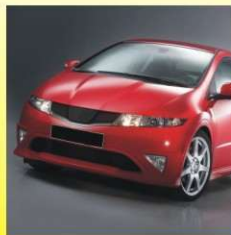




PAE LIMITED



SIX DECADES OF PROVIDING SOLUTIONS



60th ANNUAL REPORT 2009-2010

BOARD OF DIRECTORS

Shri Arvind R. Doshi
Shri Dilip J. Thakkar
Dr. Rajen Mehrotra
Shri John O. Band
Shri Karthikeyan Muthuswamy
Shri Pritam A. Doshi

Executive Chairman*
Director
Director
Director
Director
Managing Director*

MANAGEMENT TEAM

Shri Nitesh Jain
Shri Prabhakar Posam
Shri Shashi Nair
Shri Nimesh S. Nandu
Shri Santosh Patil

General Manager - Accounts & Finance
Head Information Systems & Business Process
Sr. Manager - Administration & Human Resources
Company Secretary & Head Legal
Manager - Internal Audit

Business Heads

Shri C. S. Gopinathan
Shri Devrajan Boopathy
Shri G. Mahesh
Shri Khannan Adithiya
Shri K. S. Prasanna
Shri N. Vijaykumar
Shri Pradipkumar Chattopadhyay
Shri Raghav Taneja
Shri Ramnathan Iyer
Shri S. N. Patil
Shri T. Radhakrishnan
Shri V. P. Chandrashekar

ANNUAL GENERAL MEETING

Day and Date: Saturday, the 31st day of July 2010

Venue: Babasaheb Dahanukar Hall of
Maharashtra Chamber of Commerce, Orion
House, 6th Floor 12, K. D. Marg, Fort, Mumbai 400001.

Time: 3.30 p.m.

BANKERS

State Bank of India
State Bank of Indore
Corporation Bank

REGISTERED & CORPORATE OFFICE

69, Tardeo Road
Mumbai - 400034.
Tel: +91-22 66185799
Fax: +91-22 66185757
Website: www.paeldtd.com

AUDITORS

M/s. K. S. Aiyar & Co., Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Link Intime India Private Limited
(Formerly known as Intime Spectrum Registry Limited)

C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W),
Mumbai - 400078.

Dear Shareowners,

I am very happy and proud to present to you the Sixtieth Annual Report and Accounts for the year ended 31st March 2010. I send my greetings on the occasion of Diamond Jubilee of your Company.

The Company has consistently shown a gradual growth since its incorporation in 1950. In the last twenty years starting from IPO in 1990, manufacturing of steering wheels and automobile seats in 1990-91, Rights Issue in 1992-93, pioneering into retrofitting of CNG kits in 1993-94, diversification into trading of Industrial Batteries and Power Back-up Systems in 2003, and more recently selling and manufacturing of PV Solar panels in 2009, it has widened its activities.

The Company has re-organised its business into six verticals to have greater focus on each segment from last April.

Last year was a challenging year in terms of sales and profit but your Company is looking up-beat for current financial year. We have not only planned to increase the business from existing branches but also to increase the number of branches by penetrating into newer geographical areas.

The Indian economy is growing steadily and there will be heavy demand for power. Inadequate infrastructure has compelled consumers to opt for various alternative forms of power back-up systems and solar power equipment. From this point of view, your company's entry into power back-up segment has been at the most appropriate point of time. Further our Hon. Prime Minister has announced on 15th November 2009 'Jawaharlal Nehru National Solar Mission' which gives further boost to users of Solar Energy Equipment. All these augur well for the current year and in my own estimate, barring unforeseen circumstances, your Company's performance should be on a healthy, profitable track for this year also.

PAE has formed a separate company, 'PAE Renewables Private Limited' ("PAER"), to focus on the high quality service and solution to its customers. Initially, PAER will focus on delivering green solutions in the Western part of India and will scale up to rest of the country next year.

