastructure Private Limited, into a Limited Liability Partnership as per Act, 2008, Subsidiary Company,

The Company would either like to sell PAE Infrastructure Private Limited its subsidiary company or convert it into a Limited Liability Partnership, i.e., PAE Infrastructure LLP.

It is therefore suggested that the name of its subsidiary Company be considered for conversion of **M/S. PAE INFRASTRUCTURE PRIVATE LIMITED** under Limited Liability Partnership Act, 2008. There is need to take an approval of the shareholders vide special resolution and hence this agenda will be incorporated in the forthcoming Annual General Meeting of the Company for approval of its shareholders.

The conversation of the name of its subsidiary Company into a Limited Liability Partnership, i.e., PAE Infrastructure LLP, and the proposed Special resolution will adhere to lot of compliances which can be dispensed with and it is in the interest of the Company to convert its subsidiary Company namely PAE Infrastructure Private Limited into a Limited Liability Partnership.

The Board recommends the resolution as set out in the Notice for approval by the shareholders.

**By Order of the Board
For PAE Limited**

sd/-
Pritam A. Doshi
Managing Director
DIN: 00015302

Date: June 27, 2017
Place: Mumbai

DIRECTORS' REPORT

To,
The Members,

Your Directors presents their 67th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

STATE OF COMPANY'S AFFAIRS:

Your Company is in the business of sales and service of **Lead Storage Batteries**, Power Backup Systems and Automotive parts. It had a nationwide network of 19 sales offices and warehouses and staff of 120 providing sales and services to the customers' across India. From the month of November, 2016 the Company has shrunk its business and closed down most of the branches and many staff members have resigned.

In the **Lead Storage Battery** segment, your Company markets its own brands of automotive and non-automotive batteries. Your Company markets a premium range of batteries known as ZENIDE and ZENIDE GOLD and it also markets Autozen and POWERZEN standard range of batteries. These batteries are sold to end-users, OE customers and to battery dealers and power solution providers across India. PAE also provides battery charging service to its customers. The range of batteries includes automotive, motorcycle, tubular and sealed-maintenance-free and valve-regulated lead acid batteries.

Batteries sold across India are supported by its high-quality and prompt service network as well as its dealer network that is present in almost every state of India. The warranty claims process is built on a technology platform that enables customers to make warranty or service claims and gives suggestions by SMS, on its website as well as a toll free number.

Your company provides value to the manufacturer by reducing market risk, parts obsolescence risk and credit risk. Your company is in a better position to cater to rapid changes in the marketplace by keeping purchase and sales decision-making at the regional level. Further, using an advance and ever-changing information technology system, your company is able to adapt to market changes quickly.

FINANCIAL RESULTS:

The financial highlights of the year are: (Rs. in Lacs)

Particulars	Standalone		Consolidated	
	March 2017	March 2016	March 2017	March 2016
Income from operation	63	1315	63	1590
Other Income	137	43	147	45
Total Income	200	1358	210	1635
Profit/(loss) before Interest, Depreciation, Tax and Exceptional Items	(411)	(903)	(415)	(909)
Less Interest Expenses	95	220	95	236
Less Depreciation	24	43	37	207
Less Exceptional Items	0	2577	(650)	1576
Profit/(loss) before Tax	(530)	(3743)	104	(2928)
Less Provision for Taxation	0	0	1	(5)
Net Profit/(Loss) after Tax	(530)	(3743)	103	(2923)

During the financial year 2016-17 the total income was Rs.200 lacs as compared to last year's total income of Rs.1358 lacs. Loss before Tax was Rs.530 lacs in the current year as compared to Rs.3743 lacs in the previous year. This was due to the decrease in sales on account of difficult market condition, financial crunch and challenging situation worldwide.

DIVIDEND AND BOOK CLOSURE:

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

The register of members and share transfer books will remain close from Monday, July 24, 2017 to Friday 28, July, 2017 (both days inclusive) for the 67th Annual General Meeting of the Company scheduled to be convened on 28th July, 2017 at The Victoria Memorial School for the Blind, 73, Tardeo Road, Next H. P. Petrol Pump, Mumbai-400 034.

FINANCIAL SITUATION:-

Reserves & Surplus

As at March 31, 2017 Reserves and Surplus amounted to Rs. (Minus) 4918.81 lacs as compared to (Minus) Rs.4353.59 lacs of previous year. The said scenario is due to inadequate profitability during the year under review and contribution of losses by the wholly owned subsidiaries.

Long Term Borrowings

The Long Term Borrowings is Rs. NIL compared to Rs. NIL as at March 31, 2016.

Short Term Borrowings

The Short Term Borrowings has increased to Rs.2524.47 lacs as at March 31, 2017 as compared to Rs.2202.64 lacs as at March 31, 2016.

Fixed Asset

Net Fixed Assets as at March 31, 2017 have decreased to Rs.466.93 lacs as compared to Rs.539.67 lacs in the previous year.

Investments

Investments are at Rs. 62.53 lacs as on March 31, 2017 as compared to last year Rs. 70.26 lacs.

SHARES CAPITAL:

Authorised Capital

The current Authorised Share Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty Five Crores) divided into 1,50,00,000 (One Crore Fifty lacs) Equity shares of Rs.10/- each and 1,00,00,000 (One Crore) Preference shares of Rs.10/- each.

Equity Shares

The paid up Equity share capital of the Company as on March 31, 2017 was Rs.10,41,96,000/- comprising of 1,04,19,600 equity shares of Rs. 10/- each.

Preference Shares

The paid up Preference share capital of the Company as on March 31, 2017 was Rs.9,10,00,000/- comprising of 91,00,000 11% Non-Convertible, Cumulative, Redeemable Preference shares of Rs.10/- each.

MEETINGS OF BOARD OF DIRECTORS:

The Board normally meets once in a quarter and additional meetings are held as and when required. During the year, the Board of Directors met 6 times i.e. on May 28, 2016, June 7, 2016, August 11, 2016, September 23, 2016, November 14, 2016 and February 13, 2017. The dates of Board Meetings were generally decided in advance with adequate notice to all Board Members.

INDEPENDENT DIRECTORS:

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received declarations from Mr. Karthikeyan Muthuswamy and Mr. John O Band, Independent Directors confirming that they meet the criteria of independence as specified in Section 149(6) of the Act.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION PURSUANT TO SECTION 178(3) OF THE COMPANIES ACT, 2013:

The Board of Directors of your Company in consultation with Nomination and Remuneration Committee had formulated and adopted Code for Independent Directors and which contains policy on director's appointment and remuneration including criteria for determining qualification, positive attributes and independence of directors.

Board of Directors of the Company duly consider appointment of the Directors in adherence with the policy prescribed under the code of independent directors and provisions of section 178(3) of the Companies Act, 2013.

AUDIT COMMITTEE:

The Company has an Independent Audit Committee comprising of 3 members i.e. 2 Independent Directors and 1 Executive 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. Terms of reference of the Audit committee are elaborated in the Corporate Governance report which forms the part of this Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors confirms that:

- in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating

LOANS MADE, GUARANTEES GIVEN OR INVESTMENTS IN SECURITIES BY THE COMPANY:

Particulars of loans made, guarantees given or investments in securities by the Company are provided in the Note 18 of notes to the Financial Statements.

PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES IN A PRESCRIBED FORM ALONGWITH THE JUSTIFICATION FOR ENTERING INTO SUCH CONTRACT OR ARRANGEMENT:

During the year there were no related party transactions of material nature that may have a potential conflict with interests of the Company, all transactions with related parties were in the normal course of business. On recommendation of Audit Committee the Board ratifies all the related party transactions on quarterly basis. The details of the transactions are annexed herewith as 'Annexure- I' in the prescribed form AOC-2

MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments done by management affecting the financial position of the Company between the end of the financial year of the company to which the financial statements relates and the date of the report.

CONSOLIDATED FINANCIAL STATEMENT:

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements, the audited consolidated financial statement is provided in the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company as it is suffering losses for more than three consecutive years; hence disclosure in this regard is not provided.

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES (SECTION 177(10)):

The Board of directors of the Company believes in conducting all its affairs in a fair and transparent manner, by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The directors are committed to comply with the laws and regulations to which it is subject. For this, it has put in place systems, policies and procedures to interpret and apply these laws and regulations in the organizational environment. In consonance with the object of transparency and good governance, the board of directors of the company formulated and adopted "Whistle Blower Policy and Vigil Mechanism"

The organization's internal controls and operating procedures are intended to detect and prevent improper activities. In this regard, the Company believes in developing a culture where it is safe for all the Directors/Employees to raise concerns about any poor or unacceptable practice and any event of misconduct. These help to strengthen and promote ethical practices and ethical treatment of all those who work in and with the organization.

The main objective of this Policy is to provide a platform to Directors and Employees to raise concerns regarding any irregularity, misconduct or unethical matters / dealings within the group which have a negative bearing on the organization either financially or otherwise.

RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEES REMUNERATION (SECTION 197(12)):

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the companies (appointment and Remuneration of managerial personnel) rules, 2014 are provided in 'Annexure-II' to the Board's Report.

MANAGERIAL REMUNERATION AND RELATED DISCLOSURES:

Disclosures pertaining to remuneration to directors and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

Pertaining to the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the board of directors do hereby declare that:

- (i) No employee throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;
- (ii) No employee for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;
- (iii) No employee throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

SUBSIDIARY COMPANIES:

The Company has two unlisted subsidiary companies namely PAE Infrastructure Private Limited and Shurjo Energy Private Limited are the wholly owned subsidiaries of the Company.

Shurjo Energy Limited (SEPL):

SEPL has been manufacturing solar panels and industry currently in a challenging situation worldwide. During the year SEPL reported a turnover of Rs.4.94 lacs compared to Rs.0.16 lacs last year during the year 2016.

PAE Infrastructure Private Limited ("PAE Infra"):

PAE Infra achieved higher turnover of Rs.5.77 lacs as compared to last year turnover of Rs.2.40 lacs. The net profit accordingly high amounting to Rs.4.20 lacs as compared to last year's net profit of Rs. 0.75 lacs.

Pursuant to Section 129(3) read with rule 5 of Companies (Accounts) Rules, 2014, the Statement containing salient features of the financial statement of subsidiary companies is provided in the Annual Report as per Form AOC-1.

DEPOSITS COVERED UNDER CHAPTER-V OF THE COMPANIES ACT, 2013:

The Company has to pay an amount of Rs.137.75 lacs for the period under review. The deposits pending for due will be repaid on the respective due dates as per the terms of acceptance of the same, in terms of explanation to Rule 19 of the Companies (Acceptance of Deposits) Rules, 2014.

During the year, the Company has not accepted any new deposits from public in terms of section 73 of the Companies Act, 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosures) Requirements, 2015, is presented in a separate section forming part of the Annual Report.

STATUTORY AUDITORS

M/s. R. C. Vakharia & Co., Chartered Accountants, the Auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting and eligible for re-appointment.

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

The Audit Committee and the Board of Directors therefore recommend the appointment of M/s. R. C. Vakharia & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2017-2018 for the approval of the Members.

AUDITORS' REPORT

Further, the report of independent auditors on standalone and consolidated financial statements are presented in a separate section forming part of the Annual Report.

SECRETARIAL AUDIT REPORT

The Company undertaken Secretarial Audit for the year 2016-17 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Agreement and Regulations and Guidelines prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999. The Secretarial Audit Report issued by M/s. Leena Agrawal & Company, Practicing Company Secretary is enclosed herewith as Annexure-II.

HUMAN RESOURCES

Company considers its employees as most valuable resource and ensures strategic alignment of Human Resource practices to business priorities and objectives. The Company has a dedicated team of employees at various locations across our corporate office and branch offices (including Subsidiary Companies) spread across the country. The Company strives to inculcate the culture where its employees are motivated and their performance is aligned with values. Company has achieved this present level of excellence through the commitment and dedication exhibited by its employees. The focus on improving productivity and adoption of best practices in every area are being pursued relentlessly. An effort for active participation, nurturing creativity and innovation and ensuring a climate of synergy and enthusiasm has been at the core of Human Resource initiatives and interventions.

INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENT.

Your Company has adequate internal financial control and adopted Internal Financial Control Policy in order to maintain confidentiality of price sensitive information and internal financial control.

RISK MANAGEMENT

The Company has 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. Risk management is an ongoing process and the Audit Committee will periodically review risk mitigation measures. The Board of Directors has not

constituted a Risk Management Committee as is not mandatory to the company vide circular bearing number CIR/CFD/POLICY CELL/7/2014 issued by SEBI dated September 15, 2014.

The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

ACKNOWLEDGEMENTS

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

**For and on behalf of the
Board of Directors**

**Sd/-
Arvind R. Doshi
Chairman**

Date: May 29, 2017

Annexure to the Directors Report

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appropriate and Remuneration of managerial personnel) rules, 2014.

Name of Director/KMP and designation	Remuneration of Director/KMP for the financial year 2016-2017	Last year remuneration 2015-2016	% increase to Remuneration in the Financial Year 2015-2016	Ratio of remuneration of each Director/to median remuneration of employees	Comparison of the Remuneration of KMP against the performance of the Company
Pritam A. Doshi, Managing Director	44,99,500	44,99,500	Nil	Nil	Nil
Arvind A. Doshi, Chairman	Nil	Nil	Nil	Nil	
Pratibha A. Doshi	Nil	Nil	Nil	Nil	
John O. Band	Nil	Nil	Nil	Nil	
Karthikeyan Muthuswamy	Nil	Nil	Nil	Nil	
Total	44,99,500	44,99,500	Nil	Nil	

MANAGEMENT DISCUSSION & ANALYSIS

PAE Ltd was incorporated in the year 1950 and is one among those few names in the industry that need no introduction. It's a journey of over 67 years of achieving milestones and setting standards, which has become inevitable with the growth in the industry. Investing substantially in the creation of path breaking technologies, implemented and introduced some of the most mission-critical solutions in the battery, inverter and UPS industry.

The fact is that PAE Batteries, today, a well-known name in Automotive and Tubular stationary batteries for automotive vehicles, UPS system, inverters across India.

Corporate Philosophy

Our company philosophy has always focused on customer satisfaction with uncompromising integrity. PAE carries products and services with the finest value and quality in the market. To meet our customers' expectations, we ensure that our sales people and customer service representatives generate enthusiasm and respond with extra efforts in addressing our customers' needs.

Business Scenario

Since 2013, PAE has had to face shortfall of working capital due to various issues including lenders shrinking their credit limits, new Companies Act of 2013 making it more difficult for small and mid-sized companies to raise money from Fixed Deposits, high rates of interest in the ICD market, etc. As a result of these financial challenges, PAE could not maintain its revenues over the break-even sales threshold, further as a distribution company, cutting the size of its network was also detrimental.

The management has been trying various alternatives to manage the business, but due to ongoing financial challenges, it has had to finally reduce its footprint to lower its operating expenses and survive the current situation. It has managed so far by selling various fixed assets, investments and also cutting costs.

The management still believes in the business and the aftermarket as a great potential for creating value for all stakeholders, however, the company will have to maintain a temporary hiatus from operating some of its branches.

We continue to look for investors who can infuse liquidity into the Company.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

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

Annexure-III of the Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the financial year ended 31st March, 2016.
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)
of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- 1) CIN : L99999MH1950PLC008152
- 2) Registration Date : 13.07.1950
- 3) Name of the Company : PAE LIMITED
- 4) Category/Sub Category of the Company : Public Company / Limited by Shares
- 5) Address of the Registered Office and contact details : 69, Tardeo Road, Mumbai 400034.
Tel: 022 66185799
Fax: 022 66185757
- 6) Whether shares listed: YES
- 7) Name, address and contact details of Registrars & Transfer Agent, if any : M/s. Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083
Phone : 022 49186270 Fax: 022 49186060
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Trading of batteries	99611593	65.23%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	PAE Infrastructure Pvt. Ltd.	U70102MH2011PTC216252	Subsidiary	100%	2(87)(ii)
2	Shurjo Energy Pvt. Ltd.	U40106WB2003FTC096692	Subsidiary	99.98%	2(87)(ii)
3	PAE Renewables Pvt. Ltd. This Company is sold on 29.12.2016	U51397MH1998PTC115885	Subsidiary	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup [as % of Total Equity]).

(I) Category-wise share holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian	5774963	0.00	5774963	55.42	57749633	0.00	5774963	55.42	0
a) Individual/HUF	0	0	0	0.00	0	0	0	0	0
b) Central Govt	0	0	0	0.00	0	0	0	0	0
c) Bodies Corp.	0	0	0	0.00	0	0	0	0	0
d) Banks / FI	0	0	0	0.00	0	0	0	0	0
e) Any other	0	0	0	0.00	0	0	0	0	0
Sub Total (A)(1)	5774963	0.00	5774963	55.42	57749633	0.00	5774963	55.42	0
(2) Foreign									
a) NRI Individuals	0	0	0	0	0	0	0	0	0
b) Other individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub Total (B)(2)	0	0	0	0	0	0	0	0	0

Total shareholding of Promoter A=A(1)+A(2)	5774963	0.00	5774963	55.42	5774963	0.00	5774963	55.42	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1100	100	1200	0.01	11000	100	1200	0.01	0.00
b) Banks / FI	72300	3250	75550	0.73	723000	3250	75550	0.73	0.00
c) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00
d) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00
e) Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00
f) Insurance Companies	15225	0	15225	0.15	15225	0	15225	0.15	0.00
g) FIs	0.00	1625	1625	0.02	0.00	1625	1625	0.02	0.00
h) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00
i) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00
Sub-total (B)(1):-	88625	4975	93600	0.91	88625	4975	93600	0.91	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	370462	35636	406098	3.90	349364	35636	385000	3.70	0.2
ii) Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	3058101	830063	3888164	37.31	2556759	8229255	3379684	32.44	4.87
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	197633	841	198474	1.90	686210	0	686210	6.59	4.69
c) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Clearing Members	16030	0.00	16030	0.15	53545	0.00	53545	0.51	0.36
Foreign Nationals	3250	0.00	3250	0.03	3250	0.00	3250	0.03	0.00
Non Resident Indians (REPAT)	33576	0.00	33576	0.32	35098	325	35423	0.34	0.02
Non Resident Indians (NON REPAT)	8318	327	8645	0.08	7598	327	7925	0.08	0.00
Trusts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (B)(2):-	3687370	866867	4554237	43.69	3691824	8265543	4551037	43.68	0.01
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3779245	871842	4651087	44.60	37804493	8270518	4644637	44.58	0.02
C. Shares held by Custodian for GDRs & ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B+C)	9554208	871842	10426050	100	9555412	8270518	10419600	100	0.00

(ii) Shareholding of Promoters-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	
1	ARVIND RAOJI DOSHI	2655728	27.90	0.00	2655728	27.90	0.00	0.00
2	PRATIBHA ARVIND DOSHI	1695656	16.27	0.00	1695656	16.27	0.00	0.00
3	PRITAM ARVIND DOSHI	1395199	13.39	0.00	1395199	13.39	0.00	0.00
4	SOHINI SURENDRA PATEL	28260	0.27	0.00	28260	0.27	0.00	0.00
5	PRIYADARSHANI ARVIND DOSHI	100	0	0.00	100	0	0.00	0.00
6	ARVIND RAOJI DOSHI HUF	10	0	0.00	10	0	0.00	0.00
7	PRITAM ARVIND DOSHI HUF	10	0	0.00	10	0	0.00	0.00
	Total	5774963	55.42	0.00	5774963	55.42	0.00	0.00

(iii) Change in Promoters Shareholding (Please specify if there is any change)

Sr. No.	Name of shareholders	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.,2016 to 31.03.2017)	
		No. of shares at beginning of year (01.04.2016 to 31.03.2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	ARVIND RAOJI DOSHI	2655728	25.49	1.4.16 to 31.3.17	Nil	Nil	2655728	25.49
2	PRATIBHA ARVIND DOSHI	1695656	16.27	1.4.16 to 31.3.17	Nil	Nil	1695656	16.27
3	PRITAM ARVIND DOSHI	1395199	13.39	1.4.16 to 31.3.17	Nil	Nil	1395199	13.39
4	SOHINI SURENDRA PATEL	28260	0.27	1.4.16 to 31.3.17	Nil	Nil	28260	0.27
5	PRIYADARSHANI ARVIND DOSHI	100	0	1.4.16 to 31.3.17	Nil	Nil	100	0
6	ARVIND RAOJI DOSHI HUF	10	0	1.4.16 to 31.3.17	Nil	Nil	10	0
7	PRITAM ARVIND DOSHI HUF	10	0	1.4.16 to 31.3.17	Nil	Nil	10	0

(iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of shareholders	Shareholding		Date	Increase/ Decrease in shareholding	Reason	No. of shares	Cumulative Shareholding during the year (01.04.,2016 to 31.03.2017)
		No. of shares at beginning of year (01.04.,2016 to 31.03.2017)	% of total shares of the Company					% of total shares of the Company
1	BALRAM BHARVANI	156400	1.50	1.4.16 to 31.3.17	Nil	Nil	156400	1.50
2	MAHENDRA GIRDHARILAL	132613	1.27	1.4.16 to 31.3.17	Nil	Nil	132613	1.27
3	GENERAL INSURANCE CORPORATION OF INDIA	72300	0.69	1.4.16 to 31.3.17	Nil	Nil	72300	0.69
4	RAVIRAJ DEVELOPERS LTD.	66320	0.63	1.4.16 to 31.3.17	Nil	Nil	66320	0.63
5	AARTIE SUNIL ANANDPARA	61000	0.58	1.4.16 to 31.3.17	Nil	Nil	61000	0.58
6	KLB SECURITIES PVT. LTD.	32935	0.31	1.4.16 to 31.3.17	Nil	Nil	32935	0.31
7	M.L. GUPTA	30316	0.29	1.4.16 to 31.3.17	Nil	Nil	30316	0.29
8	ANJANA SINHA	30000	0.28	1.4.16 to 31.3.17	Nil	Nil	30000	0.28
9	JATIN GUPTA	29807	0.28	1.4.16 to 31.3.17	Nil	Nil	29807	0.28
10	JADEJA MAHESHWARI NARENDRASINH	28500	0.27	1.4.16 to 31.3.17	Nil	Nil	28500	0.27

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of shareholders	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.,2016 to 31.03.2017)	
		No. of shares at beginning of year (01.04.,2016 to 31.03.2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Arvind Raoji Doshi	2655728	25.49	1.4.2017	Nil	Nil	2655728	25.49
2	Pratibha Arvind Doshi	1695656	16.27	1.4.2017	Nil	Nil	1695656	16.27
3	Pritam Arvind Doshi	1395199	13.39	1.4.2017	Nil	Nil	1395199	13.39
4	John Oliver Band	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Karthikeyan Muthuswamy	Nil	Nil	Nil	Nil	Nil	Nil	Nil

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Fixed Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	202774848	17499755	17353000	237627603
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due				0
Total (i+ii+iii)	202774848	17499755	17353000	237627603
Change in Indebtedness during the financial year				
- Addition	0	32278336	0	32278336
- Reduction	106829	0	2529085	2635914
Net Change	106829	32278336	2529085	34914250
Indebtedness at the end of the financial year				
i) Principal Amount	202668019	46963101	13775000	263406120
ii) Interest due but not paid	0	2814990	1048915	3863905
iii) Interest accrued but not due				
Total (i+ii+iii)	202668019	49778091	14823915	267270025

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager Pritam Arvind Doshi, # Managing Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,52,696	11,52,696
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	11,52,696	11,52,696
	#Ceiling as per the Act	44,99,500	44,99,500

*Remuneration was paid for part of the year to Mr. Pritam A. Doshi is in accordance Schedule V of the Companies Act, 2013. Ceiling is within the limits approved by central Government vide letter dated 13.8.2013.

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Arvind R. Doshi	John O. Band	Karthikeyan Muthuswamy	Dr. Pratibha A. Doshi	
1	Independent Directors					
	*Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	*Commission	Nil	Nil	Nil	Nil	Nil
	*Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil
2	Other Non-Executive Directors					
	*Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	*Commission	Nil	Nil	Nil	Nil	Nil
	*Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil

* The limit is as per Part II Schedule V of the Companies Act, 2013.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
		Nil			
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a report on Corporate Governance is as follows:

1. Company's philosophy on the Code of Governance

PAE Limited ("PAE") believes that Corporate Governance is a thorough process by which Companies are directed to control and enhance their wealth generating capacity. PAE endeavors to virtually create value for its stakeholders, be it Customers, Employees, Shareholders or the Society at large. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. PAE focuses on adopting the highest standard of Corporate Governance and moral business practices based on the following main principles to maintain transparency, accountability and ethics:

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

2. Board of Directors

a. Composition

The strength of the Company's Board as on March 31, 2017 is 5 (five) Directors. Composition of the Board of Directors is as under:

Catagory	No. of Directors
Non Executive & Independent Directors	2
Non Executive Director (Promoter Group), including Chairman	2
Executive Director (Managing Director)	1
Total	5

Among 5 Directors, the Company has 1 Executive Director (Managing Director) and 2 Directors are Independent Directors and two Directors belong to Promoter's group including a Woman Director. Chairman of the Company is a Non-Executive Director. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time. The Directors are appointed or re-appointed with the approval of the Shareholders. The Executive Director and Non-Executive Directors belonging to Promoter's group are liable to retire by rotation unless otherwise specifically approved by the Shareholders. All Directors have intimated periodically about their Directorship and Membership in various Board and Committee positions of other Companies, which are within permissible limits specified of the 2013 Act and Corporate Governance Code.

b. Independent Directors

The present Independent Directors ("IDs") of the Company are serving on the Board as IDs, for more than 10 years before the commencement of the Companies Act, 2013 ("the Act"). IDs are not liable to retire by rotation, as their term of office was predetermined for five years by the Shareholders at the 64th Annual General Meeting of the Company held on August 8, 2014, as required by the Act. The IDs on the Board are highly experienced and competent persons from their respective fields. The IDs take active part at the Board Meetings and Committee Meetings which add value in the decision making pro-cess of the Board of Directors. All the IDs of the Company have confirmed that they satisfy the criteria of Independence as stipulated in the Act and Listing Agreement.

The Company has formulated a familiarization program to familiarize Directors from time to time with the Company's operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The familiarisation program for Directors has been disclosed on the website of the Company- www.paeld.com.

The Company has framed code for Independent Directors and same has been posted by the company on its web portal (www.paeld.com) and all the Independent Directors of the company are abide by said code.

c. Non-Executive Directors' compensation and disclosures

Sitting fees is not paid to Non-Executive Directors, including Independent Directors for attending Board/Committee Meetings.

d. Other provisions as to Board and Committees

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 6 times i.e. on May 28, 2016, June 7, 2016, August 11, 2016, September 23, 2016, November 14, 2016 and February 13, 2017. The dates of Board Meetings were generally decided in advance with adequate notice to all Board Members. The necessary quorum was present for all the meetings.

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

Name of the Director	Category	No. of Board Meetings attended out of 6 Meetings held		No. of Directorship(s)/Committee(s) positions held in other public Company and subsidiary of Public Company as on 31 st March, 2017		
		Board	Last AGM	Directorship	Committee Chairmanship	Committee Membership
Mr. Anvind R. Doshi	Promoter & Non-Executive Chairman	6	Yes	1	1	2
Mr. Pritam A. Doshi	Managing Director (Promoter & Executive)	6	Yes	-	-	-
Dr. Mrs. Pratibha A. Doshi	Non-Executive (Promoter)	6	Yes	-	-	-
Mr. John O. Band	Independent Non Executive	6	Yes	-	-	-
Mr. Karthikeyan Muthuswamy	Independent Non Executive	6	Yes	1	-	1

As required by the 2013 Act, none of the Directors hold Directorship in more than 20 Companies (including private companies and section 8 companies) and 10 public companies. As required by Regulation 25 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, none of the Independent Director is a Director in more than 7 listed entities as none of them is serving as a Wholtime Director in any listed Company.

Information supplied to the Board

To enable the Board members to discharge their responsibilities effectively and take in-formed decisions, a comprehensive Agenda folder with explanation on each item is sent to each Director well in advance of the Board meeting. The information as required as per Part A of Schedule II prescribed under regulation 17(7) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is made available to the Board. All the agenda items are backed by necessary supporting information and documents to enable the Board to take informed decisions. All the Agenda items are discussed in detail during the Board meeting. The Board members have complete access to any information within the Company and to any employee of the Company. At the meetings, the Board is provided with all the relevant information on important matters affecting the working of the Company as well as the related details that require deliberation by the members of the Board.

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

FORM MR 3
SECRETARIAL AUDIT REPORT
[Pursuant to section 204 (1) of the companies Act, 2013
and rule No.9 of the Companies (Appointment and
Remuneration or Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

To
The Members
M/s PAE Limited
PAE Limited 69,
Tardeo Road,
Mumbai – 400034.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s PAE Limited** (hereinafter called “**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2016 and ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s PAE Limited (“The Company”) for the financial year ended on 31st March, 2017, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings made by/in the Company and as such the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations (Not Applicable To The Company During The Period Under Audit);
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – **(Not applicable as the Company did not issue any security during the financial year under review);**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – **(Not applicable as the Company did not have any scheme for its employees during the financial year under review);**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **(Not applicable as the Company has not issued any debts securities during the financial year under review);**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **(Not applicable as the Company is not Registrar to an issue and Share Transfer Agent during the financial year under review);**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **(Not applicable as the Company has not delist its equity shares from any stock exchange during the financial year under review);**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **(Not applicable as the Company has not**

bought back any of its securities during the financial year under review); and

- i) The Securities and Exchange Board of India (**Listing Obligations and Disclosure Requirements**) Regulation, 2015.
- VI. We have relied on the certificate obtained by the Company from the Management Committee / Officers for systems mechanism and based on the information and representation made by the Company for due compliances of all applicable Acts, Laws, Orders, Regulations and other legal requirements of central, state and other Government and Legal Authorities concerning the business and affairs of the Company as listed in Annexure B.

We have also examined compliance with the applicable clauses of the following:

Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013

Note: This report should be read with my letter of even date which is annexed as Annexure A & B and forms an integral part of this report.

OBSERVATIONS:

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Nonexecutive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting.
- c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Statutory Auditor has stated the following observation in the Annexure to the Audit Report based on the Standalone Financial Statements.

- a) Net Worth of the company is negative as on 31st March, 2017. It has incurred accumulated losses of Rs. 6172.90 lacs till March 31, 2016 and loss of Rs. 530.39 Lakhs for the year ended making total accumulated loss of Rs. 6703.26 Lakhs as of March 31, 2017. Despite this, for the reasons mentioned in Note No. 39 of Notes to the accounts, the accounts have been prepared on going concern basis. This condition indicates existence of a material uncertainty that may cast significant doubt about the Company's ability to continue on a going concern basis. We don't have the appropriate audit evidence to consider the Company to continue as going concern.
- b) The balance of sundry debtors, sundry creditors, warranty receivables, warranty payables and warranty stock are subject to reconciliation and confirmation. We draw attention to Note No. 42 of Notes to the accounts.
- c) The Company has pending litigation which would impact its financial position regarding non payment of dues as notices issued under Negotiable Instrument Act for cheque bouncing amount involve Rs. 11.37 lacs and notice issued under SARFAESI Act by the Banker for Rs. 2170.78 lacs.

We further report that during the audit period the Statutory Auditor has stated the following observation in the Annexure to the Audit Report based on the Consolidated Financial Statements.

- a) Net Worth of the company is negative as on 31st March, 2017. It has incurred accumulated losses of Rs. 6595.16 lacs till end of this year including profit of Rs. 103.90 Lacs for the current year. Despite this, for the reasons mentioned in Note No. 36 of Notes to the accounts, the accounts have been prepared on going concern basis. This condition indicates existence of a material uncertainty that may cast significant doubt about the Company's ability to continue on a going concern basis. We don't have the appropriate audit evidence to consider the Company to continue as going concern.
- b) The balance of sundry debtors, sundry creditors, warranty receivables, warranty payables and warranty stock are subject to reconciliation and confirmation. We draw attention to Note No. 38 of Notes to the accounts.

- c) As stated in Note No 41 of the consolidated financial statements, the Independent Auditor of a Subsidiary of the Company, Shurjo Energy Private Limited, have qualified their audit opinion on its financial statement for the year ended March 31, 2017 in respect of Depreciation being provided at the rates prescribed in the erstwhile Schedule XIV to the Companies Act, 1956, instead of providing depreciation based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. We are therefore unable to comment on the impact of the above, on the consolidated loss for the year and the Reserve & Surplus balance and Property, Plant & Equipment reported in the consolidated balance sheet as at the end of the year.
- d) As stated in Note No 44 of the consolidated financial statements, the Independent Auditor of a Subsidiary of the Company, Shurjo Energy Private Limited, have qualified their audit opinion on its financial statement for the year ended March 31, 2017 in respect of impairment of Property, Plant & Equipment as the manufacturing activity of the Company has been discontinued, the carrying amount of Property, Plant & Equipment needs to be impaired, however the Company is carrying the Property, Plant & Equipment at historical cost and no impairment loss has been provided in books of accounts as required by Accounting Standard 28 (AS-28). The quantum of impairment loss is not ascertained
- e) Independent Auditor of a Subsidiary of the Company, Shurjo Energy Private Limited, in their audit report for the year ended March 31, 2017 have drawn attention to the matter stated in Note No. 43 to the consolidated financial statements that the accumulated losses of the Company for Rs. 1172.32 Lacs (including current year loss of Rs. 20.99 lacs) at the year end exceed company's net worth. Despite this, Company has prepared the accounts on going concern basis.
- f) The Statutory Auditor did not audit the financial statements of 2 direct subsidiaries whose financial statements reflect total assets of rs. 225.35 Lacs as at 31st March, 2017, total revenue of rs. 10.71lacs and net cash outflows aggregating to Rs. 0.13 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.
- g) The Company has pending litigation which would impact its financial position regarding non payment of dues as notices issued under Negotiable Instrument Act for cheque bouncing amount involve Rs. 11.37 lacs and notice issued under SARFAESI Act by the Banker for Rs. 2170.78 lacs.

Apart from as stated above the company has undertaken specific event/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc. referred to above viz:

During the Financial Year ended March 31, 2017; the Shareholders have approved Special Resolution viz:

- a) Subsidiary of the Company, PAE Infrastructure Private Limited has accorded to grant Loans or give any Guarantee or provide Security in respect of loans to any other Body Corporate or any other person upto a limit of Rs. 2 Crores vide Special Resolution passed on 16th August, 2016 but the company has not complied with filing of form MGT-14 in respect to this regard.

**For Leena Agrawal & Co.
(Practising Company Secretaries)**

**Leena Agrawal
Proprietress
FCS No: 6607
CP No: 7030**

Place: Mumbai
Date: May 28, 2017

Note: This report is to be read with our letter of even date which is annexed as Annexure – 'A' and forms an integral part of this report

Annexure – 'A' of Secretarial Audit Report

To,
The Members,
M/s PAE Limited
PAE Limited 69,
Tardeo Road,
Mumbai – 400034.

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Leena Agrawal & Co.
(Practising Company Secretaries)**

**Leena Agrawal
Proprietress
FCS No: 6607
CP No: 7030**

Place: Mumbai
Date: May 28, 2017

Annexure – 'B' of Secretarial Audit Report

To,
The Members,
M/s PAE Limited
PAE Limited 69,
Tardeo Road,
Mumbai – 400034.

The List of various other Applicable Laws to the Company

- The Factories Act, 1948,
- The Payment of Wages Act, 1936,
- The Minimum Wages Act, 1948,
- Employees Provident Fund & Misc Provision Act, 1952,
- The Payment of Bonus Act, 1965,
- The Environment (Protection) Act, 1986,
- Electricity Act, 2003,
- Indian Stamp Act, 1999,
- Income Tax Act 1961 and Indirect Tax Law,
- Negotiable Instrument Act, 1881,
- Maternity Benefits Act, 1961,
- Payment of Gratuity Act, 1972,
- The Apprentices Act, 1961,
- Service Tax
- VAT Act
- Water (Prevention & Control of pollution) Act 1974 and rules thereunder;
- Air (Prevention & Control of pollution) Act 1981 and rules thereunder;

**For Leena Agrawal & Co.
(Practising Company Secretaries)**

**Leena Agrawal
Proprietress
000FCS No: 6607
CP No: 7030**

Place: Mumbai
Date: May 28, 2017

e. Code of Conduct

The Company has adopted a Code of Conduct for its Directors and Senior Management in compliance with regulation 17(5) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The code is derived from three interlinked fundamental principles; viz. good corporate governance, good corporate citizenship and exemplary personal conduct and are applicable to all Directors and Senior Management of the Company. The Board members and Senior Management personnel have affirmed their compliance with the code of conduct and a CEO certificate to the effect is annexed to this corporate governance report. The said code of conduct is posted on the web site of the Company (www.paeltd.com).

f. Whistle Blower Policy

Pursuant to Regulation 4 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism enabling stakeholders, including employees and their respective bodies, to freely communicate their concern about illegal or unethical practices and the said policy is posted on the web site of the company (www.paeltd.com).

g. Internal Financial Control and its adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

3. BOARD COMMITTEES

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

I. Audit Committee

The Company has an Independent Audit Committee comprising of 3 (three) 2 Independent Directors and 1 (one) Executive Director. Mr. John O Band, Independent Director is the Chairman, Mr. Karthikeyan Muthuswamy, Independent Director and Mr. Pritam A. Doshi, Managing Director are Members of the Committee. All the members of the Audit Committee are financially literate. In view of their professional qualification and experience in finance, all are considered to have financial management and accounting related expertise.

The Statutory Auditors have attended all the Audit Committee meetings held during the year. Mr. John O. Band, Chairman of the Audit Committee was present at the previous Annual General Meeting held on September 23, 2017. The terms of reference, powers and role of Audit Committee are in accordance with regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with Section 177(4) of the Companies Act, 2013. The broad terms of reference include the following:

1. To oversee of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. To recommend the appointment, remuneration and terms of appointment of Statutory Auditors of the Company.
3. To approve payment to Statutory Auditors, including Cost Auditors, for any other services rendered by them.
4. To review with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;

- c. Major accounting entries involving estimates based on the exercise of judgement by the management;
 - d. Significant adjustments made in financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements; g. Disclosure of any related party transactions; and
 - f. Qualifications in draft audit report.
5. To review, with the management, the quarterly financial statements before submission to the Board for approval.
 6. To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and to make appropriate recommendations to the Board to take up steps in this matter.
 7. To review and monitor the Auditor's independence and performance, and effective-ness of audit process.
 8. To approve or any subsequent modification of transactions of the Company with re-lated parties.
 9. To scrutinize the inter-corporate loans and investments, if any, given/availed by the Company.
 10. To value undertakings or assets of the Company, wherever it is necessary.
 11. To evaluate internal financial controls and risk management systems adopted by the Company.
 12. To review, with the management, the performance of statutory auditors adequacy of internal control systems
 13. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit.
 14. To review the adequacy of internal audit function, if any.
 15. To discuss with internal auditors of any significant findings and follow-up thereon.
 16. To discuss with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussions to ascertain any area of concern.
 17. To look into the reasons for substantial defaults, if any, in the payment to depositors, shareholders (in case of non-payment of declared dividends) and creditors.
 18. To review the functioning of the Vigil Mechanism and Whistle Blower mechanism.
 19. To approve appointment of the CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate.
 20. To carry out any other function as is mentioned in the terms of reference of the Audit Committee.
 21. To review financial statements, in particular to the investments made by the Company's unlisted subsidiaries.
 22. To review the following information:
 - a. The Management Discussion and Analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor(s)

During the 2016-2017, five meetings of the Audit Committee were held i.e. on May 28, 2016, June 7,

2016 August 11, 2016, November 14, 2016 and February 13, 2017. The necessary quorum was present for all the meetings.

Name	Category	Meetings during the year 2016-17	
		Held	Attended
Mr. John O. Band	Non-Executive Independent Director	5	5
Mr. Karthikeyan Muthuswamy	Non - Executive Independent Director	5	5
Mr. Pritam A. Doshi	Managing Director	5	5

II. Nomination & Remuneration Committee

The Nomination & Remuneration Committee presently comprises of Mr. John O. Band as Chairman, and Mr. Karthikeyan Muthuswamy as its members. The terms of reference of Nomination & Remuneration Committee involves determination on the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment. It also includes recommendation on revision of remuneration of top executives below the Board of Directors, granting and administration of Employees Stock Options, etc. The minutes of the Nomination & Remuneration Committee meetings are reviewed and noted by the Board from time to time.

The Company does not have any Employee Stock Option Scheme.

No meeting was held of the Nomination & Remuneration Committee of the Company during the year 2016-2017.