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

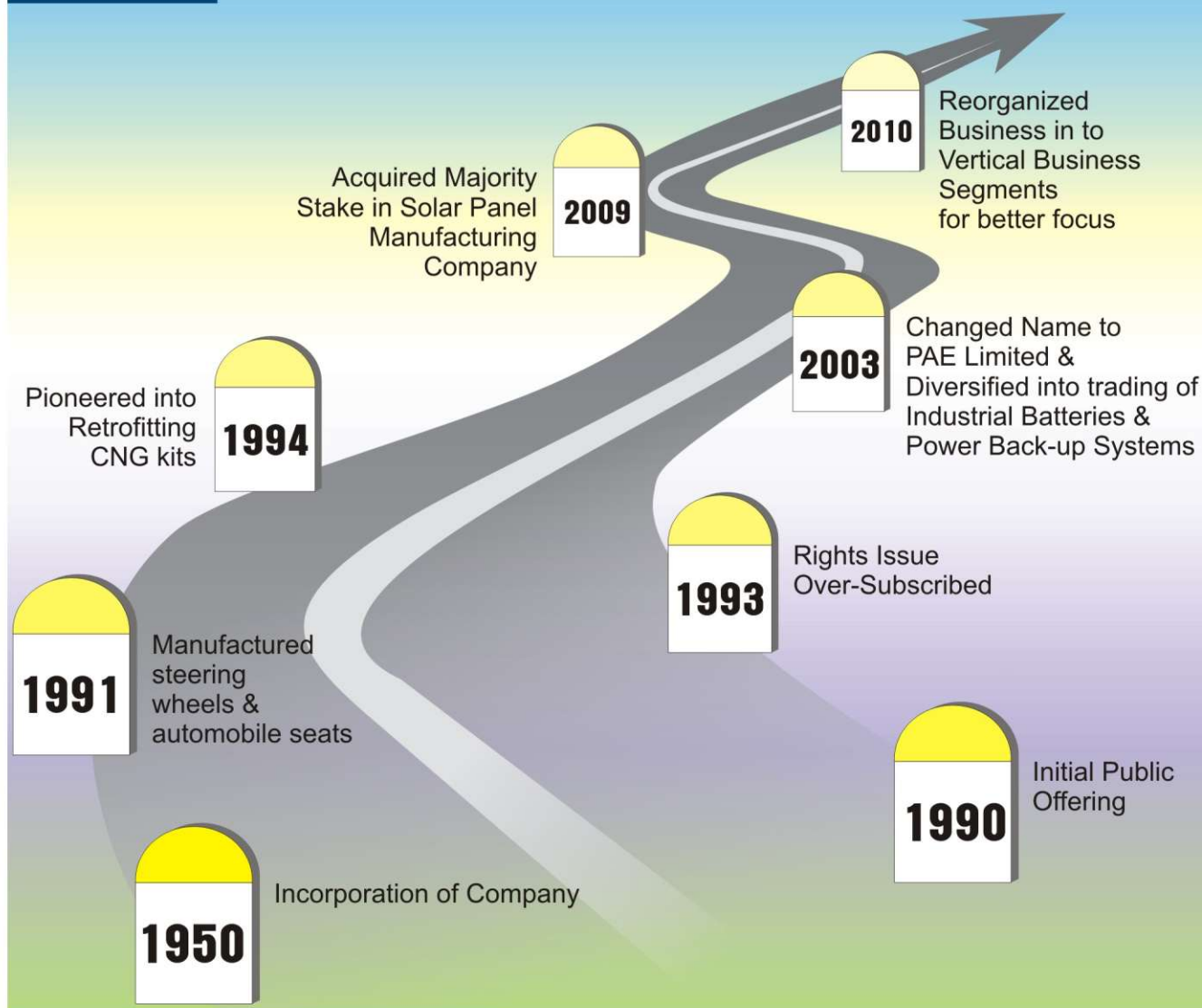
Regards,

Arvind R. Doshi
Executive Chairman



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MILESTONES



NOTICE

NOTICE is hereby given that the Sixtieth Annual General Meeting of the Members of PAE LIMITED will be held on Saturday, the 31st day of July, 2010 at 3.30 p.m. at Babasaheb Dahanukar Hall of Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. D. Marg, Fort, Mumbai 400001 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended as on that date together with the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares of the Company.
3. To appoint a Director in place of Shri Dilip J. Thakkar, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri John O. Band, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To re-appoint M/s. K.S. Aiyar & Company, Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 read with schedule XIII and all other applicable provisions if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded for the appointment of Shri Arvind R. Doshi as Executive Chairman of the Company for a period of 3 (Three) years with effect from 1st April, 2010 on the terms and conditions including remuneration as recommended by Remuneration and Selection Committee and approved by Board of Directors on 29th May, 2010, as detailed in the explanatory statement annexed hereto.

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

RESOLVED FURTHER THAT the Board be and is hereby authorized to execute all such documents, deeds and agreements as may be required for giving effect to this resolution.”

7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 read with schedule XIII and all other applicable provisions if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded for the appointment of Shri Pritam A. Doshi as Managing Director of the Company for a period of 5 (Five) years with effect from 1st April, 2010 on the terms and conditions including remuneration as recommended by Remuneration and Selection Committee and approved by the Board of Directors on 29th May, 2010, as detailed in the explanatory statement annexed hereto.

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

RESOLVED FURTHER THAT the Board be and is hereby authorized to execute all such documents, deeds and agreements as may be required for giving effect to this resolution.”

By Order of the Board of Directors

Nimesh S. Nandu
Company Secretary

Registered Office
69, Tardeo Road,
Mumbai- 400 034

Dated: 29th May, 2010.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THIS ANNUAL GENERAL MEETING.
2. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under item no. 6 & 7 as set out above is annexed hereto.

3. The Register of Members and Share Transfer books of the Company will remain closed from Friday, 23rd July 2010 to Saturday, 31st July 2010 (both days inclusive).
4. The dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid on or after 2nd August 2010, to those persons or their mandates:
 - a) whose names appear as Beneficial Owners as at the end of the business hours on 22nd July 2010 in the list of Beneficial Owners to be furnished to the Company by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form; and
 - b) whose names appear as Members in the Register of Members of the Company as on 22nd July 2010.
5. The facility of electronic credit of dividend directly to the respective bank accounts of our shareholders, through Electronic Clearing Service (ECS) is arranged by the Company. This facility is currently available at the locations specified by RBI/SBI. This facility is in addition to the Bank Mandate Facility that already exists whereby bank account details are printed on the dividend warrants. Shareholders who would like to avail of the ECS Mandate Facility or the Bank Mandate Facility (if not done earlier) are requested to complete and submit the Mandate Form, available on request with our Share Transfer Agents or on our Company's website www.paeltd.com, to Company's Share Transfer Agents (for shares held in physical form) or their Depository Participants (for shares held in electronic form) latest by 22nd July 2010.
6. Members are requested to
 - (a) intimate any change in their addresses to the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078
 - (b) quote client ID and DP ID numbers in respect of shares held in dematerialised form and ledger folio number in respect of shares held in physical form in all the correspondence
 - (c) to bring their Annual Report to the Meeting and attendance slip duly filled in. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
7. Corporate Members are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. Members who have multiple folios in identical names or joint names in the same order are requested to send all the Share Certificates to the Registrar and Transfer Agents, M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) for consolidation of all such folios into one to facilitate better service.
9. Queries on accounts and operations of the Company, if any, may please be sent to the Company 10 days in advance of the meeting so that the information required can be made readily available at the meeting to the extent possible.
10. Consequent upon the introduction of Section 205C by the Companies (Amendment) Act, 1999, unclaimed /unpaid dividend amount, fixed deposits, unclaimed interest and unclaimed matured fixed deposits for a period of 7 years will be transferred to the Investor Education & Protection Fund (IEPF) and no claim thereto will be entertained by the said Fund and also by the Company.
11. The facility for making nominations is available for shareholders and fixed deposit-holders in respect of the shares and fixed deposits held by them. Nomination forms can be obtained from the Company's Registrars & Transfer Agents, M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) or from the Company.
12. Members may refer Report on Corporate Governance for particulars of Directors' appointment/re-appointment at the Annual General Meeting.