Details of Remuneration to Directors

Non-executive Directors were not paid sitting fees during the year as on 31.3.2017 for attending meetings of the Board, Audit and other committee meetings. The remuneration to Executive Director was made for only part payment during the Financial Year 2016-17 is as follows:

Directors	Sitting Fees (Rs.)	Salaries, Perquisites & Contribution to funds (Rs.)	Commission (Rs.)
Mr. Arvind R. Doshi	Nil	Nil	Nil
Mr. Pritam A. Doshi*	Nil	11,52,696	Nil
Mr. John O. Band	Nil	Nil	Nil
Mr. Karthikeyan Muthuswamy	Nil	Nil	Nil
Dr. Mrs. Pratibha A. Doshi	Nil	Nil	Nil

*Remuneration was paid in part for the year 2016-17 to Mr. Pritam A. Doshi due to Company's poor financial conditions, though in accordance with Schedule V of the Companies Act, 2013, he is eligible for a remuneration of Rs. 44,99,500 for the year.

III. Stakeholder Relationship Committee

The Stakeholder Relationship Committee comprises of Mr. John O. Band, Independent Director as its Chairman, Mr. Arvind R. Doshi and Mr. Pritam A. Doshi as its members. The minutes of the Stakeholder Relationship Committee meetings are re-viewed and noted by the Board from time to time.

The Stakeholder Relationship Committee deals with the matters relating to delay, if any in transfer of shares, demat, non-receipt of annual account, split, duplicate, transmission etc. of the shares issued by the Company. The Secretarial Department of the Company, under the supervision of the Company Secretary, who is also nominated by the Company as the "Compliance Officer" as required under SEBI Regulations 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 Stakeholders.

As on 31.3.2017, no complaints were received during the year 2016-2017.

IV. Borrowing Committee:

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

1. The committee has power 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.
2. The committee may 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 there was no requirement to hold meeting of Borrowing Committee.

V. Risk Management:

The Company has 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. Risk management is an ongoing process and the Audit Committee will periodically review risk mitigation measures. The Board of Directors has not constituted a Risk Management Committee as is not mandatory to the company pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

4. Subsidiary Companies:

The Company has three unlisted Indian subsidiaries as defined in Regulation (2)(zm) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and one of them step down subsidiary Company namely PAE Renewables Private Limited, a wholly owned subsidiary of the Company is sold out. All Indian subsidiaries fall under the category of 'material non-listed Indian subsidiaries'. However, the financial state-ments of all subsidiary companies including investments made, if any, are periodically reviewed by the Audit Committee. The company has formulated policy for determining material subsidiary pursuant to regulation 16(c) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The financial performances, Minutes of Board Meetings of these subsidiary companies and all significant transactions or arrangements entered into by the subsidiary companies are reviewed by the Board of the Directors from time to time.

5. Proceeds from Public Issues, Rights Issue or Preferential Issues etc.

During the year under review, company has not made public issue, right issue or prefer-ential issue of shares.

6. Related Party Transactions:

Details of significant related party transactions, i.e. transactions of the Company of mate-rial nature with its Promoters, Directors or the Management, their subsidiary companies or relatives, etc. as per Accounting Standard 18 "Related Party Disclosures" are presented under Note 31 of the Notes to the Financial Statement. All material transaction (Financial and/or Commercial) where Directors may have potential interest are provided to the Audit Committee/Board. The related parties neither participate nor vote on such matters. During the year under review there was no related party transactions of material nature that may have a potential conflict with interests of the Company, all transactions with related parties were in the normal course of business. The Company was not required to take omnibus approval of Audit Committee, as most of the related party transactions were entered by the Company with its Subsidiary Companies at arm's length basis and the Company prepares the consolidated accounts of these subsidiaries and place before the Shareholders at every Annual General Meeting for their approval. On recommendation of Audit Committee the Board ratifies all the related party transactions on quarterly basis. The Company has formulated policy on materiality of related party trans-action and dealing with related party transactions as compliance of regulation 23 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

Persuant to new SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company is required to have a Compliance Officer who is a senior officer, designated so and re-orting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information. All the Directors on the Board, employees at Senior Management levels at all

locations and other designated employees who could be privy to unpublished price sensitive information of the Company is governed by this code. All the Directors, Employees at Senior Management levels and other designated employees of the Company are restricted from entering into opposite transactions i.e. buy or sell any number of shares during the next 6 months following the prior transactions.

7. CEO/CFO Certification

As required under regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Pritam A. Doshi – Managing Director & Head Finance of the Company had certified to the Board the financial statements for the year ended March 31, 2017.

8. General Body Meetings

Details of previous General Meetings

Financial Year	Category	Date	Time	Location
2013-14	64 th AGM	August 8, 2014	3:30 p.m.	Babasaheb Dahanukar Sabhagriha, Orion House, 6th Floor, 12, K. Dubhash Marg, Fort, Mumbai-400001.
2014-15	65 th AGM	August 13, 2015	11:00 a.m.	The Victoria Memorial School for the Blind, 73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai-400034.
2015-16	66 th AGM	September 23, 2016	11.00 a.m.	The Victoria Memorial School for the Blind, 73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai-400034.

Special resolutions passed in previous 3 years

a. AGM August, 2014:

- 1) Special Resolution to appoint Mr. Dilip J. Thakkar as Independent Director of the Company for a term of five years.
- 2) Special Resolution to appoint Mr. John O. Band as Independent Director of the Company for a term of five years.
- 3) Special Resolution to appoint Mr. Karthikeyan Muthuswamy as Independent Director of the Company for a term of five years.
- 4) Special Resolution to appoint Dr. Rajendra Nath Mehrotra as Independent Director of the Company for a term of five years.
- 5) Special Resolution for alteration in Clause V (Capital Clause) of Memorandum of Association of the Company.
- 6) Special Resolution for adoption of new set of Articles of Association of the Company.
- 7) Special Resolution to offer, issue and allot 9,00,000 11% optionally Convertible, Cumulative, Redeemable Preference Shares ("the said shares") of the face value of Rs.10/- each for cash at par to the promoters of the company.
- 8) Special Resolution to offer, issue and allot 41,00,000 11% Non-Convertible, Cumulative, Redeemable Preference Shares ("the said shares") of the face value of Rs.10/- each for cash at par to the Promoters and/or their nominees.

The Company has conducted postal ballot and declared results thereof on February 18, 2015:

1. Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for authorizing the Board of Directors to borrow money on behalf of the Company up to a sum not exceeding Rs. 100 Crores.
2. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for authorizing the Board of Directors to create mortgage / pledge / hypothecation/ charge on all or any of the movable / immovable properties of the Company for securing the borrowings of the Company.
3. Special Resolution under Section 74 of the Companies Act, 2013 read with Rule 19 of the Companies (Acceptance of Deposits) Rules, 2014 for authorizing the Board of Directors to repay the Deposit accepted pursuant to provisions of Companies Act 1956 ("Earlier Deposit") on their respective due dates.

b. AGM August, 2015:

Special Resolution for re-appointment of Mr. Pritam A. Doshi as a Managing Director of the Company for a period of 3(three) years w.e.f. April 1, 2015 and to pay minimum remuneration pursuant to Section 196 & 197 read with Schedule V of the Companies Act, 2013 in case of lack or inadequacy of profits.

The Company has conducted postal ballot and declared results thereof on January 27, 2016:

1. Ordinary Resolution To appoint M/s. R. C. Vakharia & Co., Chartered Accountants (Firm Regd. No.:111237W) as Statutory Auditors of the Company to fill casual vacancy caused by resignation of M/s. K.S. Aiyar & Co., Chartered Accountant, Mumbai, hold office till the conclusion of the ensuing Annual General Meeting.
2. Special Resolution to approve sale of PAE Renewables Private Limited, a wholly-owned subsidiary pursuant to Section 180(1)(a) of the Companies Act, 2013.
3. Special Resolution to approve a Related Party Transaction pertaining to sale of PAE Renewables Private Limited, a wholly owned subsidiary to Promoter(s) / Promoter Group of the Company pursuant to Section 188 of the Companies Act, 2013.

c. AGM 2016:

Special Resolution was passed for issue of 5,20,000 Share warrants and to consider redemption of existing 11% Non-convertible cumulative, redeemable preference shares out of proceeds of warrants issue.

9. Disclosures:

- None of the Directors are related to each other.
- During the last three years, there were no strictures or penalties imposed by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter re-lated to capital markets.
- The Company currently has adopted a Whistle Blower policy.
- Senior management has made the disclosure to the Board and confirmed that they had no material financial and commercial transactions that could have a potential conflict with the interest of the Company at large.
- In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed by the Central Government under the Companies (Accounting Standards) Rules, 2006.
- In line with the requirements of SEBI, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a firm of practicing Company Secretaries to confirm that the aggregate number of equity shares of the Company held in NSDL and CDSL and in physical form, tally with the total number of issued/paid-up, listed and admitted capital of the Company.
- The Company is compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended.
- Although it is not mandatory, the Board of Directors of the Company has constituted a Borrowing Committee, the details of which have been provided under Section 'Borrowing Committee.'

10. Disclosures on Sexual Harassment:

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

As disclosures required under the Section 21 and 22 of the aforementioned act, the company hereby report that during the financial year 2016-17, the Company has received zero complaints on sexual harassment and the company carried necessary arrangement for prevention of sexual harassment of women at workplace.

11. Auditor's Certificate on Corporate Governance:

The Company has obtained a certificate from the Statutory Auditors testifying to the compliance with the provisions relating to Corporate Governance laid as per SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Certificate is annexed to this Report and the same will be sent to the Stock Exchanges along with the Annual Report.

12. Means of communication:

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

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

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

1. General Shareholder information

i) Annual General Meeting:		
Date & Time	28, July 2017 at 11.00 A.M.	
Venue	The Victoria Memorial School for the Blind 73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai-400034.	
ii) Financial Calendar:		
Financial Year	April 1 to March 31	
Financial reporting of results:		
a. Quarterly unaudited results	Within forty five days from the end of the quarter	
b. Annual audited results	Within sixty days from the end of the quarter	
iii) Book Closure date		From Monday 24 th July, 2017 to Friday 28 th July, 2017 i.e. date of AGM) (both days inclusive)
iv) Last Date of Receipt of Proxy		Wednesday 26 th July, 2017 before 5:00 p.m. at the Registered Office of the Company
iv) Listing on Stock Exchanges and Scrip Codes		BSE Limited (Code: 517230) The National Stock Exchange of India Limited (Code: PAEL)
v) Demat ISIN No. for Equity Shares: Corporate Identification Number (CIN) of the Company:		INE 766A01018 L99999MH1950PLC008152
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 2016-2017:

BSE Share Price

Month	Month's High Price (in Rs.)	Month's Low Price (in Rs.)	Total Turnover (in Rs. lacs)	BSE Sensex High	BSE Sensex Low
Apr-16	13.20	10.76	3.24	26100.54	24523.20
May-16	13.99	11.00	3.20	26837.20	25057.93
Jun-16	12.09	9.75	3.38	27105.41	25911.33
Jul-16	13.89	10.80	5.26	28240.20	27034.14
Aug-16	13.75	9.80	8.24	28532.25	27627.97
Sep-16	12.70	9.67	2.51	29077.28	27716.78
Oct-16	16.49	10.00	30.32	28477.65	27488.30
Nov-16	13.69	9.84	6.49	28029.80	25717.93
Dec-16	12.50	9.92	1.81	26803.76	25753.74
Jan-17	12.97	10.50	9.10	27980.39	26447.06
Feb-17	18.90	11.10	50.95	29065.31	27590.10
Mar-17	17.95	13.45	42.58	29824.62	28716.21

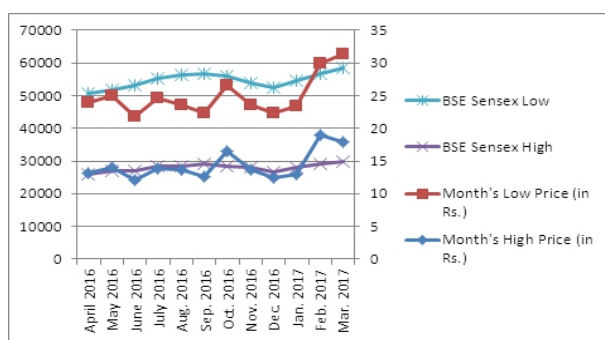
Source: BSE Website

NSE Share Price

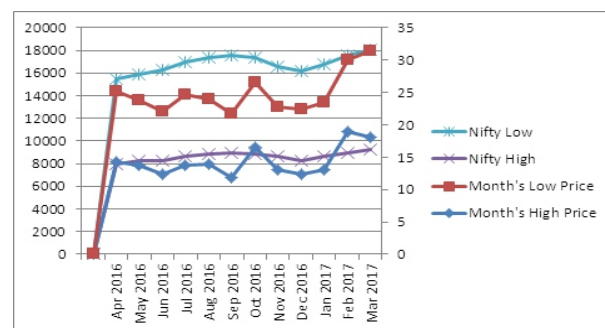
Month	Month's High Price (in Rs.)	Month's Low Price (in Rs.)	Total Turnover (in Rs. lacs)	Nifty High	Nifty Low
Apr-16	14.35	10.75	14943.30	7992	7516.85
May-16	13.80	10.05	21491.53	8213.6	7678.35
Jun-16	12.45	9.70	13263.08	8308.15	7927.05
Jul-16	13.80	10.85	12998.06	8674.7	8287.55
Aug-16	14.00	10.00	22534.29	8819.2	8518.15
Sep-16	11.90	9.90	19467.30	8968.7	8555.2
Oct-16	16.50	10.10	12300.53	8806.95	8506.15
Nov-16	13.15	9.55	17387.22	8669.6	7916.4
Dec-16	12.35	10.00	9854.07	8274.95	7893.8
Jan-17	13.00	10.40	14721.17	8672.7	8133.8
Feb-17	18.90	11.15	23432.58	8982.15	8537.5
Mar-17	18.15	13.20	15585.42	9218.4	8860.1

Source: NSE Website

BSE Sensex and Share Price Chart for 2016-2017



NSE Nifty and Share Price Chart for the year 2016-2017



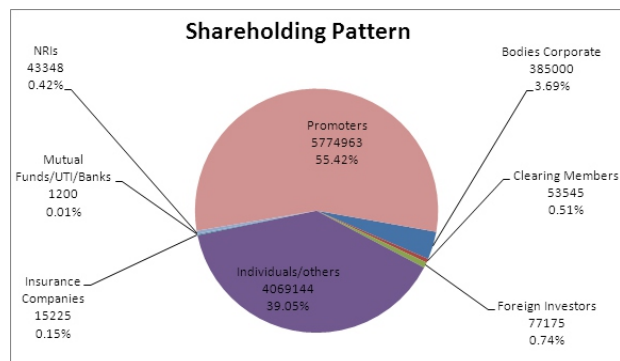
Registrar & Transfer Agents	M/s. Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Phone : +91 22 49186270 Fax: +91 22 49186060 Email : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in
Share Transfer System	Share transfers in physical form have to be lodged with the Registrar and Transfer Agents. All shares received for transfer are registered and returned within a period of thirty days from the date of lodgment, provided the documents are valid and complete in all respects. In accordance with the SEBI guidelines, the Company offers the facility of transfer-cum-demat to shareholders after share transfers are affected in physical form.

Distribution of shareholding as on March 31, 2017

No. of Shareholders	% to Total	Shareholding of Shares	No. of shares	% to Total
10,443	90.00	Upto 500	1574832	15.1141
633	5.44	501-1000	522558	5.0151
285	2.45	1001-2000	436629	4.1905
97	0.83	2001-3000	244758	2.3490
45	0.39	3001-4000	157808	1.5145
38	0.33	4001-5000	177556	1.7041
53	0.46	5001-10000	402535	3.8632
48	0.41	10001 and above	6902924	66.2494
11642	100.00	Total	1,04,19,600	100.00

Distribution of shareholding by ownership as on March 31, 2017

Category	No. of Shares held	Share holding %
Promoters	57,74,963	55.42
Foreign Investors	77175	0.74
Insurance Companies	15,225	0.15
Mutual Funds/UTI/Banks		
Clearing Members	53545	0.15
NRIs	42221	0.41
Bodies Corporate	385000	3.69
Individuals/others	4102718	39.38
Total	1,04,19,600	100.00



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

x)	Dematerialization of Shares	Trading in Equity Shares of the Company is permitted only in dematerialized form. Ap-proximately 91.69% of the shares issued by the Company have been dematerialized up to March 31, 2017.
xi)	Outstanding GR/ Warrants or any Convert-ible instruments	Not applicable
xii)	Plant Locations	The Company does not have manufacturing or processing plants, as it is a distribution and marketing company.
Xiii)	Address for correspondence	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, 2017, as envisaged in Regulations 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 pursuant to the Listing Agreement with stock ex-changes.

**For and on behalf of the
Board of Directors**

**Sd/-
Pritam A. Doshi
Managing Director**

Place : Mumbai
Date : May 29, 2017

CEO/CFO CERTIFICATION**(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)**

In terms of regulation 17(8) of SEBI (LODR) Regulations, 2015, Managing Director and Chief Financial officer of the Company has certified to the Board that:

- A. We have reviewed financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and steps have been taken to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- (1) there has not been any significant change in internal control over financial reporting during the year;
 - (2) there has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (3) we are not aware of any instances during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board
For PAE Limited**

**Sd/-
Pritam A. Doshi
Managing Director & Head Finance**

This certificate has to be given by Mr. Rohit Vakharia.

The following is as per last year.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

**To The Members,
M/s. PAE LTD.
69, Tardeo Road,
Mumbai - 400 034.**

We have examined the compliance of conditions of Corporate Governance by PAE Limited for the financial year ended March 31, 2017, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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 R. C. Vakharia & Co.,
Chartered Accountants
Regd. No. 111237W**

Sd/-

**Rohit Vakharia
Partner
M. No. 033728**

Place: Mumbai
Date: May 29, 2017

**DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT IN
FORTHCOMING ANNUAL GENERAL MEETING:**

(In pursuance of regulation 36 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015)

Name of Director	Dr. Mrs. Pratibha A. Doshi
Date of Birth	June 5, 1942
Date of Initial Appointment	May 23, 2014
Expertise in specific functional areas	Dr. Mrs. Pratibha A. Doshi, aged 75 years, is a Bachelor in Science from Mumbai University and done her Post Graduation in MBBS from Mumbai. She is a well-known Social Worker.
Qualifications	B.Sc., MBBS
Other Public Companies in which Directorship is held as on March 31, 2016.	Nil
Chairman of Committees formed by Board of other Companies on which he is a Director as on March 31, 2016.	Nil
Member of Committees formed by Board of other Companies on which he is a Director as on March 31, 2017	Nil
Shareholding in the Company as on March 31, 2017.	1695656

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

Independent Auditor's Certificate on Compliance the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of
PAE Limited

1. This report contains details of compliance of conditions of corporate governance by PAE Limited ("the company") for the year ended 31st March, 2017 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"] pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

3. 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.
4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2017
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India [ICAI]. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements control [SQC] I, Quality control for Firms that perform Audits and Reviews of Historical Financial Information and other Assurance and Related services Engagements.

Opinion

7. In our opinion and to the best of our information and according to explanations given to us, we certify that the company has complied with the conditions of corporate Governance as stipulated in the above-mentioned Listing Engagements except **company has not complied with appointment of Company Secretary and Chief Financial Officer as per Section 203 of the Companies Act, 2013.**

We have relied upon the Practicing Company Secretary's Secretarial Audit Report.

8. We state that the 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.

Restriction on use

9. The certificate is addressed and provided to the company solely for the purpose to enable the company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For R.C. Vakharia & Co.
Chartered Accountants
Firm Reg. No. 111237W

Place: Mumbai
Date: May 29, 2017

Rohit Vakharia
Proprietor
Membership No. 033728

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PAE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of PAE Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's Directors, 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 qualified audit opinion on the standalone financial statement.

Basis for Qualified Opinion

- a) We draw your attention that Net Worth of the company is negative as on 31st March, 2017. It has incurred accumulated losses of Rs. 6172.90 lacs till March 31, 2016 and loss of Rs. 530.39 Lakhs for the year ended making total accumulated loss of Rs. 6703.26 Lakhs as of March 31, 2017. Despite this, for the reasons mentioned in Note No. 39 of Notes to the accounts, the accounts have been prepared on going concern basis. This condition indicates existence of a material uncertainty that may cast significant doubt about the Company's ability to continue on a going concern basis. We don't have the appropriate audit evidence to consider the Company to continue as going concern.
- b) The balance of sundry debtors, sundry creditors, warranty receivables, warranty payables and warranty stock are subject to reconciliation and confirmation. We draw attention to Note No. 42 of Notes to the accounts.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraph and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2017 and its loss and its Cash Flows for the year ended on that date.