ANNEXURE TO NOTICE

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

Item No. 6:

At the Fifty Seventh Annual General Meeting of the Company held on 30th July, 2007, the members approved the re-appointment of Shri Arvind R. Doshi as the Chairman & Managing Director of the Company from 8th April, 2007 for a period of 3 years.

Further with the approval, of the Shareholders at their Annual General Meeting held on 29th July 2008 and Central Government, the Company increased the remuneration payable to Shri Arvind R. Doshi, Chairman & Managing Director for the balance period of 2 years with effect from 1st April, 2008.

Shri Arvind R. Doshi attained the age of 70 years on 26th November 2009. According to sub clause (ii) of clause (c.) of Part I of Schedule XIII of the Companies Act, 1956 shareholders can approve the appointment of any managerial person who has already attained the age of 70 years without Central Government's approval.

Further Shri Arvind R. Doshi decided to step down from the responsibility of Managing Director and will continue to be the Executive Chairman of the Company guiding the growth of the Company with his rich experience.

The Remuneration and Selection Committee agreed the same and recommended to the Board.

The Board approved the appointment of Shri Arvind R. Doshi as Executive Chairman of the Company for the term of 3 (three) years with effect from 1st April 2010. The details of the remuneration are as under, subject to the approval of shareholders:

i) Salary:

Rs.24,24,000/- per annum payable monthly

ii) Commission:

Incentive or commission of 1% of the net profits of the Company in each financial year as may be determined by the Board of Directors at the end of financial year subject to the ceiling and provisions stipulated in Sections 198, 309 and 310, Schedule XIII & other applicable provisions of the Companies Act, 1956.

iii) Perquisites:

The Executive Chairman will be entitled for the following perquisites subject to a ceiling of Rs.28,05,000/- per annum.

- a) Housing: Furnished accommodation/house rent allowance

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

Also entitled for Computer and internet connection at residence

- b) Medical re-imbursement.

- c) Car: Provision for Company car with driver.

- d) Club Fees: Fees of Clubs subject to a maximum of two clubs, this will not include admission and life membership fees.

- e) Medical and Accident Insurance: Hospitalisation and Domiciliary Hospitalisation Benefit Policy for self and family and Personal Accident Insurance for self.

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

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

- f) Leave Travel Concession: For self and family once in a year, as per the rules of the Company.

- g) Entertainment Allowance including Sodexo Meal Coupons.

- h) Newspaper Allowance.

iv) Other Benefits:

In addition to the above perquisites, the Executive Chairman shall also be entitled for the following benefits. These benefits will not be included in the computation of ceiling on perquisites.

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

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

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

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

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

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

v) Minimum Remuneration:

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

He shall not be liable to retire by rotation

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

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

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

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

Item No. 7:

At the Fifty Sixth Annual General Meeting of the Company held on 26th December, 2006, the members approved the appointment of Shri Pritam A. Doshi as the Executive Director of the Company from 3rd May, 2006 for a period of 5 years.

Now as Shri Arvind A. Doshi has decided to step down from the responsibilities of Managing Director the Remuneration and Selection Committee recommended and Board approved to appoint Shri Pritam A. Doshi as Managing Director subject to approval of the Shareholders.

The Board approved the appointment of Shri Pritam A. Doshi as Managing Director of the Company with effect from 1st April 2010 for a period of 5 (five) years. The details of the remuneration are as under, subject to the approval of shareholders:

i) Basic Salary:

Rs.20,40,000/- per annum payable monthly.

ii) Incentive:

Incentive as a percentage of the annual salary be paid based on the target slabs set and approved by the Board.

iii) Commission:

Commission of 1% of the net profits of the Company in each financial year as may be determined by the Board of Directors at the end of financial year subject to the ceiling and provisions stipulated in Sections 198, 309 and 310, Schedule XIII & other applicable provisions of the Companies Act, 1956.

iv) Perquisites:

The Managing Director will be entitled for the following perquisites subject to a ceiling of Rs.18,11,000/- per annum.

- a) Housing: Furnished accommodation/house rent allowance

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

Also entitled for Computer and internet connection at residence

- b) Medical reimbursement.

- c) Car: Provision for Company car with driver.

- d) Club Fees: Fees of Clubs subject to a maximum of two clubs, this will not include admission and life membership fees.

- e) Medical and Accident Insurance: Hospitalisation and Domiciliary Hospitalisation Benefit Policy for self and family and Personal Accident Insurance for self.

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

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

- f) Leave Travel Concession: For self and family once in a year, as per the rules of the Company.

- g) Entertainment Allowance including Sodexo Meal Coupons.

- h) Newspaper Allowance.

v) Other Benefits:

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

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

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

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

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

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

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

vi) Minimum Remuneration:

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

He shall not be liable to retire by rotation

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

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

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

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

By Order of the Board of Directors

Nimesh S. Nandu
Company Secretary

Registered Office
69, Tardeo Road,
Mumbai- 400 034

Dated: 29th May, 2010.

REPORT OF THE DIRECTORS' AND MANAGEMENT DISCUSSION & ANALYSIS

To the Members,

Your Directors have pleasure in presenting their Sixtieth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2010.

1. Financial Results

	Current Year ended 31.03.2010 (Rs. in lacs)	Previous Year ended 31.03.2009 (Rs. in lacs)
Total Revenue	21918.57	25082.13
Total Expenses	20986.56	23951.50
Less: Interest	125.91	193.71
Less: Depreciation	81.50	91.60
Profit before Tax	724.60	845.32
Less: Provision for tax	249.24	309.06
Profit after taxes	475.36	536.26
Profit brought forward from previous year	1088.05	745.66
Balance Available for Appropriation	1563.41	1281.92
APPROPRIATION		
Transfer to General Reserves	35.65	26.81
Proposed Dividend	176.11	142.79
Tax on Dividend	29.93	24.27
Balance carried forward	1321.72	1088.05

2. Dividend

Your Directors are pleased to recommend final dividend of Rs.1.85 (Rupee One & Paisa Eighty Five Only) i.e.18.5% [which includes special dividend of Rs.0.60 (Paisa Sixty Only) on occasion of 60th year of the Company] per Equity Share of Rs.10/-, subject to the approval of shareholders at their Annual General Meeting.

3. Management Discussion and Analysis

During the financial year 2009-10, PAE has restructured operations and transitioned from a horizontal organization structure to a more defined, vertical structure. Under the revised organization layout, PAE's business will be divided into 6 business verticals -

- Auto Batteries
- Auto Parts
- Inverter and Inverter Batteries
- Solar
- UPS
- UPS Batteries

Each vertical will perform as an independent Strategic Business Unit (SBU), focused on growing sales and optimizing operations. Each SBU will be supported by a one or two national heads and a dedicated regional management and sales team. This new organization structure will better equip PAE to meet increasing demand

and leverage its position as one of the largest distribution companies in its industry in India.

SWOT Analysis of Strategic Business Units:

1) Auto Batteries

PAE has been in the marketing and distribution business of automotive and motorcycle batteries for the last over 40 years. PAE sells batteries in the aftermarket and caters to requirements for all vehicle types ranging from heavy commercial vehicles to passenger cars and two-wheelers.

Strengths and Opportunities:

- Number of Automobile manufactures have grown by 47% YOY
- Extensive network of sales and service offices throughout the country
- Superior product quality
- Experienced marketing team
- Strategic tie ups with suppliers

Threats and Weaknesses:

- Low market share in light commercial and 2 wheeler segment
- Increase in raw material prices
- Poor penetration in rural areas
- High market credit risk

2) Auto Parts

PAE sells different brands of automotive parts to aftermarket parts dealers and retail stores across India, who in turn cater to the needs of the end customer. This business consists of parts for various new generation passenger cars, light, medium and heavy commercial vehicles and 2 & 3 wheelers. PAE also provides comprehensive warranty services to its customers.

Strengths and Opportunities:

- Replacement after market, including OES, has grown by 60% YOY
- Centralized Price Controlling System
- Pioneer in establishing Brand
- Extensive network of sales and service offices across the country
- Experienced marketing team

Threats and Weaknesses:

- Low market share in light commercial and 2 wheeler segment
- Lesser number of product lines as compared to other nationwide distributors.
- Large presence of unorganized players and mom-and-pop shops

- Replacement market demand is decreasing due to better quality of products

3) Inverter and Inverter Batteries

PAE has been in the marketing and distribution business of inverter and inverter batteries for over 5 years. These batteries are used for various applications at home, in the office and at various industrial locations.

Strengths and Opportunities:

- Large market potential in rural areas, which experience 8 hour power cuts daily
- Large power deficit and other critical power problems will help increase sales.
- Extensive network of sales and service offices throughout the country.
- Superior product quality and competitive pricing
- Experienced marketing team

Threats and Weaknesses:

- Heavily dependent on a few number of suppliers
- Seasonal nature of business
- Shortage of supply during peak season
- Alternate energy sources are helping to narrow the gap in supply

4) Solar

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

Strengths and Opportunities:

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

Threats and Weaknesses:

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

5) UPS & UPS Batteries

PAE markets and distributes power back-up devices and systems under its own brand name PowerZen.

Depending on the type of application, PAE/PAER buys or builds the required system and sells it to dealers and end users. PAER also provides a comprehensive range of installation, commissioning and annual maintenance services to the end customers

Strengths and Opportunities:

- Large market potential in urban and semi urban areas where computer use is high
- Large power deficit and frequent power cuts will help increase sales.
- Extensive network of sales and service offices throughout the country.
- Superior product quality and competitive pricing
- Experienced marketing team

Threats and Weaknesses:

- Change in duties, taxes and government policies might affect future demand.
- Heavily dependent on a few number of suppliers
- Increase in raw materials cost would affect the battery market.

Internal control systems

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

4. Subsidiaries

Shurjo Energy Private Limited

As reported in last annual report the Company has acquired the majority stake in Shurjo Energy Private Limited. As required under the Companies Act necessary information of the subsidiary is provided in this annual report elsewhere along with the consolidated results.

PAE Renewables Private Limited

During the year under review PAE has invested in PAE Renewables Private Limited making it a 100% subsidiary of the Company.

PAER, as a 100% subsidiary of PAE, will be engaged in the business to design, install, sell and service renewable energy solutions of small and medium sizes in India. PAER will source some of its installation components for PAE, which is already a distributor for CIGS solar panels, storage batteries and solar power electronics.

As required under the Companies Act necessary information of the subsidiary is provided in this annual report elsewhere along with the consolidated results.