Our opinion is not modified in respect of above matter.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion paragraph above, 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) Except for the effects of the matter described in the Basis of Qualified Opinion paragraph above which may have an adverse effect on the functioning of the Company, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - f) On the basis of the written representations received from the directors, as on March 31, 2017 and taken on record by the Board of Directors, none of the directors of the company is disqualified as on March 31, 2017 from being appointed as a director, in terms of Section 164(2) of the Act.
 - g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has pending litigation which would impact its financial position regarding non payment of dues as notices issued under Negotiable Instrument Act for cheque bouncing amount involve Rs. 11.37 lacs and notice issued under SARFAESI Act by the Banker for Rs. 2170.78 lacs. Also Refer Note No. 33 to the Notes to the accounts- contingent liability
 - (ii) The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosure in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 which are in accordance with the books of accounts maintained by the Company. (Refer Note No. 43 to the Notes to the accounts.)

For R.C. Vakharia & Co.
Chartered Accountants
Firm Reg. No. 111237W

Rohit Vakharia
Proprietor
Membership No. 033728

Place: Mumbai
Date: May 29, 2017

ANNEXURE A

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, 2017 of PAE Limited.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Fixed Asset Register is required to be updated of the location where the sale of assets has taken place.
- (b) The fixed assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- (ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals. The discrepancies noticed on verification between the physical stocks and the book records were material and properly dealt with in the books of accounts by writing off the amounting to Rs. 32.29 Lacs.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in the registered maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the Loan, Guarantee, Security and investments.
- (v) The Company had accepted deposits prior to the commencement of Companies Act, 2013. In terms of section 74(1)(b) of the Companies Act, 2013, an amount of Rs. 155.08 lacs is unpaid including interest as at the year end. The Company has given consent on the request of the Deposit holder to extend the period on the same terms and conditions. We are informed that these matured deposits will be repaid as and when the cash flow of the company improved.
- During the year, the company has not accepted any deposits from public in terms of section 73 of the Companies Act, 2013 and not consider Dealer deposit as Public Deposits.
- We are informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or Court or any other tribunal.
- Accordingly, the Company has complied with the provisions of section 73 to 76 of the Companies Act, 2013.
- (vi) We have been informed that the Company is not required to maintain cost records under section 148(1) of the Companies Act, 2013.
- (vii) (a) According to the records of the Company, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Custom Duty, Excise Duty, Value added tax, Cess and other material statutory dues applicable to it have not been regular in depositing during the year with the appropriate authorities.

The extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable as follows:

Outstanding Statutory Dues (more than six months)	Amount
Labour welfare funds	255.00
Entry Tax	208488.00
Central Sales Tax	44136.00
Value Added Tax	4948809.00
Family Pension Fund	183872.00
Service Tax	275395.00
Tax Deducted at Source	268947.00
Provident Fund	508454.00
Staff ESIC	297662.00
Profession Tax	115092.00
Superannuation	138250.00
Staff Insurance	19081.00
Total	7008441.00

- (b) According to the information and explanations given to us, dues of income tax or sales tax or value added tax have not been deposited on account of disputes:

Name of the Statute	Nature of Dues	Period to which amount relates	Amount (Rs. in lacs)	Forum where dispute is pending
Central Sales Tax and VAT Act	VAT, CST, penalty and interest	1992-93	3.05	Appellate Tribunal
Central Sales Tax and VAT Act	VAT, CST, penalty and interest	1996-97, 2001-02 till 2011-12	587.08	West Bengal Sales Tax
VAT Act	VAT, penalty and interest	2005-06	107.99	Asst. Commissioner
Various State VAT Act	VAT, penalty and interest	2006-07	3.80	Revisional Tax board/Asst. Commissioner
Various State VAT Act	VAT, penalty and interest	2007-08	37.13	Asst./Dy/ Commissioner / Appellate Tribunal/ Commercial Taxes Dept./Rev. Tax Board
Various State VAT Act	VAT, penalty and interest	2008-09	18.56	Asst./Dy/ Commissioner / Appellate Tribunal
Central Sales Tax & Various State VAT Act	VAT, CST, penalty and interest	2009-10	44.47	Asst./Dy/ Commissioner / Appellate Tribunal
Central Sales Tax & Various State VAT Act	VAT, CST, penalty and interest Taxes Dept.	2010-11	153.78	Appellate Tribunal/ Commercial
Central Sales Tax & Various State VAT Act	VAT, CST, penalty and interest	2011-12	48.21	Asst. Commissioner/ Appellate Tribunal
Central Sales Tax & Various State VAT Act	VAT, CST, penalty and interest	2012-13	26.53	Asst. Commissioner/ Commercial Taxes/Appellate Dept.
Central Sales Tax	CST	2013-14	17.61	Asst. Commissioner/ Commercial Taxes
Total			1048.23	
Income tax Act	Disallowance u/s 14A	2012-13	142	CIT(A)
Income tax Act	Disallowance u/s 14A	2014-15	123.17	CIT(A)

Disputed demand details are not available for verification. Amount as certified by the management.

- (viii) According to the information and explanations given to us, the Company has defaulted in repayment of dues to State Bank of India & Corporation bank. The Lead banker, SBI, has issued notice under SARFAESI Act to recover the dues. Notice issued under SARFAESI Act by the Banker for Rs. 2170.78 lacs. The bankers have taken symbolic possession of the property and filed a securitization application in District Magistrate Court, Thane.
- The Company does not have any outstanding debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer, hence, the provision of the clause (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations furnished by the management, which has been relied upon by us, there were no frauds on or by the Company or no fraud on the Company by its officers/ employees has been noticed or reported during the year.
- (xi) The Company has complied with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013 in paying/providing managerial remuneration.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards and Companies Act, 2013.
- (xiv) During the year the company has not made any preferential allotment of shares and hence, the provision of the clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of Section 192 of Companies Act, 2013 are not applicable.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R.C. Vakharia & Co.
Chartered Accountants
Firm Reg. No. 111237W

Rohit Vakharia
Proprietor
Membership No. 033728

Place: Mumbai
Date: May 29, 2017

Annexure B to the Auditor's Report

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **PAE Limited** ('the Company') as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the company for the year ended on the date.

Management's responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls the were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of Frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the companies Act, 2013.

Auditors Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI And deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and there operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or errors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the management and directors of the company and; (3) provide reasonable assurances regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company has, in all material respects and adequate internal financial control system and the internal control system adopted by the Company has adequate risk management and assessment system, but in company's perspective the effectiveness of said system is less effective in respect to warranty claim receivable/payable and statutory compliances as Company does not have internal auditor, Company Secretary and Qualified Accountant. Further an adequate internal financial controls system were operating effectively as at March 31, 2017 however it is required to be strengthen, based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R.C. Vakharia & Co.
Chartered Accountants
Firm Reg. No. 111237W

Rohit Vakharia
Proprietor
Membership No. 033728

Place: Mumbai
Date: May 29, 2017

STANDALONE BALANCE SHEET AS AT MARCH 31, 2017

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
Share Capital	2	1,951.96	1,951.96
Reserves and Surplus	3	(4,918.81)	(4,353.59)
(2) Share application money pending allotment	4	-	-
(3) Non-current Liabilities			
Long-Term Borrowings	5	-	-
Long-term Provisions	6	48.98	38.80
(4) Current Liabilities			
Short-term Borrowings	7	2,524.47	2,202.64
Trade Payables	8	801.64	2,064.39
Other Current Liabilities	9	710.48	786.87
Short-term Provisions	10	38.06	68.57
TOTAL		1,156.79	2,759.64
(II) ASSETS			
(1) Non-current Assets			
Fixed Assets			
Tangible Assets	11	466.47	538.65
Intangible Assets		0.47	1.02
Non-current Investment	12	62.53	70.26
Long-term Loans and Advances	13	60.23	197.88
Other Non-current Assets	14	5.49	1.51
(2) Current Assets			
Inventories	15	50.03	280.80
Trade Receivables	16	92.57	1,286.20
Cash and Bank Balances	17	26.96	49.53
Short-term Loans and Advances	18	83.26	69.28
Other Current Assets	19	308.79	264.51
TOTAL		1,156.79	2,759.64
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report attached

For and on behalf of Board of Directors

For R.C. Vakharia & Co.
Chartered Accountants
Registration No. 111237W

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

Rohit Vakharia
Proprietor
Membership No. 033728

John O. Band
Director

Date: May 29, 2017
Mumbai

Karthikeyan Muthuswamy
Director

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lacs)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
I Revenue from Operations	20	63.20	1,314.83
II Other Income	21	137.04	42.77
III Total Revenue (I+II)		200.24	1,357.60
IV EXPENSES			
Purchases of Stock-in-Trade	22	(81.33)	1,093.03
(Increase)/ Decrease In Inventory Of Stock-in-Trade	23	235.36	137.36
Employee Benefits Expense	24	252.04	499.92
Finance Costs	25	95.07	219.38
Depreciation and Amortization Expense		24.23	42.45
Other Expenses	26	205.24	531.15
Total Expenses		730.62	2,523.29
V Profit/(Loss) before exceptional items and tax		(530.38)	(1,165.70)
VI Exceptional items -	27	-	2,576.94
VII Profit/(Loss) before tax		(530.38)	(3,742.64)
VIII Tax Expense			
Previous Year's Taxes (net)		-	-
Current tax		-	-
Deferred Tax		-	-
IX Profit/(Loss) for the period		(530.38)	(3,742.64)
X Earnings Per Equity Share (Nominal value of share Rs.10/- each)			
Basic	28	(6.29)	(37.35)
Diluted		(6.29)	(37.35)
Significant accounting policies			
	1		
The accompanying notes are an integral part of the financial statements.			

As per our report attached

For R.C. Vakharia & Co.
Chartered Accountants
Registration No. 111237W

Rohit Vakharia
Proprietor
Membership No. 033728

Date: May 29, 2017
Mumbai

For and on behalf of Board of Directors

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

John O. Band
Director

Karthikeyan Muthuswamy
Director

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(A) Cash Flow from operating activities		
Net Profit/(Loss) before tax	(530.38)	(3,742.64)
Adjustments for :		
Depreciation and amortisation	24.23	42.45
Finance cost	95.07	219.38
Interest income	(19.51)	(1.09)
Dividend income	(0.05)	(0.41)
Unrealised foreign exchange gain	-	1.57
Bad Debts written off	-	39.59
Exceptional Item	-	2,576.94
Previous year provision no longer required	(0.25)	(1.02)
Sundry Debtors/ Creditors Written Back	(15.82)	(39.24)
Loss on sale of assets	1.33	-
Warranty payable written back	-	(11.82)
Profit on sale of fixed assets	(42.66)	(10.06)
	42.35	2,816.28
Operating Profit before working capital changes	(488.03)	(926.36)
Adjustments for :		
(Increase) / decrease in trade receivables	1,209.45	1,588.17
(Increase) / decrease in loans and advances and other assets	(50.82)	0.74
(Increase) / decrease in inventories	230.77	152.83
Increase / decrease in trade payables and other liabilities	(1,339.14)	(845.04)
Increase / (decrease) in provisions	(20.08)	(58.61)
(Increase) / decrease in margin money and other deposits	6.18	11.48
	36.36	849.57
Cash generated from operations	(451.67)	(76.79)
Income taxes (paid) / refund - (net)	126.24	(2.98)
Net cash flow from operating activities	(325.41)	(79.77)
(B) Cash Flow from Investing Activities		
Purchase of fixed assets	(0.36)	(3.49)
Proceeds from sale of fixed assets	74.45	24.07
Increase/Decrease in investment(net)	7.73	(0.19)
Interest received	19.45	1.11
Dividend received	0.05	0.41
Net cash used in investing activities	101.32	21.91
(C) Cash Flow from Financing Activities		
Issue of Equity shares	-	47.00
Issue of Convertible preference shares	-	(47.00)
Issue of preference shares	-	110.00
Share application money received	-	(40.00)
Proceeds from long term borrowing (net)	-	(141.25)
Proceeds from short term borrowings (net)	321.83	397.61
Finance cost	(114.13)	(328.38)
Unpaid dividend bank balance	4.29	5.47
Dividend paid	(4.29)	(5.47)
Net cash used In financing activities	207.70	(2.02)
Net increase in cash and cash equivalents	(16.41)	(59.88)
Opening balance as at beginning of the year	28.68	88.56
Closing balance as at end of the year	12.27	28.68
	(16.41)	(59.88)

Notes:

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

As per our report attached

For R.C. Vakharia & Co.
Chartered Accountants
Registration No. 111237W

Rohit Vakharia
Proprietor
Membership No. 033728

Date: May 29, 2017
Mumbai

For and on behalf of Board of Directors

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

John O. Band
Director

Karthikeyan Muthuswamy
Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
1. Significant Accounting Policies:
a) Basis of preparation:

The financial statements have been prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The Company has consistently applied the accounting policies which are consistent with those used in the previous year.

The Accounting Policies adopted in the preparation of financial statements are consistent with those of previous year.

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 computed using the Written Down Value Method ("WDV") as per the useful life of the asset as prescribed in part C of Schedule II of the Companies Act, 2013 leaving a residual value of 5% of original cost of the asset.
- 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 amortized on a straight line basis over the estimated useful economic life of the asset.
- ii. Computer software forming part of intangible assets is amortized over a period of five years.

f) Impairment of Assets:

he 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 realizable 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 recognized 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 ex-pense in the statement of profit and loss as they are incurred.
- ii. Defined Benefit Plan and long term benefits: Group's liabilities towards gratuity and long term benefit in the form of leave encashment are recognized on the basis of actuarial valuation using the projected unit credit method as at Balance Sheet date. Actuarial gains/losses are recognized immediately in the statement of profit and loss.

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, 2017

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
2 Share Capital		
Authorised		
1,50,00,000 Equity Shares of Rs.10 each (Previous Year: 1,50,00,000 Equity Shares of Rs. 10 each)	1,500.00	1,500.00
100,00,000 Preference Shares of Rs. 10 each (Previous Year: 10,00,000 Preference Shares of Rs. 10 each)	1,000.00	1,000.00
	<u>2,500.00</u>	<u>2,500.00</u>
Issued, Subscribed and Fully Paid Up		
1,04,196,00 Equity Shares of Rs.10 each fully paid up (Previous Year: 1,04,196,00 Equity Shares of Rs.10 each)	1,041.96	1,041.96
91,00,000 11% Non Convertible, Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up (Previous year 91,00,000 11% Non Convertible Cumulative, Redeemable Preference Shares of Rs. 10 each fully paid up)	910.00	910.00
	<u>-</u>	<u>-</u>
	<u>1,951.96</u>	<u>1,951.96</u>

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

(i) **Equity Shares:**

At the beginning of the year
Issued during the year
Redeemed during the year
Outstanding at the end of the year

March-17		March-16	
No. of Shares	Amount	No. of Shares	Amount
10,419,600	104,196,000	9,949,600	99,496,000
		470,000	4,700,000
-	-	-	-
10,419,600	104,196,000	10,419,600	104,196,000

(ii) **Preference Shares:**ii(a) **11% Non Convertible, Cumulative, Redeemable Preference Shares**

At the beginning of the year
Issued during the year
Redeemed during the year
Outstanding at the end of the year

March-17		March-16	
No. of Shares	Amount	No. of Shares	Amount
9,100,000	91,000,000	8,000,000	80,000,000
-	-	1,100,000	11,000,000
-	-	-	-
9,100,000	91,000,000	9,100,000	91,000,000

ii(b) **11% Optionally Convertible, Cumulative, Redeemable Preference Shares**

At the beginning of the year
Issued during the year
Conversion during the year
Outstanding at the end of the year

March-17		March-16	
No. of Shares	Amount	No. of Shares	Amount
-	-	470,000	4,700,000
-	-	-	-
		470,000	4,700,000
-	-	-	-

(b) **Terms attached to Equity and Preference Shares**

- (i) The company has equity shares having a face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (ii) During the year ended March 31, 2017, the Company issued Nil (previous year 11,00,000) 11% Non-convertible, cumulative, redeemable preference shares(NCRPS) of Rs.10/- each fully paid up. The NCRPS holder shall have a right to vote on resolution placed before the Company which directly affect the rights attached to his preference share only, and any resolution for the winding up of the Company or repayment or reduction of its equity or preference share capital, provided that where the dividend is not paid for two or more years such class of NCRPS holders shall have right to vote on all resolutions placed before the Company. The NCRPS shall be redeemed by the Company at par on expiry of 13 years from the date of allotment, or on the request of NCRPS holders, which ever is earlier. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (iii) During the year ended March 31, 2017, the Company issued Nil (previous year Nil) 11% Optionally Convertible, Cumulative, Redeemable Preference Shares of the face value of Rs.10/- each for cash at par. On May 29 2015, 4,70,000 (four lacs seventy thousand) 11% Optionally Convertible Cumulative Redeemable preference shares were converted into equity shares. The equity shares so allotted on conversion are subject to lock-in for a period of 3 years from the date of trading approval or as required under ICDR Regulations. The outstanding balance in this class of shares as on March 31, 2017 is Nil (previous year Nil).
- (iv) Out of the total number of equity shares held by the Promoters 30,90,855 no. of shares are under lock in period.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(C) Details of shareholders holding more than 5% shares in the company
Equity Shareholders:

- i Arvind Raoji Doshi
- ii Pratibha Arvind Doshi
- iii Pritam Arvind Doshi

March-17		March-16	
% holding in the class	No. of Shares	No. of Shares	% holding in the class
25.49%	2,655,728	2,655,728	25.49%
16.27%	1,695,696	1,695,696	16.27%
13.39%	1,395,199	1,395,199	13.39%

Preference Shareholders:

11% Non Convertible, Cumulative, Redeemable Preference Shares

- i Arvind Raoji Doshi
- ii Pritam Arvind Doshi
- iii Pratibha Arvind Doshi
- iv Rajubai Investments Pvt. Ltd.

March-17		March-16	
% holding in the class	No. of Shares	No. of Shares	% holding in the class
43.96%	4,000,000	4,000,000	43.96%
22.31%	2,030,000	2,030,000	22.31%
19.01%	1,730,000	1,730,000	19.01%
14.73%	1,340,000	1,340,000	14.73%

	As at March 31, 2017	As at March 31, 2016
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3 Reserves and Surplus

Capital Reserve	0.09	0.09
Securities Premium Account	531.22	531.22
Revaluation Reserve	346.86	364.96
Less: Transfer to General Reserve	-	-
Less: Sale of Assets	16.79	-
Less: Depreciation on revaluation of assets transferred to statement of profit and loss	18.07	18.11
	312.00	346.85
General Reserve		
Balance as per last Financial Statement	941.14	941.14
Add: Transfer from Revaluation Reserve	-	-
Transfer from Profit & Loss Account	-	-
	941.14	941.14
Surplus/(Deficit) in the statement of profit & loss		
Balance as per last financial statements	(6,172.89)	(2,430.26)
Less: Adjustment for depreciation (refer note no. 12)	-	-
Add: Profit/(Loss) for the year	(530.38)	(3,742.64)
Net Surplus/(Deficit) in the statement of Profit & Loss	(6,703.27)	(6,172.89)
	(4,918.81)	(4,353.59)

Revaluation portion of sale of asset Rs. 16.79 lakh has been shown as profit on sale of assets instead of transferring to General Reserve as current year loss is lesser to that extent."

4 Share Application Money Pending Allotment

-	-
-	-

5 Long - Term Borrowings

Unsecured

- Fixed Deposits from related parties (a)
- Fixed Deposits from shareholders (b)
- Fixed Deposits from others (c)

-	-
-	-
-	-
-	-

- (a) 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.
- (b) 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
6 Long-term Provisions		
Provision for employee benefits (refer note no. 30)		
Leave Encashment	7.58	19.88
Gratuity	41.40	18.92
	<u>48.98</u>	<u>38.80</u>
7 Short Term Borrowings		
Secured		
Working capital loan from banks (a)	2,026.68	2,027.64
Interest payable on working capital loan from banks (b)	-	-
	<u>2,026.68</u>	<u>2,027.64</u>
Unsecured		
Inter-Corporate Deposit from others (c)	300.55	30.00
Inter-Corporate Deposit From related party (d)	138.28	145.00
Loan from director (e)	58.97	-
	<u>2,524.47</u>	<u>2,202.64</u>
(a) Working capital loan from consortium of 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 loan carries interest at 7% p.a. in State Bank of India and 5.10% p.a. in Corporation Bank above Bank Rate(BR). Consortium of banks has classified working capital loan as Non Performing Asset and has issued notice under section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act(SARFAESI) Act 2002 & taken symbolic possession of the immovable property and file the securitization application under District Magistrate Court, Thane. As the consortium of bank have declared the working capital loan as NPA no interest has been charged during the year.		
(b) The inter-corporate deposits carry interest @11% p.a to 15% p.a.		
(c) Unsecured loan from "related party" is an interest free loan except Rs. 10.00 Lac.		
8 Trade Payables (including acceptances)	801.64	2,064.39
	-	-
9 Other Current Liabilities		
(a) Current maturities of long term debts		
Current maturity of motor vehicle loan	-	-
Current maturity of fixed deposits from related parties	137.25	137.25
Current maturity of fixed deposits from shareholders	-	1.60
Current maturity of fixed deposits from public	0.50	34.68
(b) Interest accrued but not due	-	0.13
(c) Interest Payable *	26.81	18.93
(d) Unclaimed dividend **	11.04	15.33
(e) Unclaimed matured fixed deposits (including Interest)	1.90	5.99
(f) Other Payables		
Trade payable for expenses	353.28	335.08
Dealer Deposits	53.52	106.05
Rent Deposit	26.54	29.26
Advance from customers	12.16	18.23
Statutory dues payable	87.47	84.34
	<u>710.48</u>	<u>786.87</u>
* Interest payable includes Rs.9.87 lacs payable to related parties.		
** There is no amount due & outstanding as at Balance Sheet date to be credited to Investor Education & Protection Fund.		
10 Short-term Provisions		
Provision for employee benefits (Refer Note No. 28)		
Leave Encashment	0.55	3.63
Gratuity (net of planned asset)	5.56	12.46
	<u>6.11</u>	<u>16.09</u>
Provision for warranties (refer note no. 32(e))	31.96	52.48
	<u>38.06</u>	<u>68.57</u>

NOTE NO 11 : FIXED ASSETS

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	As At 01.04.2016	Addition on revaluation	Additions This Year	Sales / Adjustment This Year	As At 31.03.2017	As At 01.04.2016	Adjustment On Revaluation *	Transfer to Surplus/ (Deficit) in the statement of Profit and Loss Account **	*Depreciation/ Amortisation This Year	Sales / Adjustment This Year	As At 31.03.2017	As At 31.03.2016	
TANGIBLE ASSETS													
BUILDING AND OWNERSHIP FLATS *	781.90	-	-	25.36	756.54	290.01	18.07	-	13.97	6.68	315.37	441.17	491.89
OTHER PLANT and MACHINERY	19.83	-	-	11.56	8.27	14.80		-	0.73	9.05	6.48	1.79	5.03
FURNITURE and FIXTURES	187.02	-	-	30.29	156.73	165.71		-	5.99	26.57	145.13	11.60	21.31
OFFICE EQUIPMENTS	90.98	-	0.36	22.20	69.14	82.85		-	1.65	19.79	64.71	4.43	8.13
COMPUTERS	171.43	-	-	47.79	123.64	163.30		-	1.18	45.87	118.61	5.03	8.13
MOTOR VEHICLES (DEL VAN)	70.79	-	-	21.80	48.99	66.63		-	0.15	20.24	46.54	2.45	4.16
SUB TOTAL	1,321.95	-	0.36	159.00	1,163.31	783.30	18.07	-	23.67	128.20	696.84	466.47	538.65
PREVIOUS YEAR SUB TOTAL	1,431.85	-	3.49	113.39	1,321.95	824.23	18.11	-	221.75	40.34	90.38	783.30	
INTANGIBLE ASSETS													
SOFTWARE	34.61	-	-	-	34.61	33.59			0.56		34.15	0.47	1.02
SUB TOTAL	34.61	-	-	-	34.61	33.59	-	-	0.56	-	34.15	0.47	1.02
PREVIOUS YEAR SUB TOTAL	34.61	-	-	-	34.61	31.60			1.98		33.58	1.03	
TOTAL	1,356.56	-	0.36	159.00	1,197.92	816.89	18.07	-	24.23	128.20	730.99	466.94	539.67
PREVIOUS YEAR TOTAL	1,466.46	-	3.49	113.39	1,356.56	855.83	18.11	-	223.73	40.34	123.96	784.33	

*** 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

	Rupees 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
Reduction on sale of assets from 01.04.2014 to 31.03.2015	128.62
Reduction on sale of assets from 01.04.2016 to 31.03.2017	16.79
Depreciation on Revalued Portion from 01.04.2016 to 31.03.2017	18.07
Accumulated depreciation on revalued portion as on 31.03.2017	168.99
WDV as on 31.03.2017	312.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
12 Non Current Investment		
Trade Investments		
Investment in Equity Instruments		
Investment in Subsidiary Companies (Unquoted)		
Shurjo Energy Pvt. Ltd.	785.66	785.66
4,56,47,658 (Previous Year: 4,56,47,658) Equity shares of Rs.1 each fully paid		
Less: Provision for diminution in value	760.66	760.66
	25.00	25.00
PAE Renewables Pvt. Ltd.	1,176.00	1,176.00
Nil (Previous Year: 93,85,000) Equity shares of Rs.10 each fully paid		
Less: Provision for diminution in value	1,171.18	1,171.18
	4.82	4.82
Less : Sold during the year	4.82	-
	-	4.82
PAE Infrastructure Pvt. Ltd.	35.20	35.20
3,52,000 (Previous Year: 3,52,000) Equity shares of Rs.10 each fully paid		
	60.20	65.02
Other Investments (Quoted)		
Pal Credit & Capital Ltd.	87.64	87.64
8,53,305 (Previous Year: 8,53,305) Equity shares of Rs.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
Nil (Previous Year: 8,000) Equity shares of Rs.10 each fully paid		
Less : Sold during the year	1.18	-
	-	1.18
Exide Industries Ltd.	0.01	0.01
Nil (Previous Year: 216) Equity shares of Rs.1 each fully paid		
Less : Sold during the year	0.01	-
Finolex Cables Ltd.	0.01	0.01
Nil (Previous Year: 50) Equity shares of Rs. 2 each fully paid		
Less : Sold during the year	0.01	-
	-	0.02
Bosch Ltd.	0.02	0.02
Nil (Previous Year: 10) Equity shares of Rs. 10 each fully paid (Formerly known as Mico Industries Company Ltd.)		
Less : Sold during the year	0.02	-
	-	0.02
Gabriel India Ltd.	0.01	0.01
Nil (Previous Year: 1000) Equity shares of Rs. 1 each fully paid		
Less : Sold during the year	0.01	-
	-	0.01
	2.30	3.53

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
Other Investments (Unquoted)		
Jain Sahakari Bank Ltd. 40 (Previous Year: 40) Equity shares of Rs. 25 each fully paid	0.01	0.01
Stiefel Und Shuh Ltd. 1,100 (Previous Year: 1,100) Equity shares of Rs. 10 each fully paid Less: Provision for diminution in value	0.11 0.10 0.01	0.11 0.10 0.01
Kongarar Integrated Fibres Ltd. 1,200 (Previous Year: 1200) Equity shares of Rs. 10 each fully paid (Formerly known as Kongarar Textiles Ltd.) Less: Provision for diminution in value	0.52 0.51 0.01	0.52 0.51 0.01
	0.03	0.03
Investment in Mutual Funds Nil (Previous Year: 9543) Units of Unit Trust of India Balance Fund	1.68	1.68
Less : Sold during the year	1.68	1.68
	-	-
	62.53	70.26
Aggregate Book Value of Investments		
Quoted Investments	87.64	88.88
Unquoted Investments	821.51	1,999.19
Provision for diminution in value	846.62	2,017.80
(Market value of quoted investments Rs. Nil as trading of PLCC is suspended (Previous Year: Rs. 24.98 lacs)	62.53	70.26
Investment in subsidiary, Shurjo Energy Pvt. Ltd		
a) The company has made a provision for diminution in the value of its investment of Rs.785.66 lacs in Shurjo Energy Private Limited ('SEPL') to the extent of Rs.760.66 lacs based on the realisable value of the assets on estimated basis.		
Investment in subsidiary, PAE Renewables Pvt. Ltd		
b) During the previous year the company has made a provision for diminution in the value of its investment of Rs.1176.00 lacs in PAE Renewables Private Limited ('PAER') to the extent of Rs.1171.18 lacs based on the valuation done by an independent valuer. In current year the Company has sold its investment for Rs. 4.85 Lacs and difference shown as profit on sale of investment resulting that company is no longer subsidiary with effect from 31st December, 2016.		
13 Long-term Loans & Advances		
Unsecured considered good		
Capital Advances	-	0.12
Sundry Deposits	39.30	49.86
PAE Employees' Group Gratuity Fund	-	-
Advance Income Tax	20.93	147.17
Other advances	-	0.73
	60.23	197.88
14 Other Non-current Assets		
Non current bank balances		
Margin money deposits with bank	5.49	1.51
Other deposits with bank	5.49	1.51
15 Inventories		
Traded Goods	45.44	280.80
Goods-in-Transit(at cost)	4.59	-
	50.03	280.80

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
16 Trade Receivables: (Unsecured, considered good unless otherwise stated)		
Outstanding over six months	92.57	1,153.83
Others	-	132.37
	<u>92.57</u>	<u>1,286.20</u>
17 Cash And Bank Balances		
Cash and cash equivalents		
Balances with Banks		
On current account	11.44	16.72
Deposit with Maturity of less than/upto three months	-	1.98
Cash in hand	0.68	0.79
Cheques deposited in CMS facility	0.11	3.21
Cheques/ Drafts in hand	0.03	5.98
	<u>12.27</u>	<u>28.67</u>
Other bank balances		
Unpaid dividend account	11.04	15.33
Margin money deposit with maturity of more than 3 months and upto 12 months (a)	3.65	5.53
Deposits with maturity of more than 3 months and upto 12 months	-	-
	<u>14.69</u>	<u>20.86</u>
	<u>26.96</u>	<u>49.53</u>

(a) Balances with bank on current account include and amount of Rs. 4.52 lacs, which has been earmarked by the VAT department towards unpaid VAT dues of Rs. 13.49 Lacs of Vizag, Ahemdabad & Vashi Branches as per bank statement

(b) Margin money deposits with maturity of more than three months and upto 12 months is against Letters of credit and bank guarantees.

18 Short-term Loans & Advances**Unsecured considered good**

Loans and Advances to subsidiaries (a)	645.09	645.09
Less: Provision for doubtful recovery	645.09	645.09
	-	-
Others		
Sundry Deposits	13.01	8.63
Advances receivable in cash or kind or for value to be received	70.25	60.65
	<u>83.26</u>	<u>69.28</u>

(a) Loans and advances to subsidiaries is for the purpose of meeting the working capital requirement of the subsidiaries. During the year, the company has not charged any interest on these loans and advances.

(b) Loans and advances in the nature of Loans and advances/ICD given to subsidiaries and associates and firms/companies in which directors are interested.

	2016-17		2015-16	
	Outstanding balance as on 31.03.2017	Maximum balance during the period	Outstanding balance as on 31.03.2016	Maximum balance during the period
Shurjo Energy Pvt. Ltd.	-	-	-	655.47
Sovox Renewables Pvt. Ltd.	-	-	-	28.37
PAE Renewables Pvt. Ltd.	-	-	-	105.88
Total	-	-	-	789.72

19 Other Current Assets

Claims/Incentives receivables	308.61	264.39
Interest accrued but not due on margin money & fixed deposit & Investment deposit scheme	0.18	0.12
	<u>308.79</u>	<u>264.51</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
20 Revenue From Operations		
Net Sale of Traded Goods less Returns	41.23	1,253.20
Other Operating Revenues:		
Incentive/turnover discounts from suppliers	-	1.70
Bad debts recovered	6.13	7.41
Others	15.84	52.51
	<u>21.97</u>	<u>61.63</u>
	<u>63.20</u>	<u>1,314.83</u>
21 Other Income		
Interest	0.62	1.09
Refund of interest on income tax	18.89	-
Rent Income	32.21	26.62
Dividend Earned	0.05	0.41
Profit on sale of assets(net)	42.66	10.06
Other miscellaneous income	42.61	4.59
	<u>137.04</u>	<u>42.77</u>
22 Details of purchase of traded goods	<u>(81.33)</u>	<u>1,093.03</u>
	<u>(81.33)</u>	<u>1,093.03</u>
23 Changes in inventories Stock-in-Trade		
Closing Stock	45.44	280.80
Opening Stock	280.80	418.16
(Increase)/decrease in stock	<u>235.36</u>	<u>137.36</u>
24 Employee Benefits Expense		
Salaries and Wages	204.19	426.44
Contribution to Provident & Other Funds	34.11	40.40
Staff Welfare Expenses	13.74	33.08
	<u>252.04</u>	<u>499.92</u>
25 Finance Costs		
Interest Expense	93.73	197.66
Bank Charges	1.35	21.72
	<u>95.07</u>	<u>219.38</u>
26 Other Expenses		
Stationery, Postage, Advertisement, Telephone, Electricity, etc.	110.05	258.33
Clearing and Forwarding Agency Charges	-	4.24
Packing and Forwarding (Inward & Outward)	7.86	47.81
Rent	21.61	53.23
Rates & Taxes	7.86	18.85
Cash Discount	0.20	5.05
Incentive/Turnover Discounts	0.00	9.67

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

	For the year ended March 31, 2017	For the year ended March 31, 2019
Repairs to		
(i) Buildings	9.94	5.28
(ii) Others	14.36	15.20
	24.30	20.48
Insurance	2.60	4.40
Payment to auditors		
As Auditors:		
(i) Audit Fees	3.22	2.29
(ii) Tax Audit Fees	0.17	1.03
(iii) Limited Review	2.07	4.85
In other capacity:		
(iv) Other services(certification fee)	0.46	1.90
For reimbursement of expenses	0.09	0.36
	6.02	10.42
Miscellaneous Expenses	19.49	56.49
Directors' Fees	-	1.03
Loss on assets sold/discarded(Net)	5.26	-
Foreign Exchange Fluctuation (net)	-	1.57
Bad Debts written off	-	39.59
	205.24	531.15
	-	-
27 Exceptional items		
ICD receivable from step down subsidiary written off -	-	-
Profit on sale of asset(net)	-	-
Provision for doubtful recovery of loans and advances from subsidiary	-	645.09
Provision for Diminution in value of Investment	-	1,931.85
	-	2,576.94

During the previous year the company has made a provision for diminution in value of investment in the company's subsidiary, PAE Renewables Pvt. Ltd., based on the valuation done by an independent valuer & on Shurjo Energy Pvt. Ltd. on estimated basis amounting Rs. 1931.85 Lac.

28 Earnings Per Share (EPS)

Profit/(loss) after tax	(530.38)	(3,742.64)
Less: Preference Dividend on cumulative preference shares	(100.10)	(100.64)
Less: Tax on Preference Dividend	(20.49)	(20.49)
Net Loss attributable to the Equity Share holders	(650.97)	(3,863.77)
Weighted average number of equity share outstanding	103.45	103.45
Basic and diluted earnings per share (in Rupees)	(6.29)	(37.35)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

29	Employee defined benefits		
	Particulars	2016-17 Gratuity (Funded)	2015-16 Gratuity (Funded)
	I. Reconciliation of opening and closing balances of Defined Benefit Obligation:		
	Liability at the beginning of the year	77.24	91.23
	Current service cost	4.42	5.50
	Interest Cost	6.20	7.30
	Past Service cost(vested benefit) incurred during the period		
	Benefits paid	(47.49)	(25.42)
	Actuarial(gain)/loss	6.58	(1.37)
	Liability at the end of the year	46.95	77.24
	II. Reconciliation of opening and closing balances of Fair Value of Plan Assets:		
	Fair value of plan assets at the beginning of the year	45.85	66.64
	Expected return on plan assets	3.68	5.33
	Contributions	2.53	-
	Benefits paid	(47.48)	(25.42)
	Actuarial(gain)/loss on plan assest	(2.10)	(0.70)
	Fair value of plan assets at the end of the year	2.30	45.85
	Net Actuarial (gain)/loss to be recognised	8.67	0.67
	Actuarial return on plan assets:		
	Expected return on plan assets	3.68	5.33
	Actuarial gain/(loss) on plan assets	(2.10)	(0.70)
	Actuarial return on plan assets	1.58	4.63
	III. Reconciliation of fair value of assets and obligations:		
	Liability at the end of the year	46.95	77.24
	Fair value of plan assets at the end of the year	2.30	45.86
	Amount recognised in the Balance Sheet under "Provisions for retirement benefits"	44.65	31.38
	IV. Expenses recognised in the profit and loss account:		
	Current service cost	4.42	5.50
	Interest Cost	2.53	1.97
	Expected return on plan assets	8.67	(0.67)
	Past Service cost(vested benefit) incurred during the period	-	-
	Net Actuarial (gain)/loss to be recognised		
	Expense recognised in the profit and loss account under "Contribution to provident, gratuity and other funds	15.62	6.80
	V. Principal assumptions:	In Percent	In Percent
	Mortality Table LIC	1994-96	1994-96
	Discount Rate		
	Expected return on plan assets	8.04%	8.04%
	Rate of escalation in salary	5.00%	5.00%
	Attrition rate	2.00%	2.00%

30 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 Rs. 21.61 lacs (previous year Rs.53.23 lacs) and are recognised in the statement of profit and loss account under "Rent" Note no.26.

b Where company is a lessor:

The company has given its own office and residential premises under leave and licence agreements. These are not non cancellable and range between 11 months and 3 years under leave and licence and are renewable by mutual consent on mutually agreeable terms. The company has taken refundable interest free security deposits under certain agreements. Amounts received during the year under such agreements are Rs.32.21 lacs(previous year Rs.26.62 lacs) and are recognised in the statement of profit and loss account under 'Rent Income' in Note no. 21.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**31 Segment information**

The Company has only one reportable segment, namely "Power Products", hence segment disclosure under Accounting Standard -17 (AS-17) is not required.

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

Shurjo Energy Pvt. Limited
PAE Renewables Pvt. Ltd. till 31st December, 2016
(Formerly known as Sky Naturenergy Pvt. Ltd.
PAE Infrastructure Pvt. Ltd.

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

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

C Key Management Personnel:

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

D Relatives of Key Management Personnel:

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

E. Details of transactions with related parties:

(₹ in lacs)

Particulars	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
Remuneration:				
Mr. Arvind R. Doshi			-	
			-	
Mr. Pritam A. Doshi			43.66	
			(43.66)	
Sitting Fees :				
Mr. Arvind R. Doshi			-	
			(0.20)	
Mrs. Pratibha A. Doshi			-	
			(0.20)	
Rent Received:				
Pae Renewables Pvt. Ltd.	3.90			
	(2.61)			
Rent Paid:				
Pae Infrastructure Pvt. Ltd	0.31			
	(1.40)			
Sales:				
Pae Renewables Pvt. Ltd	-			
	(5.32)			
Purchases:				
Pae Renewables Pvt. Ltd	-			
	-			
Sale of assets:				
Pae Renewables Pvt. Ltd	0.30			
	-			

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

E. Details of transactions with related parties:

(₹ in lacs)

Particulars	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
Other receipts/payments(net):				
PAE Infrastructure Pvt. Ltd.	1.93			
	-			
PAE Renewables Pvt. Ltd.	4.20			
	-			
Shurjo Energy Pvt. Ltd	2.27			
	(10.38)			
Sovox Renewables Pvt. Ltd	-			
	(1.78)			
Interest paid on fixed deposits:				
Arvind R Doshi HUF		3.91		
		(8.70)		
Pritam A Doshi HUF		1.32		
		(2.94)		
Mrs. Pratibha A. Doshi			1.80	
			(4.11)	
Mrs. Priyadarshani A. Doshi				0.25
				(0.38)
ICD taken:				
Rajubai Investment Private Limited		10.00		
		(177.00)		
Loan from director				
Mr. Pritam A Doshi			74.50	
			-	
Mrs. Pratibha A. Doshi				10.00
				-
ICD Paid back:				
Rajubai Investment Private Limited		16.01		
		(239.99)		
Loan from director paid Back				
Mr. Pritam A Doshi			27.50	
			-	
Mrs. Pratibha A. Doshi				-
				-
ICD Received back:				
Shurjo Energy Pvt. Ltd	-			
	-			
Sovox Renewables Pvt. Ltd	-			
	(27.34)			
ICD Writen off :				
Sovox Renewables Pvt. Ltd	-			
	(1.03)			
Interest paid on ICD:				
Rajubai Investment Private Limited		0.08		
		-		
Interest paid on Loan from director				
Mr. Pritam A Doshi			0.79	
			-	
Mrs. Pratibha A. Doshi				-
				-
Preference shares issued (11% non-convertible, cumulative redeemable preference shares) :				
Mr. Pritam A. Doshi			-	
			-	
Mrs. Pratibha A. Doshi			-	
			-	
Rajubai Investment Private Limited		-	-	
		(110.00)		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

E. Details of transactions with related parties:

(₹ in lacs)

Particulars	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
Preference shares issued (11% optionally convertible cumulative preference shares) :				
Mr. Pritam A. Doshi			-	
Mrs. Pratibha A. Doshi			-	
			-	
			-	
Conversion of shares :				
Mr. Pritam A. Doshi			-	
			(23.50)	
Mrs. Pratibha A. Doshi			-	
			(23.50)	
Share Application Money Received :				
Rajubai Investment Private Limited			-	
			-	
Amount outstanding on balance sheet date				
Fixed deposits outstanding:				
Arvind R Doshi HUF		74.00		
		(74.00)		
Pritam A Doshi HUF		25.00		
		(25.00)		
Mrs. Pratibha A. Doshi			35.00	
			(35.00)	
Mrs. Priyadarshani A. Doshi				3.25
				(3.25)
Interest payable(net of TDS):				
Rajubai Investment Private Limited		0.63		
		-		
Arvind R Doshi HUF		5.32		
		(3.91)		
Pritam A Doshi HUF		1.80		
		(1.32)		
Mrs. Pratibha A. Doshi			2.52	
			(1.85)	
Mrs. Priyadarshani A. Doshi				0.23
				(0.17)
Mr. Pritam A Doshi			1.62	
			-	
Mrs. Pratibha A. Doshi				0.34
				-
Remuneration payable:				
Mr. Arvind R. Doshi			-	
			(27.14)	
Mr. Pritam A. Doshi			25.01	
			(9.07)	
Outstanding debit/(credit):				
Shurjo Energy Pvt. Ltd	(2.28)			
	-			
Pae Renewables Pvt. Ltd	-			
	-			
Pae Infrastructure Pvt. Ltd	(6.24)			
	(-3.99)			
ICD outstanding :				
Shurjo Energy Pvt. Ltd	-			
	-			
Rajubai Investment Private Limited		138.28		
		(145.00)		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

E. Details of transactions with related parties:

(₹ in lacs)

Particulars	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
Loan outstanding to Directors				
Mr. Pritam A Doshi			48.62	
Mrs. Pratibha A. Doshi			-	10.34
				-
Corporate guarantee given and outstanding :				
Pae Renewables Pvt. Ltd	-			
	-			
Figures for the previous year have been given in brackets.				