Discussion on financial performance with respect to operational performance

Highlights of Financial Performance:

		(Rs. in lacs)	
Particulars		2009-2010	2008-2009
1	Sales & Operating Income	24074.45	27592.28
2	Less: Value Added Tax	2221.86	2572.81
3	Net Sales & Operating Income	21852.59	25019.47
4	Other Income	65.98	62.66
5	Total Income (3 + 4)	21918.57	25082.13
6	Total Expenditure:		
a.	Cost of Sales	19200.74	22175.03
b.	Employees' Remuneration and Benefits	659.81	563.79
c.	Establishment & Other Expenses	1126.01	1212.68
		20986.56	23951.50
7	Interest	125.91	193.71
8	Profit after interest but before depreciation & tax	806.10	936.92
9	Profit after interest but before depreciation & tax as % to Total Income	3.68%	3.74%
10	Depreciation	81.50	91.60
11	Profit before tax	724.60	845.32
12	Provision for Tax:		
a.	Previous year taxes	5.25	-
b.	Current Tax	245.00	292.00
c.	Fringe Benefit Tax	-	20.00
d.	Wealth Tax	-	0.20
e.	Deferred Tax (Asset)/Liability	(1.01)	(3.14)
13	Net Profit/(Loss) after tax	475.36	536.26
14	Expenses as a % to Net Sales & Operating Income:		
a.	Employee Cost	3.02%	2.25%
b.	Establishment & Other Expenses	5.15%	4.85%
c.	Interest	0.58%	0.77%

Sales and Operating Income for the year has decreased by 12.74% from Rs 27592.28 lacs the previous year to Rs.24074.85 lacs on account of general recession & improvement of power situation in South of India.

During the year, the Company has made a profit before tax of Rs.724.60 lacs as against Rs.845.32 lacs in the previous year. Employee Cost for the year is Rs.659.81 lacs and is 3.02% of the net sales & operating income as compared to Rs.563.79 lacs which was 2.25% of the net sales & operating income in the previous year, an increase of 0.76%. Establishment and Other Expenses for the year is Rs.1126.01 lacs and is 5.15% of the net sales and operating income as compared to Rs.1212.68 lacs which was 4.85% of the net sales & operating income in the previous year, an increase of 0.30%.

Depreciation for the year is Rs.81.50 lacs as compared to Rs.91.60 lacs in the previous year due to no major additions during the current year.

Interest for the year is Rs.125.91 lacs which is 0.58% of the net sales & operating income as compared to Rs.193.71 lacs and was 0.77% of the net sales & operating income in the previous year, a decrease of 0.19% due to reduction in

the volume of sales resulting in decreased net working capital.

The Company has made a provision for tax of Rs.245 lacs and a provision of Rs.5.25 lacs for previous year's taxes. In accordance with AS-22, Accounting for Taxes on Income, the Deferred Tax Asset stands at Rs.17.22 lacs as on the date of Balance Sheet.

The Company has a Net Profit available for appropriation amounting to Rs. 1563.41 lacs as on 31st March 2010 and has proposed a dividend of Rs.1.85 per Equity Share of Rs.10/-, on occasion of 60th year of the company for the year ended 31st March, 2010.

Financial Condition

Share Capital

Issued, Subscribed and Paid-up Capital as at March 31, 2010 was Rs.951.96 lacs and there is no change as compared to previous year.

Reserves and Surplus

As at March 31, 2010 Reserves and Surplus amounted to Rs.3262.33 lacs as compared to Rs.3015.33 lacs at the end of previous year. The Company has also proposed a dividend of Rs.1.85 per equity share of Rs.10/-, on occasion of 60th year of the company amounting to Rs.176.11 lacs from the net profit available for appropriation of Rs.1563.41 lacs during the current year.

Loan Funds

There has been a decrease in the Loan Funds to Rs.682.62 lacs as at March 31, 2010 as compared to Rs.733.46 lacs in the previous year due to decrease in working capital requirement.

Fixed Asset

Net Fixed Assets as at March 31, 2010 have decreased to Rs.988.15 lacs as compared to Rs.1047.90 lacs in the previous year. There have been additions amounting to Rs.45.15 lacs in the current year.

Investments

Investments are at Rs.612.49 lacs as on March 31, 2010 as compared to last year Rs.180.23 lacs. The Company made further investment of Rs.331.21 lacs in M/s. Shurjo Energy Private Limited to acquire 57% stake in the company. M/s. Shurjo Energy Private Limited is engaged in the manufacturing of solar panels.

The Company has also invested Rs.1 lac in PAE Renewables Pvt. Ltd., to acquire 100% stake in the company. PAE Renewables Pvt. Ltd., will be engaged in the business to design, install, sell and service renewable energy solutions of small and medium sizes in India.

Net Current Assets

Net Current Assets have decreased to Rs.3313.49 lacs as at March 31, 2010 from Rs.3490.85 lacs as at March 31, 2009.

Human Resources

The Company believes that Human Resources are a key asset that provides a competitive edge in the current

business environment. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition and sharing, skill building, creativity and responsibility and performance based compensation.

The employees' relations during the year under review were cordial and harmonious and the productivity improved in all the areas. Your Company has a total strength of 267 employees as on March 31, 2010.

5. Fixed Deposit

The amount of Fixed Deposits accepted from the public during the year under review is Rs.110.38 lacs (including renewals). At the end of the year, there were 2 matured deposits for Rs.0.25 lacs, which were not claimed by the depositors as on date of this Report. There were no deposits during the year, which were claimed but not paid by the Company.

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

6. Directors

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and Article 117 of the Articles of Association of the Company, Shri Dilip J. Thakkar and Shri John O. Band retires by rotation but being eligible offers themselves for re-appointment.

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

7. Corporate Governance Report

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

8. Directors' Responsibility Statement

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

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed along with the proper explanation relating to material departures, if any;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies

Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

9. Auditors' Report

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

10. Auditors

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

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

11. Financial Ratings

The Company has received the "CARE A-" rating for long term bank facilities and "PR1" rating for short term bank facilities from **Credit Analysis & Research Limited (CARE)** which is valid for a period of 1 year.