33 Contingent liabilities

- a Accrued dividend on 11% Non Convertible Redeemable Preference Shares for the year is Rs. 100.1 lacs (previous year Rs.99.82 lacs) and accumulated till date Rs. 274.71 Lac and on 11% Optionally Convertible, Cumulative, Redeemable Preference Shares is Rs.Nil (previous year Rs.0.82 lacs).
- b Disputed sales tax demand of Rs. 1048.23 lacs (previous year Rs.507.42 lacs) and Disputed disallowance under section 14A of Income Tax of Rs. 265.17 lacs (previous year Rs. 142 Lacs). The management has been advised that there will be no liability arising on this account. Details not available for our verification. Amount as certified by the management.
- c Counter indemnities given by the company in respect of guarantees issued by the bank Rs.0.87 lacs (previous year Rs.0.87 lacs).
- d **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:

	31-Mar-17	31-Mar-16
At the beginning of the year	52.48	113.67
Provision for warranty made during the year	-	30.32
Utilised during the year	(20.52)	(59.43)
Written back during the year	-	(32.08)
Closing provision for warranty as at the end of the year	31.96	52.48

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

Principle amount remaining unpaid and interest due thereon:

(Rupees in lacs)

	31-Mar-17	31-Mar-16
Principle amount	-	-
Interest accrued and due on above	-	-
Payment made to suppliers beyond appointed day during the year	-	-
Interest paid to suppliers under MSMD Act.	-	-
Interest due and payable to suppliers under MSMD Act towards payments already made.	-	-
Interest accrued and remaining unpaid at the end of the account year.	-	-

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.

35 Value of imports calculated on CIF basis

(Rupees in lacs)

	31-Mar-17	31-Mar-16
i) Traded goods	-	153.29

36 Derivative Instruments and Un-hedged foreign currency exposure :

- a Unhedged foreign currency exposure as at year end:

Rupees in lacs

Nature of transactions	Currency	31-Mar-17		31-Mar-16	
		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	-	-	112887.25	75.52

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

b Forward contract outstanding as at year end are Nil.

37 Trade Receivables, Trade Payables, Loans and Advances are subject to confirmation of balance. Trade Payables include an amount of Rs.201.83 lacs payable to a supplier, which is secured by the personal guarantee of the Managing Director.

38 During the year, the company has not recognised Deferred tax asset as per Accounting Standard-22(AS-22) as a matter of prudence.

39 The management and Board of Directors of the company have initiated various steps like cost reduction, identifying non core assets for monetisation, which will improve the cash flows. Further, steps are also being taken to evaluate various alternatives for raising funds and resolution of debts. The Board of Directors expects improvement in the business results in the forthcoming years. Accordingly, the financial statements have been prepared on going concern basis.

40 The company has pending litigation with various vendors against which counter claims have been raised which may not significantly impact the financial position of the company.

41 During the quarter ended 31st December, 2016, interest on supplier provided Rs. 30.94 lacs has been reversed on 31st March, 2017 as the company is in the process of settlement with the party.

42 The balance of sundry debtors, sundry creditors, warranty receivable, warranty payables and warranty stock are subject to reconciliation. The management is in process of reconciling the same.

43	Particulars	SBNs	Other Denomination Notes	Total
	Closing Cash on hand as at 08 th November, 2016	341,000	231,961	572,961
	(+) Receipts for permitted receipts	-	501,007	501,007
	(+) Receipts for non permitted receipts	33,000	-	33,000
	(-) Permitted payments	277,500	474,394	751,894
	(-) Amount deposited in banks	96,500	42,056	138,556
	Closing Cash on hand as at 30 th , December, 2016	-	216,518	216,518

As certified by management

44 The Company has pending litigation which would impact its financial position regarding non payment of dues as notices issued under Negotiable Instrument Act for cheque bouncing amount involve Rs. 11.37 lacs and notice issued under SARFAESI Act by the Banker for Rs. 2170.78 lacs. Regarding SARFAESI notice issued by consortium of banks and Banks have taken the symbolic possession of the property and filed the securitization application in the District magistrate Court, Thane, the Company is in discussion with bankers for resolution of the same.

45 Others

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

As per our report attached

For R.C. Vakharia & Co.
Chartered Accountants
Registration No. 111237W

Rohit Vakharia
Proprietor
Membership No. 033728

Date: May 29, 2017
Mumbai

For and on behalf of Board of Directors

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

John O. Band
Director

Karthikeyan Muthuswamy
Director

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF PAE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PAE LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

We draw your attention that Net Worth of the group is negative at the end of the year. It has incurred accumulated losses of Rs. 6595.16 lacs till end of the year including profit of Rs. 103.90 Lacs for the current year. Despite this, for the reasons mentioned in Note No. 36 to the consolidated financial statements, the accounts have been prepared on going concern basis. This condition indicates existence of a material uncertainty that may cast significant doubt about the Company's ability to continue on a going concern basis. We don't have the appropriate audit evidence to consider the Company to continue as going concern.

The balance of sundry debtors, sundry creditors, warranty receivables, warranty payables and warranty stock are subject to reconciliation and confirmation. We draw attention to Note No. 38 of Notes to the accounts.

As stated in Note No 41 of the consolidated financial statements, the Independent Auditor of a Subsidiary of the Company, Shurjo Energy Private Limited, have qualified their audit opinion on its financial statements for the year ended March 31, 2017 in respect of Depreciation being provided at the rates prescribed in the erstwhile Schedule XIV to the Companies Act, 1956, instead of providing depreciation based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. We are therefore unable to comment on the impact of the above, on the consolidated loss for the year and the Reserve & Surplus balance and Property, Plant & Equipment reported in the consolidated balance sheet as at the end of the year.

As stated in Note No. 44 of the consolidated financial statements, the Independent Auditor of a Subsidiary of the Company, Shurjo Energy Private Limited, have qualified their audit opinion on its financial statements for the year ended March 31, 2017 in respect of impairment of Property, Plant & Equipment as the manufacturing activity of the company has been discontinued, the carrying amount of Property, Plant & Equipment needs to be impaired, however the company is carrying the Property, Plant & Equipment at historical cost and no impairment loss has been provided in books of accounts as required by Accounting Standard 28 (AS-28). The quantum of impairment loss is not ascertained.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraphs above, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Consolidated Financial Statements:

1. Independent Auditor of a Subsidiary of the Company, Shurjo Energy Private Limited, in their audit report for the year ended March 31, 2017 have drawn attention to the matter stated in Note No. 43 to the consolidated financial statements that the accumulated losses of the Company for Rs. 1172.32 lacs (including current year loss of Rs. 20.99 lacs) at the year end exceed company's networth. Despite this, Company has prepared the accounts on going concern basis.

Our report is not modified in this respect of above matters.

Other Matters

We did not audit the financial statements of 2 direct subsidiaries whose financial statements reflect total assets of Rs.225.35 lacs as at 31st March, 2017, total revenues of Rs.10.71 lacs and net cash outflows aggregating to Rs. 0.13 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.
- c) The Consolidated balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) Except for the effects of the matter described in the Basis of Qualified opinion paragraphs above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified

under section 133 of the Act, read with Rule 7 of the Companies (Accounts) rules, 2014.

- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, none of the other directors of the Group companies is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the Internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in 'Annexure A', which is based on the Auditors' Reports of the Company and its subsidiary companies.
- g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has pending litigation which would impact its financial position regarding non payment of dues as notices issued under Negotiable Instrument Act for cheque bouncing amount involve Rs. 11.37 lacs and notice issued under SARFAESI Act by the Banker for Rs. 2170.78 lacs. (Also Refer Note No. 33 to the Notes to the accounts- contingent liability)

- (ii) The group does not have any material foreseeable losses on long term contracts including derivative contracts.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- (iv) The Company has provided requisite disclosure in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 which are in accordance with the books of accounts maintained by the Company. (Refer Note No. 39 to the Notes to the accounts.)

For R.C. Vakharia & Co.
Chartered Accountants
Firm Reg. No. 111237W

Rohit Vakharia
Proprietor
Membership No. 033728

Place: Mumbai
Date: June 19, 2017

Annexure 'A' to the Auditor's Report

Report on the Internal Financial Controls over Financial Reporting under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **PAE Limited** ('the Company') and its subsidiary companies incorporated in India as at March 31, 2017 in conjunction with our audit of the consolidated financial statements of the company for the year ended and as on the date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of Frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the companies Act, 2013.

Auditors Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards prescribed under section 143(10) of the Act and Guidance Note to extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or errors.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India, in term of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company and; (3) provide reasonable assurances regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company has, in all material respects and adequate internal financial control system and the internal control system adopted by the Company has adequate risk management and assessment system, but in company's perspective the effectiveness of said system is less effective in respect to warranty claim receivable/payable and statutory compliances as Company does not have internal auditor, Company Secretary and Qualified Accountant. Further an adequate internal financial controls system were operating effectively as at March 31, 2017 however it is required to be strengthened, based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 direct subsidiary companies, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For R.C. Vakharia & Co.
Chartered Accountants
Firm Reg. No. 111237W

Rohit Vakharia
Proprietor
Membership No. 033728

Place: Mumbai
Date: June 19, 2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(₹ in Lacs)			
Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
I EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,951.96	1,951.96
Reserves and Surplus	3	(4,810.70)	(4,878.95)
(2) Share application money pending allotment	4		
(3) Non-current Liabilities			
Long-Term Borrowings	5	-	65.32
Long-term Provisions	6	48.99	40.07
(4) Current Liabilities			
Short-term Borrowings	7	2,524.47	2,353.85
Trade Payables	8	816.22	2,078.72
Other Current Liabilities	9	707.78	1,399.27
Short-term Provisions	10	38.86	72.71
TOTAL		1,277.58	3,082.95
(II) ASSETS			
(1) Non-current Assets			
Fixed Assets			
Tangible Assets	11	510.97	565.97
Intangible Assets		15.69	21.55
Non-current Investment	12	2.34	8.39
Deferred Tax Asset	13	-	21.53
Long-term Loans And Advances	14	70.57	213.63
Other Non-current Assets	15	8.14	27.25
(2) Current Assets			
Inventories	16	161.83	402.06
Trade Receivables	17	85.78	1,324.28
Cash and Cash Balances	18	28.02	73.17
Short-term Loans And Advances	19	85.46	72.44
Other Current Assets	20	308.78	352.67
TOTAL		1,277.58	3,082.95
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report attached

For R.C. Vakharia & Co.
Chartered Accountants
Registration No. 111237W

Rohit Vakharia
Proprietor
Membership No. 033728

Date: June 19, 2017
Mumbai

For and on behalf of Board of Directors

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

John O. Band
Director

Karthikeyan Muthuswamy
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lacs)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
I Revenue from Operations	21	63.20	1,590.02
II Other Income	22	147.14	45.16
III Total Revenue (I+II)		<u>210.34</u>	<u>1,635.18</u>
IV EXPENSES			
Purchases of Stock-in-Trade	23	(81.33)	1,265.35
(Increase)/ Decrease of Stock-in-Trade	24	235.36	138.27
Employee Benefits Expense	25	257.44	548.16
Finance Costs	26	95.16	236.15
Depreciation and Amortization Expense		37.41	206.93
Other Expenses	27	212.98	592.26
Total Expenses		<u>757.03</u>	<u>2,987.11</u>
V Profit/(Loss) before exceptional items and tax		(546.69)	(1,351.94)
VI Exceptional & Prior Period Items	28	(650.58)	1,575.61
VII Profit/(Loss) before tax		103.90	(2,927.54)
VIII Tax Expense			
Previous Year's Taxes (net)		-	-
Current tax		0.95	0.14
Less : Mat credit entitlement		(0.16)	(0.14)
Deferred Tax		-	(5.27)
IX Profit/(Loss) for the period -	-	<u>103.10</u>	<u>(2,922.28)</u>
X Earnings Per Equity Share (Nominal value of share Rs.10/- each)			
Basic	29	(0.16)	(28.45)
Diluted		(0.16)	(28.45)

Significant accounting policies

1

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

As per our report attached

For R.C. Vakharia & Co.
Chartered Accountants
Registration No. 111237W

Rohit Vakharia
Proprietor
Membership No. 033728

Date: June 19, 2017
Mumbai

For and on behalf of Board of Directors

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

John O. Band
Director

Karthikeyan Muthuswamy
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(A) Cash Flow from operating activities		
Net Profit/(Loss) before tax and extraordinary items	103.90	(2,927.55)
Adjustments for :		
Depreciation and amortisation	37.41	206.93
Finance cost	95.16	236.14
Interest income	(21.19)	(4.52)
Dividend Received	(0.05)	(0.73)
Impairment Loss on Other Receivable	-	8.23
Unrealised foreign exchange gain	-	1.78
Bad Debts written off	-	39.59
Exceptional Items	(645.08)	1,575.61
Prior period adjustment	1.38	-
Loss on sale of long term investments	(6.87)	-
Assets Converted Into Stock	-	0.16
Scrapped Stock W/off	-	0.01
Previous year provision no longer required	(0.25)	(1.02)
Sundry Debtors/ Creditors Written Back	(15.82)	(39.24)
Warranty payable written back	-	(11.82)
(Profit) / Loss on sale of Fixed Assets (net)	(50.06)	(10.75)
	(605.37)	2,000.36
Operating Profit before working capital changes	(501.47)	(927.19)
Adjustments for :		
(Increase) / decrease in trade receivables	1,212.45	1,575.60
(Increase) / decrease in loans and advances and other assets	(82.38)	(29.06)
(Increase) / decrease in Inventories	230.77	153.94
(Increase) / decrease in trade payables and other liabilities	(1,336.40)	(845.29)
(Increase) / decrease in Provisions	(20.08)	(58.61)
(Increase) / decrease in Margin Money & Other Deposits	6.17	(24.19)
	10.51	772.38
Cash generated from operations	(490.96)	(154.81)
Income taxes paid (net of refund)	126.24	(2.98)
Net cash flow from operating activities	(364.72)	(157.79)
(B) Cash Flow from Investing Activities		
Purchase of fixed assets	(0.36)	(3.74)
Proceeds from sale of fixed assets	106.59	25.82
Sale of investment (net)	7.73	48.34
Interest received	21.13	4.54
Dividend received	0.05	0.73
Net cash used in investing activities	135.14	75.69
(C) Cash Flow from Financing Activities		
Issue of Equity shares	-	47.00
Issue of Convertible preference shares	-	(47.00)
Issue of preference shares	-	110.00
Distribution to Shareholders	-	(16.74)
Share application money received	-	(40.00)
Loan Repayment	-	(1.31)
Proceeds from long term borrowing (net)	-	(106.19)
Proceeds from short term borrowings (net)	321.83	357.68
Finance cost	(114.22)	(345.14)
Unpaid dividend bank balance	4.29	5.47
Dividend paid	(4.29)	(5.47)
Net Cash Used In Financing Activities	207.61	(41.70)
Net increase in cash and cash equivalents	(21.96)	(123.80)
Opening balance as at beginning of the year	35.30	159.10
Closing balance as at end of the year	13.34	35.30
	(21.96)	(123.80)

Notes:

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

As per our report attached

For **R.C. Vakharia & Co.**
Chartered Accountants
Registration No. 111237W

Rohit Vakharia
Proprietor
Membership No. 033728

Date: June 19, 2017
Mumbai

For and on behalf of Board of Directors

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

John O. Band
Director

Karthikeyan Muthuswamy
Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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.

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" and on sale recognized as Profit/Loss on sale of subsidiary.

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

Catagory	Incorporated in	Proportion of Groups interest (%)	Date of acquisition/ control
Held Directly:			
Shurjo Energy Private Limited	India	99.98%	27-01-2010
PAE Infrastructure Private Limited	India	100%	19-04-2011

** During the year a Subsidiary PAE Renewables Private Limited sold on 31.12.2016 and hence not consolidated.

(b) Basis of Accounting:

The financial statements have been prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The Company has consistently applied the accounting policies which are consistent with those used in the previous year.

(c) Use of estimates:

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

(d) Fixed Assets and Depreciation/Amortization:

(i) Tangible fixed assets and depreciation:

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

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

All other tangible fixed assets of the project company as well as holding and other Indian subsidiary companies are depreciated using the Written Down Value Method ("WDV") as per the useful life of the asset as prescribed in part C of Schedule II of the Companies Act, 2013 leaving a residual value of 5% of original cost of the asset.

(ii) Intangible assets and depreciation:

Intangible assets are valued at cost less amortization as under:

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

(e) Impairment of asset:

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

(f) Investments:

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

(g) Inventory:

Inventories are valued as below:

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

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

(i) Foreign currency transactions:

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

(j) Employee Benefits:

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

(k) Leases:

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

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

(l) Revenue Recognition:

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

- 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) Earnings 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. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders & the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(p) 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 FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
2 Share Capital		
Authorised		
1,50,00,000 Equity Shares of Rs.10 each (Previous Year: 1,50,00,000 Equity Shares of Rs. 10 each)	1,500.00	1,500.00
100,00,000 Preference Shares of Rs. 10 each (Previous Year: 10,00,000 Preference Shares of Rs. 10 each)	1,000.00	1,000.00
	<u>2,500.00</u>	<u>2,500.00</u>
Issued, Subscribed and Fully Paid Up		
1,04,196,00 Equity Shares of Rs.10 each fully paid up (Previous Year: 1,04,196,00 Equity Shares of Rs.10 each)	1,041.96	1,041.96
91,00,000 11% Non Convertible, Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up (Previous year 91,00,000 11% Non Convertible Cumulative, Redeemable Preference Shares of Rs. 10 each fully paid up)	910.00	910.00
Nil 11% Optionally Convertible, Cumulative, Redeemable Preference Shares of Rs.10 each fully paid up. (Previous year 47,00,000)	-	-
	<u>1,951.96</u>	<u>1,951.96</u>

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

(i) **Equity Shares:**

At the beginning of the year
Issued during the year
Redeemed during the year
Outstanding at the end of the year

March-17		March-16	
No. of Shares	Amount	No. of Shares	Amount
10,419,600	99,496,000	9,949,600	95,916,000
		470,000	4,300,000
-	-	-	-
10,419,600	99,496,000	10,419,600	99,496,000

(ii) **Preference Shares:**ii(a) **11% Non Convertible, Cumulative, Redeemable Preference Shares**

At the beginning of the year
Issued during the year
Redeemed during the year
Outstanding at the end of the year

March-17		March-16	
No. of Shares	Amount	No. of Shares	Amount
9,100,000	91,000,000	8,000,000	80,000,000
-	-	1,100,000	11,000,000
-	-	-	-
9,100,000	91,000,000	9,100,000	91,000,000

ii(b) **11% Optionally Convertible, Cumulative, Redeemable Preference Shares**

At the beginning of the year
Issued during the year
Conversion during the year
Outstanding at the end of the year

March-17		March-16	
No. of Shares	Amount	No. of Shares	Amount
-	-	470,000	4,700,000
-	-	-	-
		470,000	4,700,000
-	-	-	-

(b) **Terms attached to Equity and Preference Shares**

- (i) The company has equity shares having a face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (ii) During the year ended March 31, 2017, the Company issued Nil (Previous year 11,00,000) 11% Non-convertible, cumulative, redeemable preference shares(NCRPS) of Rs.10/- each fully paid up. The NCRPS holder shall have a right to vote on resolution placed before the Company which directly affect the rights attached to his preference share only, and any resolution for the winding up of the Company or repayment or reduction of its equity or preference share capital, provided that where the dividend is not paid for two or more years such class of NCRPS holders shall have right to vote on all resolutions placed before the Company. The NCRPS shall be redeemed by the Company at par on expiry of 13 years from the date of allotment, or on the request of NCRPS holders, which ever is earlier. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (iii) During the year ended March 31, 2017, the Company issued Nil (previous year Nil) 11% Optionally Convertible, Cumulative, Redeemable Preference Shares of the face value of Rs.10/- each for cash at par. On May 29 2015, 4,70,000 (four lacs seventy thousand) 11% Optionally Convertible Cumulative Redeemable preference shares were converted into equity shares. The equity shares so allotted on conversion are subject to lock-in for a period of 3 years from the date of trading approval or as required under ICDR Regulations. The outstanding balance in this class of shares as on March 31, 2017 is Nil (previous year Nil).
- IV Out of the total number of equity shares held by the promoter 30,90,8555 no of shares are under lock in period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(C) Details of shareholders holding more than 5% shares in the company
Equity Shareholders:

- i Arvind Raoji Doshi
- ii Pratibha Arvind Doshi
- iii Pritam Arvind Doshi

March-17		March-16	
No. of Shares	% holding in the class	No. of Shares	% holding in the class
2,655,728	25.49%	2,655,728	25.49%
1,695,696	16.27%	1,695,696	16.27%
1,395,199	13.39%	1,395,199	13.39%

Preference Shareholders:

11% Non Convertible, Cumulative, Redeemable Preference Shares

- i Arvind Raoji Doshi
- ii Pritam Arvind Doshi
- iii Pratibha Arvind Doshi
- iv Rajubai Investments Pvt Ltd.

March-17		March-16	
% holding in the class	No. of Shares	No. of Shares	% holding in the class
4,000,000	43.96%	4,000,000	43.96%
2,270,000	24.95%	2,270,000	24.95%
1,730,000	19.01%	1,730,000	19.01%
1,100,000	12.09%	1,100,000	12.09%

	As at March 31, 2017	As at March 31, 2016
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3 Reserves and Surplus

Capital Reserve	0.09	0.09
Securities Premium Account	531.22	531.22
Revaluation Reserve	346.86	364.97
Less: Transfer to General Reserve	-	-
Less: Sale of Assets	16.79	-
Less: Depreciation on revaluation of assets transferred to statement of profit and loss	18.07	18.11
	312.00	346.86
General Reserve		
Balance as per last Financial Statement	941.14	941.14
Add: Transfer from Revaluation Reserve	-	-
Transfer from Profit and Loss Account	-	-
	941.14	941.14
Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(6,698.26)	(3,775.99)
Less: Adjustment for depreciation (refer note no. 12)	-	-
Add: Distribution back to holding company	-	-
Add: Profit/(Loss) for the year	103.10	(2,922.28)
Net Surplus/(Deficit) in the statement of Profit and Loss	(6,595)	(6,698.26)
	(4,810.70)	(4,878.95)

4 Share Application Money Pending Allotment

-	-
-	-

5 Long - Term Borrowings
Unsecured

From related party (d)

-	65.32
-	65.32

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
6 Long-term Provisions		
Provision for employee benefits		
Leave Encashment	7.59	21.14
Gratuity	41.40	18.94
	<u>48.99</u>	<u>40.07</u>
7 Short Term Borrowings		
Secured		
Working capital loan from banks	2,026.68	2,074.65
	<u>2,026.68</u>	<u>2,074.65</u>
Unsecured		
Fixed Deposits from others	-	-
Inter-Corporate Deposit from others (b)	300.55	30.00
Inter-Corporate Deposit From related party (c)	138.28	243.14
Loan from Directors (e)	58.97	6.06
Loan From Others	-	-
	<u>2,524.47</u>	<u>2,353.85</u>
(a) Working capital loan from consortium of 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 loan carries interest at 7% p.a. in State Bank of India and 5.10% p.a. in Corporation Bank above Bank Rate(BR). Consortium of banks has classified working capital loan as Non Performing Asset and has issued notice under section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act(SARFAESI) Act 2002 & taken symbolic possession of the immovable property and file the securitization application under District Magistrate Court, Thane.		
(b) The inter-corporate deposits carry interest @11% p.a to 15% p.a.		
(c) Unsecured loan from "related party" is an interest free loan except Rs. 10.00 Lac.		
8 Trade Payables (including acceptances):	816.22	2,078.72
Associate company	-	-
Others	-	-
	<u>816.22</u>	<u>2,078.72</u>
9 Other Current Liabilities		
(a) Current maturities of long term debts		
Current maturity of motor vehicle loan	-	-
Current maturity of fixed deposits from related parties	137.25	137.25
Loan from power finance corporation	-	-
Loan from Power Finance Corporation Green Energy Ltd.	-	-
Current maturity of fixed deposits from shareholders	-	1.60
Current maturity of fixed deposits from public	0.50	34.68
Current maturity of Dena Bank loan	-	-
(b) Interest accrued but not due	-	0.13
(c) Interest payable *	26.81	18.93
(d) Unclaimed dividend **	11.04	15.33
(e) Unclaimed matured fixed deposits (including Interest)	1.90	5.99
(f) Other Payables		
Trade payables for expenses	349.27	364.41
Dealer Deposits	53.52	137.71
Rent Deposit	26.54	29.26
Advance from customers	12.16	18.23
Advance from subsidiary for goods	-	547.10
Statutory dues payable	88.77	88.64
Other Payables	-	-
	<u>707.78</u>	<u>1,399.27</u>
* Interest payable includes Rs. 9.87 lacs payable to related parties.		
** There is no amount due & outstanding as at Balance Sheet date to be credited to Investor Education & Protection Fund.		
10 Short-term Provisions		
Provision for employee benefits		
Leave Encashment	0.55	3.84
Gratuity (net of planned asset)	5.56	13.51
	<u>6.11</u>	<u>17.34</u>
Provision for tax net of MAT credit	0.79	-
Provision for warranties (refer note no. 31)	31.96	55.36
	<u>38.86</u>	<u>72.71</u>

NOTE NO 11 : FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As At 01.04.2016	Addition on revaluation	As At 31.03.2017	As At 01.04.2016	Adjustment On Revaluation*	*Depreciation/ Amortisation This Year	Sales This Year	As At 31.03.2017	As At 31.03.2016
TANGIBLE ASSETS									
FREHOLD LAND	6.75	-	-	-	-	-	-	-	6.75
BUILDING AND OWNERSHIP FLATS *	810.32	-	750.90	296.24	18.07	14.38	18.95	309.74	441.16
OTHER PLANT and MACHINERY	158.73	-	147.17	112.67	-	6.44	9.05	110.06	37.11
ELECTRICAL INSTALLATIONS	6.67	-	6.67	3.37	-	0.46	-	3.83	2.84
FURNITURE and FIXTURES	201.20	-	170.91	176.86	-	6.54	26.57	156.83	14.09
OFFICE EQUIPMENTS	104.05	0.36	82.21	91.74	-	2.23	19.79	74.18	8.03
COMPUTERS	182.86	-	135.07	174.30	-	1.35	45.87	129.78	5.28
MOTOR VEHICLES (DEL VAN)	70.79	-	48.99	66.63	-	0.15	20.24	46.54	2.45
OTHER RENEWAL ENERGY DEVICES									4.15
SUB TOTAL	1,541.37	-	1,341.91	921.81	18.07	31.54	140.47	830.95	510.97
PREVIOUS YEAR SUB TOTAL	4,512.11	-	1,477.81	1,376.94	18.11	51.81	108.09	911.84	565.97
INTANGIBLE ASSETS									
GOODWILL									
TECHNICAL KNOWHOW	79.46	-	79.46	63.03	-	3.70	-	66.72	12.74
IEC CERTIFICATION	35.52	-	35.52	33.49	-	0.78	-	34.27	1.25
SOFTWARE	70.94	-	70.94	67.86	-	1.38	-	69.24	1.70
SUB TOTAL	185.93	-	185.93	164.38	-	5.87	-	170.24	15.69
PREVIOUS YEAR SUB TOTAL	965.96	-	799.66	622.99	-	155.11	-	778.10	21.55
TOTAL	1,727.29	0.36	1,527.84	1,086.19	18.07	37.41	134.84	1,006.83	587.52
PREVIOUS YEAR TOTAL	5,478.07	-	2,277.47	1,999.93	18.11	206.92	108.09	1,689.94	587.52

*** 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**Rupees 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
Reduction on sale of assets from 01.04.2014 to 31.03.2015	128.62
Reduction on sale of assets from 01.04.2016 to 31.03.2017	16.79
Depreciation on Revalued Portion from 01.04.2016 to 31.03.2017	18.07
Accumulated depreciation on revalued portion as on 31.03.2017	168.99
WDV as on 31.03.2017	312.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
12 Non Current Investment:		
Other Investment		
Shurjo Energy Pvt. Ltd.	-	-
4,56,47,658 (Previous Year: 4,56,47,658) Equity shares of Rs.1 each fully paid		
Less: Provision for diminution in value		
PAE Renewables Pvt. Ltd.	-	-
93,85,000 (Previous Year: 93,85,000) Equity shares of Rs.10 each fully paid		
Less: Provision for diminution in value	-	-
PAE Infrastructure Pvt. Ltd.	-	-
3,52,000 (Previous Year: 3,52,000) Equity shares of Rs.10 each fully paid		
	-	-
(a) Investment in equity Instruments (quoted)		
Pal Credit and Capital Ltd.	87.64	87.64
8,53,305 (Previous Year: 8,53,305) Equity shares of Rs.10 each fully paid		
Less: Provision for diminution in value	85.34	85.34
	2.30	2.30
South India Paper Mills Ltd.	1.18	1.18
8000 (Previous Year: 8,000) Equity shares of Rs.10 each fully paid		
Less : Sold during the year	1.18	-
	0.00	1.18
Exide Industries Ltd.	0.01	0.01
216 (Previous Year: 216) Equity shares of Rs.1 each fully paid		
Less : Sold during the year	-	-
	0.01	-
	-	0.01
Finolex Cables Ltd.	0.01	0.01
50 (Previous Year: 50) Equity shares of Rs. 2 each fully paid		
Less : Sold during the year	0.01	-
	0.00	0.01
Bosch Ltd.	0.02	0.02
10 (Previous Year: 10) Equity shares of Rs. 10 each fully paid (Formerly known as Mico Industries Company Ltd.)		
Less : Sold during the year	0.02	-
	-	0.02
Gabriel India Ltd.	0.01	0.01
1000 (Previous Year: 500) Equity shares of Rs. 1 each fully paid		
Less : Sold during the year	0.01	-
	-	0.01
	2.31	3.53

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
b) Investment in equity instruments (Unquoted)		
Jain Sahakari Bank Ltd. 12,620 (Previous year 12,620) Equity shares of Rs. 25/- fully paid	0.02	3.16
Stiefel Und Shuh Ltd. 1,100 (Previous Year: 1,100) Equity shares of Rs. 10 each fully paid Less: Provision for diminution in value	0.11 0.10 0.01	0.11 0.10 0.01
Kongarar Integrated Fibres Ltd. 1,200 (Previous Year: 1200) Equity shares of Rs. 10 each fully paid (Formerly known as Kongarar Textiles Ltd.) Less: Provision for diminution in value	0.52 0.51 0.01 0.05	0.52 0.51 0.01 3.18
Investment in Mutual Funds 9543 (Previous Year: 8877) Units of Unit Trust of India Balance Fund Less : Sold during the year	1.68 1.68 -	1.68 1.68 1.68
	2.34	8.39
Aggregate Book Value of Investments		
Quoted Investments	87.64	88.87
Unquoted Investments	0.65	5.48
Provision for diminution in value	85.96 2.34	85.96 8.39
13 Deferred tax asset/liability (net):		
Deferred tax asset:		
Provision for employee benefits	-	1.10
Unabsorbed depreciation	1.67	2.34
Depreciation		
Unabsorbed losses	-	-
Gross deferred tax asset	1.67	23.20
Deferred tax liability:		
Depreciation	1.67	1.67
Gross deferred tax liability	1.67	1.67
Net deferred tax asset/(liability) at the year end	-	21.53
14 Long-term Loans and Advances:		
Unsecured considered good		
Capital Advances	4.45	4.56
Sundry Deposits	43.29	56.45
Advance Income Tax (net of provision)	22.83	151.88
Mat credit entitlement	-	-
Other advances	-	0.73
	70.57	213.63

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
15 Other Non-current Assets:		
Non current bank balances		
Margin money deposits with bank	5.49	1.51
Other deposits with bank	-	16.00
VAT and Service tax receivable	2.65	2.65
Interest accrued but not due	-	7.09
	<u>8.14</u>	<u>27.25</u>
16 Inventories		
Raw Material	70.31	70.31
Packing Material	3.33	3.33
Work-in-progress	-	-
Solar photovoltaic panel	14.49	14.49
Finished / Traded Goods	45.44	291.03
Solar photovoltaic panel	19.59	19.59
stores and spares	4.08	4.08
Goods-in-Transit(at cost):	4.59	(0.77)
	<u>161.83</u>	<u>402.06</u>
17 Trade Receivables: (Unsecured, considered good unless otherwise stated)		
Outstanding over six months	1,272.21	1,157.35
Others	(1,186.43)	166.92
	<u>85.78</u>	<u>1,324.28</u>
18 Cash And Bank Balances		
Cash and cash equivalents		
Balances with Banks		
On current account (a)	12.49	20.00
Deposit with Maturity of less than/up to three months	-	1.98
Cash in hand	0.70	4.14
Cheques deposited in CMS facility	0.11	3.21
Cheques/ Drafts in hand	0.04	5.98
	<u>13.34</u>	<u>35.30</u>
Other bank balances		
Unpaid dividend account	11.04	15.33
Margin money deposit with maturity of more than 3 months and upto 12 months (b)	3.64	5.52
Deposits with maturity of more than 3 months and upto 12 months	-	17.02
	<u>14.68</u>	<u>37.87</u>
	<u>28.02</u>	<u>73.17</u>
(a) Balances with bank on current account include and amount of Rs. 4.52 lacs, which has been earmarked by the VAT department towards unpaid VAT dues of Rs. 13.49 Lacs of Vizag, Ahemdabad & Vashi Branches as per bank statement		
(b) Margin money deposits with maturity of more than three months and upto 12 months is against Letters of credit and bank guarantees.		
19 Short-term Loans and Advances		
Unsecured considered good		
Loans and Advances to subsidiaries	-	-
Others		
Sundry Deposits	13.01	9.00
Tax Refundable	-	0.26
Advances receivable in cash or kind or for value to be received	72.45	63.19
	<u>85.46</u>	<u>72.44</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
20 Other Current Assets		
Claims/Incentives receivables	308.60	264.39
Interest accrued but not due on margin money, fixed deposit and Investment deposit scheme	0.18	0.12
Subsidy receivable	-	88.16
Dividend receivable	-	-
Receivable towards sale of immovable property	-	-
	<u>308.78</u>	<u>352.67</u>
21 Revenue From Operations		
Net Sale of Traded Goods less Returns	41.23	1,442.60
Other Operating Revenues:		
Incentive/turnover discounts from suppliers	-	1.70
Cash discount from suppliers	-	-
Bad debts recovered	6.13	7.41
Subsidy on solar projects	-	85.58
Others	15.84	52.72
	<u>21.98</u>	<u>147.42</u>
	<u>63.20</u>	<u>1,590.02</u>
22 Other Income		
Interest	2.30	4.49
Income tax refund & interest on income tax refund	18.90	0.05
Interest on delayed payment from discom	-	-
Rent Income	32.21	23.82
Advance money forfeited	-	-
Dividend Earned	0.05	0.72
Foreign Exchange Fluctuation	-	0.53
Profit on sale of assets(net)	46.13	10.06
Other miscellaneous Income	47.54	5.50
	<u>147.14</u>	<u>45.16</u>
23 Details of purchase of traded goods		
Power Products	(81.33)	1,265.35
Other Auto Products	-	-
Solar Products	-	-
	<u>(81.33)</u>	<u>1,265.35</u>
24 Changes in inventories		
Closing Stock of Stock in Trade	65.03	312.50
Closing Stock of Work in Progress	14.49	14.49
Opening Stock of Stock in Trade	300.39	450.77
Opening Stock of Work in Progress	14.49	14.49
(Increase)/decrease in stock	<u>235.36</u>	<u>138.27</u>
25 Employee Benefits Expense		
Salaries and Wages	209.59	471.98
Contribution to Provident and Other Funds	34.11	40.40
Staff Welfare Expenses	13.74	35.78
	<u>257.44</u>	<u>548.16</u>
26 Finance Costs		
Interest Expense	93.79	213.39
Bank Charges	1.37	22.76
Prepayment charge	-	-
Other charges (loss on Income tax - PFC)	-	-
	<u>95.16</u>	<u>236.15</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

	As at March 31, 2017	As at March 31, 2016
27 Other Expenses		
Stationery, Postage, Advertisement, Telephone, Electricity, etc.	111.58	272.59
Clearing and Forwarding Agency Charges	-	4.24
Packing and Forwarding (Inward and Outward)	7.86	53.82
Rent	26.82	59.61
Rates and Taxes	7.92	19.34
Cash Discount	0.20	5.06
Incentive/Turnover Discounts	-	9.67
Repairs to		
(i) Buildings	9.94	5.28
(ii) Others	14.36	16.33
	<u>24.30</u>	<u>21.61</u>
Insurance	2.60	5.00
Payment to auditors		
As Auditor:		
(i) Audit Fees	3.85	4.98
(ii) Tax Audit Fees	0.17	1.15
(iii) Limited Review	2.07	4.85
In other capacity:		
(iv) Other services(certification fee)	0.46	2.18
For reimbursement of expenses	<u>0.09</u>	<u>0.35</u>
	6.65	13.50
Miscellaneous Expenses	19.79	63.95
Commission Paid	-	12.89
Directors' Fees	-	1.03
Foreign Exchange Fluctuation	-	2.12
Loss on assets sold/discarded(Net)	5.26	-
impairment loss on other receivable	-	8.23
Bad Debts written off	-	39.59
	<u>212.98</u>	<u>592.26</u>
28 Exceptional and Prior period Expenses :		
Exceptional items :		
Provision for advance receivable from Shurjo	(645.09)	645.09
Profit on sale of asset(net)	-	-
(Loss on sale of long term investments)	(6.88)	930.52
Prior period expenses :		
Professional and legal charges	-	-
Fixed assets written off	-	-
Stores and spares written off	-	-
Prior period adjustment	1.38	-
	<u>(650.58)</u>	<u>1,575.61</u>
29 Earnings Per Share (EPS)		
Profit/(loss) after tax	103.10	(2,922.28)
Less: Preference Dividend on cumulative preference shares	(100.10)	(100.64)
Less: Tax on Preference Dividend	<u>(20.49)</u>	<u>(20.49)</u>
Net Loss attributable to the Equity Share holders	(17.48)	(3,043.41)
Weighted average number of equity share outstanding	106.97	106.97
Basic and diluted earnings per share (in Rupees)	(0.16)	(28.45)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

30	Employee defined benefits		
	Particulars	2016-17 Gratuity (Funded)	2015-16 Gratuity (Funded)
	I. Reconciliation of opening and closing balances of Defined Benefit Obligation:		
	Liability at the beginning of the year	77.24	91.23
	Current service cost	4.42	5.50
	Interest Cost	6.20	7.30
	Past Service cost(vested benefit) incurred during the period		
	Benefits paid	(47.49)	(25.42)
	Actuarial(gain)/loss	6.58	(1.37)
	Liability at the end of the year	46.95	77.24
	II. Reconciliation of opening and closing balances of Fair Value of Plan Assets:		
	Fair value of plan assets at the beginning of the year	45.85	66.64
	Expected return on plan assets	3.68	5.33
	Contributions	2.53	-
	Benefits paid	(47.48)	(25.42)
	Actuarial(gain)/loss on plan assest	(2.10)	(0.70)
	Fair value of plan assets at the end of the year	2.30	45.85
	Net Actuarial (gain)/loss to be recognised	8.67	0.67
	Actuarial return on plan assets:		
	Expected return on plan assets	3.68	5.33
	Actuarial gain/(loss) on plan assets	(2.10)	(0.70)
	Actuarial return on plan assets	1.58	4.63
	III. Reconciliation of fair value of assets and obligations:		
	Liability at the end of the year	46.95	77.24
	Fair value of plan assets at the end of the year	2.30	45.86
	Amount recognised in the Balance Sheet under "Provisions for retirement benefits"	44.65	31.38
	IV. Expenses recognised in the profit and loss account:		
	Current service cost	4.42	5.50
	Interest Cost	2.53	1.97
	Expected return on plan assets	8.67	(0.67)
	Past Service cost(vested benefit) incurred during the period	-	-
	Net Actuarial (gain)/loss to be recognised		
	Expense recognised in the profit and loss account under "Contribution to provident, gratuity and other funds"	15.62	6.80
	V. Principal assumptions:	In Percent	In Percent
	Mortality Table LIC	1994-96	1994-96
	Discount Rate		
	Expected return on plan assets	8.04%	8.04%
	Rate of escalation in salary	5.00%	5.00%
	Attrition rate	2.00%	2.00%

31 Leases

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

a Where the Company is a lessee:

The company has taken various office and godown premises under leave and licence agreements. These are not non cancellable and range between 11 months and 5 years under leave and licence and are renewable by mutual concent on mutually agreeable terms. The company has given refundable interest free security deposits under certain agreements. Amounts paid during the year under such agreements are Rs. 26.82 lacs (previous year Rs.59.61 lacs) and are recognised in the statement of profit and loss account under "Rent" Note no.27.