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

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

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

Since the Company does not own any manufacturing facility the other particulars relating to Conservation of energy and technology absorption stipulated in the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

During the year the foreign exchange outgo was Rs.477.35 lacs and foreign exchange earnings were Nil.

14. Acknowledgements

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

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

For and on behalf of the Board of Directors

Arvind R. Doshi
Chairman & Managing Director

Registered Office:
69, Tardeo Road
Mumbai 400 034.

Dated: 29th May 2010

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2010.

Sr. No.	Name & Designation	Age (Years)	Gross Remuneration (Rs.)	Qualifications	Total Experience	Date of Commencement of Employment	Previous Employment
A	Names of Employees employed throughout the year and were in receipt of remuneration of not less than Rs.24,00,000/-						
1	*Shri Arvind R. Doshi Chairman & Managing Director	70	Rs.58.66 Lacs	Diploma in Civil & Sanitary Engg. & Business Management	46 Yrs	16.04.1994	Worked with Premier Ltd., as Managing Director for 5 years
2	**Shri Samir Roy President & Chief Operating Officer	57	Rs.36.96 Lacs	B.Sc, D.B.M	36 Yrs	05.11.1973	N.A.

Notes:

1. Remuneration as shown above includes salary, allowances, leave travel assistance, Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund, Medical facilities and perquisites valued in terms of actual expenditure incurred by the Company in providing the benefits to the employee.
2. *The condition of the employment of the said employee is contractual and terminable by six months notice.
3. Remuneration to Shri Arvind R. Doshi, Chairman & Managing Director is paid in accordance with the approval granted by Ministry of Corporate Affairs, The Government of India vide its letter dated 11th December 2008.
4. ** Shri Samir Roy resigned from the Company on 11th February 2010.

ANNEXURE TO THE DIRECTORS' REPORT CORPORATE GOVERNANCE REPORT

1. Company's philosophy on the code of governance

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

2. Board of Directors

The present strength of the Company's Board is 6 Directors, of which 4 Directors are non-executive / Independent Directors. The Board normally meets once in a quarter and additional meetings are held as and when required. During the year under review, the Board of Directors met five times on 30th May, 2009, 31st July, 2009, 30th October, 2009, 8th January, 2010 and 30th January, 2010.

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

Name of Director	Category	No. of Meetings attended		Whether attended last AGM held on 06.08.2009	No. of Directorship in other public companies	No. of Committee positions in other public companies	
		Board	Committee			Chairman	Member
Executive Directors							
Shri Arvind R. Doshi	CMD	5	AUD - N.A. REM - N.A. STC - 2	Yes	1	1	1
Shri Pritam A. Doshi	ED	5	AUD - 4 REM - N.A. STC - 2	Yes	Nil	Nil	Nil
Non-Executive Directors							
Shri Dilip J. Thakkar	ID	5	AUD - 4 REM - 3 STC - N.A.	Yes	14	4	9
Shri John O. Band	ID	2	AUD - 2 REM - 3 STC - 2	Yes	Nil	Nil	Nil
Shri Karthikeyan Muthuswamy	ID	5	AUD - 4 REM - 1 STC - N.A.	No	Nil	Nil	Nil
Dr. Rajendra Nath Mehrotra	ID	5	AUD - N.A. REM - 3 STC - N.A.	Yes	1	1	1

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

As required by the Companies Act, 1956 and clause 49 of the listing agreement with stock exchanges, none of the Directors hold Directorship in more than 15 Public Companies, membership of Board Committees (Audit & Investor Grievance Committees) in excess of 10 and Chairmanship of Board Committee in excess of 5.

3. Audit Committee

During the year 2009-10, the Audit Committee met four times on 30th May, 2009, 31st July, 2009, 30th October, 2009 and 30th January, 2010.

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

Name	Designation	Profession	Category	No. of Meetings attended
Shri Dilip J. Thakkar	Chairman	Chartered Accountant	ID	4
Shri John O. Band	Member	Merchant Banker, Investment Manager, Accountancy Profession	ID	2
Shri Karthikeyan Muthuswamy	Member	Portfolio Manager, Investment Manager	ID	4
Shri Pritam A. Doshi	Member	Businessman	ED	4

ID: Independent Director

ED: Executive Director

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

- Recommending to the Board the appointment and removal of external auditor, fixation of audit fee etc;
- Reviewing major accounting entries based on exercise of judgment by management and reviewing significant adjustments arising out of audit;
- Reviewing of the unaudited financial results for the quarter ended 30th June, 2009, 30th September, 2009 and 31st December, 2009;
- Reviewing of the Audited financial results for the year ended 31st March, 2010;
- Reviewing with external and internal Auditors the adequacy of the internal control systems and ensuring their compliance;
- Compliance with listing and other legal requirements relating to financial statements;
- Overseeing the Company's financial reporting process and the disclosure of its financial information;
- Reviewing changes, if any, in accounting policies and practices and the reasons for the same;
- Reviewing the company's financial and risk management policies;
- Reviewing any Qualifications in the draft audit report;
- Reviewing the statement of significant related party.
- Note the observations submitted by Internal Auditors on Branches made by them during their branch audits.

4. Code of Conduct

The Company has adopted a Code of Conduct for its directors and senior management in compliance with clause 49 of the Listing Agreement. The code is derived from three interlinked fundamental principles; viz. good

corporate governance, good corporate citizenship and exemplary personal conduct and it is applicable to all directors and senior management of the Company. The Board members and senior management personnel have affirmed their compliance with the code of conduct and a CEO certificate to the effect is annexed to this corporate governance report.

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

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

5. CEO / CFO Certification

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Executive Director & CEO and General Manager - Finance & Accounts of the Company have certified to the Board the financial statements for the year ended 31st March, 2010.

6. Remuneration

Remuneration & Selection Committee

The Remuneration & Selection Committee constitutes of Shri John O. Band as Chairman, Shri Dilip J. Thakkar, Shri Karthikeyan Muthuswamy and Dr. Rajendra Nath Mehrotra as its members. During 2009-10, Committee met on 3rd October, 2009, 24th October, 2009 and 20th January, 2010. The terms of reference of Remuneration & Selection Committee involves determination on the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment. It also includes recommendation on revision of remuneration of top executives below the Board of Directors, granting and administration of Employees Stock Options, etc.

Remuneration to Directors

Non-executive directors are paid a sitting fee within the ceiling prescribed by Central Government for attending meetings of the Board, Audit and other committee meetings.

Details of remuneration paid/payable to the Directors during the Financial Year 2009-10

Director	* Sitting Fees (Rs.)	Salaries, Perquisites & Contribution to funds (Rs.)	Commission (Rs.)
Shri Arvind R. Doshi	Nil	^ 58,65,680	Nil
Shri Pritam A. Doshi	Nil	20,00,991	2,66,770
Shri Dilip J. Thakkar	76,000	-	*1,50,000
Shri John O. Band	40,000	-	*1,50,000
Shri Karthikeyan Muthuswamy	72,000	-	*1,00,000
Dr. Rajendra Nath Mehrotra	56,000	-	*1,50,000

- * Sitting Fees includes payment to the Directors for attending Board Meetings and Committee Meetings.
- ^ Remuneration paid to Shri Arvind R. Doshi, Chairman & Managing Director is in accordance with the approval granted by Ministry of Corporate Affairs, The Government of India vide its letter dated 11th December 2008. His remuneration includes Leave encashment which is not a part of the approved ceiling limit.
- # Commission upto maximum of 1% of Net Profit as per Section 198, 349 & 350 of the Companies Act, 1956 payable to Non Executive Directors for F.Y. 2009-2010 as determined by Board of Directors subject to the approval of shareholders at their Meeting.

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

7. Shareholders' Grievances & Share Transfer Committee

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

During the year under review, the Committee met on 15th June, 2009 and 30th January, 2010.

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

Statement of the various complaints received and cleared during 2009-2010:

Sr. No.	Subject	Received (Nos.)	Cleared (Nos.)	Pending
1	Non receipt of Share Certificates	2	2	Nil
2	Non- receipt of Int./Div. Warrants	19	19	Nil
3	Non-receipt of End Stickers	4	4	Nil
4	Non-receipt of Rejected DRN	1	1	Nil
5	Non-receipt of Bonus share certificates	1	1	Nil
6	Non-receipt of Rep/Spl/Con/Dup.	2	2	Nil
7	Others	2	2	Nil
	TOTAL	31	31	Nil

All the complaints have been resolved and as on 31st March, 2010 no complaint from shareholder is pending. At the end of the year, no requests for shares transfers were pending for registration.

8. General Body Meetings

Details of previous General Meetings

Financial Year	Category	Date	Time	Location
2006-07	AGM	30 th July, 2007	11.00 a.m.	M. C. Ghia Hall Bhogilal Hargovindas Bldg. 2nd floor, 18/20, K. Dubhash Marg, Mumbai 400 001
2007-08	AGM	29 th July, 2008	3.30 p.m.	M. C. Ghia Hall Bhogilal Hargovindas Bldg. 2nd floor, 18/20, K. Dubhash Marg, Mumbai 400 001
2008-09	AGM	6 th August, 2009	3.30 p.m.	M. C. Ghia Hall Bhogilal Hargovindas Bldg. 2nd floor, 18/20, K. Dubhash Marg, Mumbai 400 001

Special resolutions passed in previous 3 years

AGM 30th July, 2007

Re-appointment of Shri Arvind R. Doshi as Chairman & Managing Director of the Company for a period of 3 years w.e.f. 8th April, 2007.

AGM 29th July, 2008

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

AGM 6th August, 2009

Payment of Commission to Non Whole Time Directors.

9. Disclosures

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

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

(b) Risk Management Frame work

The Company has in place mechanisms to inform the Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk through means of a properly identified framework. The risk management issues are discussed in Management Discussion & Analysis.

(c) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the provisions of Listing Agreement with Stock Exchange and regulations and guidelines of SEBI, as applicable from time to time. There were no instances of non-compliance of any matter related to the capital markets during the last three years.

(d) Non-mandatory Requirements

Remuneration & Selection Committee

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

Whistle Blower Policy

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

10. Means of communication

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

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

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

Management Discussion and Analysis forms part of the Annual Report.

11. General Shareholder information

i) Annual General Meeting

Date and Time : 31st July, 2010 at 3.30 p.m.

Venue : Babasaheb Dahanukar Hall,
Maharashtra Chamber
of Commerce, Orion House,
6th Floor, 12, K. D. Marg, Fort,
Mumbai 400001.

ii) Financial Calendar

Financial Year : 1st April to 31st March

Financial reporting
of results

Quarterly unaudited : Within forty five days from the
results end of the quarter

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

iii) Book Closure date

From : 23rd July 2010
To : 31st July 2010
(Both days inclusive)

iv) Dividend Payment Date

: On or after 2nd August, 2010

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

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

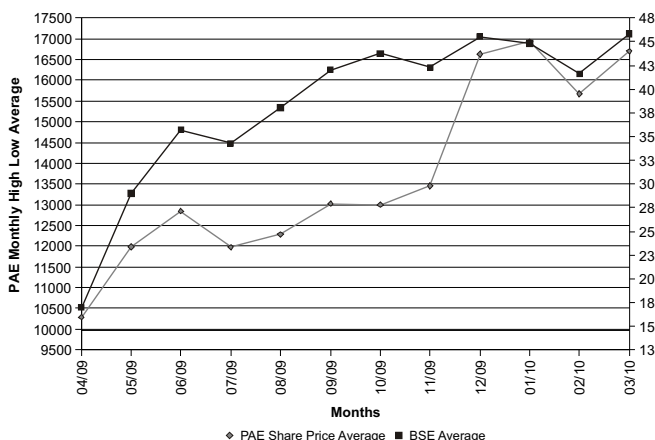
vi) **Demat ISIN No. for Equity Shares** : INE 766A01018

vii) **Market price data** :