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 3 years under leave and licence and are renewable by mutual concent on mutually agreeable terms. The company has taken refundable interest free security deposits under certain agreements. Amounts received during the year under such agreements are Rs. 32.21 lacs(previous year Rs.23.82 lacs) and are recognised in the statement of profit and loss account under 'Rent Income' in Note no. 22.

32 Segment information

The Company has only one reportable segment, namely "Power Products", hence segment disclosure under Accounting Standard -17 (AS-17) is not required.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

33 Contingent Liabilities

Contingent Liabilities not provided for in respect of:

- a) Accrued dividend on 11% Non Convertible Redeemable Preference Shares for the year is Rs.100.1 lacs (previous year Rs.99.82 lacs) and accumulated till date Rs. 274.71 Lac and on 11% Optionally Convertible, Cumulative, Redeemable Preference Shares is Rs.Nil (previous year Rs.0.82 lacs).
- b) Disputed sales tax demand of Rs. 1086.09 lacs (previous year Rs.545.28 lacs) and Disputed disallowance under section 14A of Income Tax of Rs. 265.17 lacs (previous year Rs. 142 Lacs) . The management has been advised that there will be no liability arising on this account. Details not available for our verification. Amount as certified by the management.
- c) Disputed excise duty of Rs.30.63 lacs (previous year Rs.30.63 lacs) under Central Excise Act, 1944 Is pending with Asst. Commissioner, Central Excise, Kalyani.
- d) Disputed service tax demand of Rs.5.35 lacs (previous year Rs.5.35 lacs).
- e) Counter indemnities given by the company in respect of guarantees issued by the bank Rs.0.87 lacs (previous year Rs.3.78 lacs).

g) 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:

	31-Mar-17	31-Mar-16
At the beginning of the year	52.48	113.67
Provision for warranty made during the year	-	30.32
Utilised during the year	(20.52)	(59.43)
Written back during the year	-	(32.08)
Closing provision for warranty as at the end of the year	31.96	52.48

34 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	Controlled through key management personnel
Arvind R. Doshi HUF	
Pritam A. Doshi HUF	

B Key Management Personnel:

Name of the Related Party	Nature of Relationship
Mr. Arvind R. Doshi	Chairman
Mr. Pritam A. Doshi	Managing Director
Mrs. Pratibha A. Doshi	Director
Mr. Shashi Nair	Director

C Relatives of Key Management Personnel:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

D. Details of transactions with related parties:

(₹ in lacs)

Particulars	Enterprises mentioned in 'A above	Key Management Personnel	Relatives of Key Management Personnel
Remuneration Mr. Arvind R. Doshi Mr. Pritam A. Doshi		- 0.00 43.66 (43.66)	
Sitting Fees : Mr. Arvind R. Doshi Mrs. Pratibha A. Doshi		- (0.20) - (0.20)	
Sale of Goods Walchand Institute of Technology	- -		
Interest on deposits Arvind R. Doshi HUF Pritam A. Doshi HUF Mrs. Pratibha A. Doshi Ms. Priyadarshani A. Doshi	3.91 (8.70) 1.32 (2.94)	1.80 (4.11)	0.25 (0.38)
ICD taken Rajubai Investment Pvt. Ltd.	10.00 (208.00)		
Loan from director Pritam A. Doshi Mrs. Pratibha A. Doshi		74.50 (15.00) 10.00 0.00	
ICD Paid back Rajubai Investment Pvt. Ltd.	16.01 (239.99)		
Loan paid back to director Pritam A. Doshi Mrs. Pratibha A. Doshi		27.50 (10.00) 0.00 0.00	
Interest paid on ICD Rajubai Investment Pvt. Ltd.	0.08 (4.06)		
Interest paid on loan from director Pritam A. Doshi Mrs. Pratibha A. Doshi		0.79 0.00 0.00 0.00	
Interest on loan taken Pritam A. Doshi Mrs. Pratibha A. Doshi		2.41 (1.06) 0.34 0.00	
Preference shares issued (11% non-convertible, cumulative redeemable preference shares): Mr. Pritam A Doshi Mrs. Pratibha A Doshi Rajubai Investment Private Limited	- - -	- - -	
	(110.00)		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

Particulars	Enterprises mentioned in 'A above	Key Management Personnel	Relatives of Key Management Personnel
Preference shares issued (11% optionally convertible cumulative preference shares) : Mr. Pritam A Doshi Mrs. Pratibha A Doshi		- -	
Conversion of shares : Pritam A. Doshi Mrs. Pratibha A. Doshi		0.00 (23.50) 0.00 (23.50)	
Share Application Money Received : Rajubai Investment Private Limited		- -	
Amount outstanding on balance sheet date			
Fixed Deposits Outstanding Arvind R. Doshi HUF Pritam A. Doshi HUF Mrs. Pratibha A. Doshi Mrs. Priyadarshani A. Doshi	74.00 (74.00) 25.00 (25.00)	35.00 (35.00)	3.25 (3.25)
Interest payable (net of TDS) Rajubai Investment Pvt. Ltd. Arvind R. Doshi HUF Pritam A Doshi HUF Mrs. Pratibha A. Doshi Mrs. Priyadarshani A. Doshi Mr. Pritam A. Doshi	0.63 (14.32) 5.32 (3.91) 1.80 (1.32)	2.86 (1.85) 1.62 (1.06)	0.23 (0.17)
ICD outstanding Rajubai Investment Pvt. Ltd.	138.28 (196.00)		
Remuneration payable: Mr. Arvind R. Doshi Mr. Pritam A. Doshi		- (27.14) 25.01 (9.07)	
Loan outstanding to directors Mr. Pritam A. Doshi Mrs. Pratibha A. Doshi Figures for the previous year have been given in brackets.		48.62 (5.00) 10.34 0.00	

- 35 Trade Receivables, Trade Payables, Loans and Advances are subject to confirmation of balance. Trade Payables include an amount of Rs.201.83 lacs payable to a supplier, which is secured by the personal guarantee of the Managing Director.
- 36 The management and Board of Directors of the group have initiated various steps like cost reduction, identifying non core assets for monetisation, which will improve the cash flows. Further, steps are also being taken to evaluate various alternatives for raising funds and resolution of debts. The Board of Directors expects improvement in the business results in the forthcoming years. Accordingly, the financial statements have been prepared on going concern basis.
- 37 During the year, the company has not recognised Deferred tax as per Accounting Standard-22(AS-22).
- 38 The balance of sundry debtors, sundry creditors, warranty receivable, warranty payables and warranty stock are subject to reconciliation. The management is in process of reconciling the same.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

39	Particulars	SBNs	Other Denomination Notes	Total
	Closing Cash on hand as at 08th November, 2016	341,000	231,961	572,961
	(+) Receipts for permitted receipts	-	501,007	501,007
	(+) Receipts for non permitted receipts	33,000	-	33,000
	(-) Permitted payments	277,500	474,394	751,894
	(-) Amount deposited in banks	96,500	42,056	138,556
	Closing Cash on hand as at 30th, December, 2016	-	216,518	216,518

As certified by management

- 40 The company has pending litigation with various vendors against which counter claims have been raised which may not significantly impact the financial position of the company. Regarding SARFAESI notice issued by consortium of banks and Banks have taken the symbolic possession of the property and filed the securitization application in the District magistrate Court, Thane, the Company is in discussion with bankers for resolution of the same.
- 41 In case of Shurjo Energy Private Limited, in the absence of availability of details, depreciation has been provided at the rates prescribed in the erstwhile Schedule XIV to the Companies Act, 1956 instead of providing depreciation based on the useful life of the assets, as prescribed in Schedule II to the Companies Act, 2013. The impact of the above, on the loss for the year and the balance reported in the Balance sheet as at the end of the year could not be ascertained.
- 42 The Company has pending litigation which would impact its financial position regarding non payment of dues as notices issued under Negotiable Instrument Act for cheque bouncing amount involve Rs. 11.37 lacs and notice issued under SARFAESI Act by the Banker for Rs. 2170.78 lacs.
- 43 In the case of Shurjo Energy Pvt. Ltd. the accumulated losses for Rs. 1172.32 lacs (including current year loss of Rs. 20.99 lacs) at the year end exceed the net worth. Despite this, Company has prepared the accounts on going concern basis. Further, the Holding Company has provided the necessary funds for the operations. Accordingly, the company has considered that it will be able to continue as a going concern entity.
- 44 In the case of Shurjo Energy Pvt. Ltd. the impairment of fixed assets as the manufacturing activity of the company has been discontinued, the carrying amount of fixed assets needs to be impaired, however the company is carrying the fixed assets at historical cost and no impairment loss has provided in books of accounts as required by Accounting Standard 28 (AS -28). The quantum of impairment loss is not ascertained. Impairment loss arising out of the same will be accounted as and when the same is realised on sale of assets.
- 45 During the previous year the company has made a provision for diminution in the value of its investment of Rs.1176.00 lacs in PAE Renewables Private Limited ('PAER') to the extent of Rs.1171.18 lacs based on the valuation done by an independent valuer. In current year the Company has sold its investment for Rs. 4.85 Lacs and difference shown as profit on sale of investment resulting that company is no longer subsidiary with effect from 31st December, 2016 .
- 46 Exceptional item represent the reversal of Provision for advances receivable from Shurjo Energy Pvt. Ltd. of Rs. 645.09 Lakh of previous year for consolidation purpose and other adjustment of Rs. 1.38 Lakh.
- 47 During the year a subsidiary PAE Renewables Private Limited, hence not consolidated. However consolidation is considered till date of sale based on unaudited figures till 31.12.2016
- 48 Figures of the previous year have been regrouped and recast wherever necessary.

As per our report attached

For R.C. Vakharia & Co.
Chartered Accountants
Registration No. 111237W

Rohit Vakharia
Proprietor
Membership No. 033728

Date: June 19, 2017
Mumbai

For and on behalf of Board of Directors

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

John O. Band
Director

Karthikeyan Muthuswamy
Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Disclosure as Schedule III by way of additional information as per general instruction 2

Sr. No.	Name of the Entity	Net Assets (Total assets - Total liabilities)		Share in profit or loss(after tax)	
		As % of consolidated Net Asset	Amount (Rs. in lacs)	As % of consolidated Profit or Loss	Amount (Rs. in lacs)
	Consolidated		-2858.74		103.10
	Parent Company				
	PAE Limited	103.78%	-2966.85	-514.43%	-530.38
	Subsidiary Companies				
1	Shurjo Energy Private Limited	16.70%	-477.55	-20.36%	-20.99
2	PAE Renewables Private Limited - upto 31.12.2016	0.07%	-2.06	-18.57%	-19.15
3	PAE Infrastructure Private Limited	-1.36%	38.90	4.07%	4.20

Form AOC-I

Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Sr. No.	Name of the Subsidiary Company	Reporting Period	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in subsidiary	Turnover	(Rupees in lacs)			
										Profit/ (Loss) before Taxation	Provision for Taxation	Deferred Tax	Profit/ (Loss) after Taxation
1	Shurjo Energy Private Limited	01/04/2016-31/03/2017	INR	456.47	-934.02	185.33	662.88	-	0.00	-20.99	-	-	-20.99
2	PAE Renewables Private Limited	01/04/2016-31/12/2016	INR	938.50	-940.56	167.84	169.90	3.13	96.58	-19.15	-	0.00	-19.15
3	PAE Infrastructure Private Limited	01/04/2016-31/03/2017	INR	35.20	3.70	40.01	1.11	0.01	0.62	4.99	0.79	-	4.20

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

John O. Band
Director

Karthikeyan Muthuswamy
Director

Mumbai, Dated June 19, 2017



Regd. Off.: 69, Tardeo Road, Mumbai-400034.
Phone: 022-66185799, Fax No.: 022-66185757, Web.: www.paeltd.com, Email : investors@paeltd.com

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

Name of the Member(s): _____
Registered address: _____
E-mail ID: _____
FolioNo./ClientID: _____
DP ID: _____

I/We, being the member(s) holding _____ shares of PAE Limited, hereby appoint:-

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 67th Annual General Meeting of the Company, to be held on Friday 28th day of July, 2017 at the The Victoria Memorial School for the Blind, 73, Tardeo Road, Next to H. P. Petrol Pump, Mumbai-400 034 and at any adjournment thereof in respect of such resolutions as indicated below:

Sr. No.	Resolutions	*Optional	
Ordinary Business		For	Against
1	Ordinary Resolution for adoption of Audited Balance Sheet as at 31 st March, 2017 and Statement of Profit and Loss Account for the year ended on that date.		
2	Ordinary Resolution to appoint a director in place of Dr. Mrs. Pratibha A. Doshi (holding DIN No. 00519766) Non-Executive Director of the Company who retires by rotation and being eligible offers herself for re-appointment.		
3	Ordinary Resolution to appoint M/s. R. C. Vakharia & Company, Chartered Accountants, Mumbai, (having Firm Registration no. 111237W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration and out of pocket expenses as may be mutually agreed by them with the Board of Directors.		
Special Business			
4	To consider and approve sale of Shurjo Energy Pvt. Ltd., to the third party or proposed buyer/s or their nominees		
5	To consider and approve sale of PAE Infrastructure Pvt. Ltd., priority to the Promoter/Promoter Group of the Company or to the third party / to the prospective buyer/s or their nominees		
6	To considered issue of 5,20,000 share warrants subject to the approval of the shareholders in the Annual General Meeting and to consider redemption of existing 11% Non-Convertible, Cumulative, Redeemable Preference Shares out of proceeds of warrants issue.		
7	Conversion of M/s. PAE Infrastructure Private Limited, into a Limited Liability Partnership as per Act, 2008, Subsidiary Company,		

Signed this _____ day of _____ 2017 _____

Signature of first Proxy Holder

Signature of second Proxy Holder

Signature of third Proxy Holder

Affix
Revenue
Stamp of
Re.1/-

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.
- (2) A proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting results. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ** (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



Regd. Off.: 69, Tardeo Road, Mumbai-400034.
Phone: 022-66185799, Fax No.: 022-66185757, Web.: www.paeltd.com, Email : investors@paeltd.com

67th Annual General Meeting held on 28th July, 2017 at 11.00 a.m.
at The Victoria Memorial School for the Blind, 73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai - 400034

BALLOT FORM

(To be returned to the scrutinizer appointed by the Company)

Sr. Nos.	Particulars	Details
1.	Name of the First Named Shareholder (in block letters)	
2.	Name(s) of the Joint Holder(s) if any	
3.	Postal address	
4.	Registered Folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
5.	Class of shares	Equity Shares of ₹ 10/- each

I hereby exercise my vote in respect of Ordinary/Special Resolution(s) set out in the notice of 67th Annual General Meeting (AGM) to be held on Friday, the 28th day of July, 2017 at the The Victoria Memorial School for the Blind, 73, Tardeo Road, Next to H. P. Petrol Pump, Mumbai-400034 or any adjournment thereof by recording my assent or dissent to the said resolution by placing the tick (✓) mark at the appropriate box below:

Item No.	Description Resolution	No of shares held by me	I assent to the resolution	I dissent from the resolution
1	Ordinary Resolution for adoption of Audited Balance Sheet as at 31 st March, 2017 and Statement of Profit and Loss Account for the year ended on that date.			
2	Ordinary Resolution to appoint a director in place of Dr. Mrs. Pratibha A. Doshi (holding DIN No. 00519766) Non-Executive Director of the Company who retires by rotation and being eligible offers herself for re-appointment.			
3	Ordinary Resolution to appoint M/s. R. C. Vakharia & Company, Chartered Accountants, Mumbai, (having Firm Registration no. 111237W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration and out of pocket expenses as may be mutually agreed by them with the Board of Directors.			
	Special Resolution			
4	To consider and approve sale of Shurjo Energy Pvt. Ltd., to the third party or proposed buyer/s or their nominees.			
5	To consider and approve sale of PAE Infrastructure Pvt. Ltd., priority to the Promoter/Promoter Group of the Company or to the third party / to the prospective buyer/s or their nominees.			
6	To considered issue of 5,20,000 share warrants subject to the approval of the shareholders in the Annual General Meeting and to consider redemption of existing 11% Non-Convertible, Cumulative, Redeemable Preference Shares out of proceeds of warrants issue.			
7	Conversion of M/s. PAE Infrastructure Private Limited, into a Limited Liability Partnership as per Act, 2008, Subsidiary Company.			
5	Approval of Related Party Transaction under Section 188 of the Companies Act, 2013 for sale of PAE Infrastructure Pvt. Ltd., priority to the Promoter/Promoter Group of the Company.			

Place:

Date:

(Signature of the shareholder)

INSTRUCTIONS:

1. This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.
2. A member can opt for only one mode of voting i.e. either through e-voting or by ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the AGM Notice
4. The Scrutinizer will collect the votes down loaded from e-voting system and votes received through a post to declare the final result for each of the resolutions forming part of the AGM Notice.

Process and manner for Members opting to vote by using the Ballot Form.

1. Please complete and sign the Ballot Form (no other form or photo copy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mrs. Leena Agrawal & Company, Practicing Company Secretary (Membership No.FCS6607). 204, Mhatre Pen Building, Senapati Bapat Marg, Dadar (West), Mumbai 400028.
2. The Form should be signed by the Member as per the specimen signature registered with the Company / Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next name holder. A Power of Attorney holder may vote on behalf of a Member, mentioning the registration number of POA registered with the Company or enclosing an attested copy of POA. (Exercise of vote by ballot is not permitted only through proxy)
3. In case the shares are held by Companies, trusts, societies, etc., the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorisation.
4. Voting should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot.
5. The voting rights of the shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 21st July, 2017 as per the Register of Members of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than 5.00 p.m. on 27th July, 2017 and Ballot Form received after this date will be strictly treated as if the reply from the Members has not been received.
7. A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial No.6 above.
8. Unsigned, incomplete or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
9. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
10. The right of voting by Postal Ballot shall not be exercised by proxy.
11. Shareholders are requested not to send any other paper along with the Postal Ballot Form
12. The results declared along with Scrutinizers Report, shall be placed on the Company's website: www.paeltd.com and on the website of the Central Depository Securities Limited within two days of the passing of the Resolutions at the AGM of the Company on 28th July, 2017 and communicated to the BSE and NSE, where the shares of the Company are listed.



If undelivered please return to:

PAE LIMITED

69, Tardeo Road, Mumbai- 400 034.

Tel. No.+91 22 6618 5799, Fax No. +91 22 6618 5757

E-mail : investors@paelttd.com Website: www.paelttd.com