Monthly high & low quotations of shares traded at Bombay Stock Exchange for the year 2009-10

(in Rupees)

	Month's High Price	Month's Low Price	Volume	BSE Sensex High	BSE Sensex Low
April 2009	17.90	14.00	36669	11,492.10	9,546.29
May 2009	30.65	16.05	595871	14,930.54	11,621.30
June 2009	31.25	23.00	461923	15,600.30	14,016.95
July 2009	24.75	21.90	87107	15,732.81	13,219.99
August 2009	28.05	21.35	156509	16,002.46	14,684.45
September 2009	31.80	24.05	215428	17,142.52	15,356.72
October 2009	31.35	24.30	125390	17,493.17	15,805.20
November 2009	37.80	21.80	753287	17,290.48	15,330.56
December 2009	57.00	30.40	5709611	17,530.94	16,577.78
January 2010	53.80	36.25	1292079	17,790.33	15,982.08
February 2010	44.00	35.00	435951	16,669.25	15,651.99
March 2010	49.45	38.50	1914541	17,793.01	16,438.45



Source: BSE Website

viii) **Registrar & Transfer Agents:**

M/s. Link Intime India Private Limited
(Formerly known as Intime Spectrum Registry Limited),
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai 400 078
Phone : 022 - 25946970-78 Fax : 022 - 25946969
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

ix) **Share Transfer System:**

Share transfers in physical form have to be lodged with the Registrar and Transfer Agents.

All shares received for transfer are registered and returned within a period of thirty days from the date of lodgment, provided the documents are valid and complete in all respects.

In accordance with the SEBI guidelines, the Company offers the facility of transfer-cum-demat to shareholders after share transfers are affected in physical form.

x) **Shareholding Pattern as on 31st March 2010:**

Category	No. of shares held	% of shareholding
A. Promoter's Holding		
1 Promoters*		
- Indian Promoters	47,75,527	50.17
- Foreign Promoters	-	-
2 Persons acting in concert	-	-
Sub Total	47,75,527	50.17
B. Non-Promoters Holding		
3 Institutional Investors		
a. Mutual Funds and UTI	1,200	0.01
b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non-Government Institutions)	90,775	0.95
c. FIIs	1,725	0.02
Sub Total	93,700	0.98
4 Others		
a. Private Corporate Bodies	5,47,336	5.75
b. Indian Public	39,27,905	41.26
c. NRIs/OCBs	31,455	0.33
d. Others (Clearing Members)	1,43,677	1.51
Sub Total	43,50,373	48.85
TOTAL	95,19,600	100.00

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

xi) **Distribution of Shareholding as on 31st March 2010**

No. of Shareholders	% to Total	Share holding of nominal value of Rs.	No. of shares	Amount in Rs.	% to Total
12328	90.58	Upto 5,000	19,24,551	1,92,45,510	20.22
712	5.23	5,001 to 10,000	5,83,948	58,39,480	6.13
288	2.12	10,001 to 20,000	4,30,245	43,02,450	4.52
104	0.76	20,001 to 30,000	2,66,664	26,66,640	2.80
47	0.35	30,001 to 40,000	1,62,806	16,28,060	1.71
35	0.26	40,001 to 50,000	1,65,312	16,53,120	1.74
61	0.45	50,001 to 1,00,000	4,78,649	47,86,490	5.03
35	0.25	1,00,001 and above	55,07,425	5,50,74,250	57.85
13610	100.00	TOTAL	95,19,600	9,51,96,000	100.00

xii) Dematerialization of Shares:

Trading in Equity Shares of the Company is permitted only in dematerialized form. Approximately 89.19% of the shares issued by the Company have been dematerialized up to 31st March 2010.

xiii) Outstanding GDR/Warrants or any Convertible instruments :

N.A.

xiv) Plant Locations:

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

xv) Address for correspondence:

Shri Nimesh S. Nandu, Company Secretary & Head Legal
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 31st March 2010, as envisaged in clause 49 of the Listing Agreement with stock exchanges.

Arvind R. Doshi
Chairman & Managing Director

Place: Mumbai
Dated: 29th May, 2010

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members,
PAE LTD.
Mumbai - 400 034.

We have examined the compliance of conditions of Corporate Governance by PAE Limited for the financial year ended March 31, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Mumbai
Dated : 29th May, 2010

Satish K. Kelkar
Partner
Membership No. 38934

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

Name of Director	Shri Arvind R. Doshi	Shri Pritam A. Doshi	Shri Dilip J. Thakkar	Shri John O. Band
Date of Birth	26.11.1939	09.04.1973	01.10.1936	11.08.1952
Date of Initial Appointment	16.4.1994	30.01.2004	28.07.2000	28.06.2002
Expertise in specific functional areas	Shri Arvind R. Doshi, besides having brilliant academic career in Engineering and in Management also has rich experience in the field of Engineering Industry and in Automobile Sector.	Shri Pritam A. Doshi is a dynamic entrepreneur with brilliant academic career and rich experience in field of Bio-engineering, management, information technology, investment strategy etc. He has worked with Trident Capital LP, a silicon valley based venture capital firm that invests in internet and wireless startup businesses. He has also worked with HSBC Securities Inc. as assistant Vice President – equity research. He is associated with the Company since 2004 and under his leadership Company expects to diversify and strengthen from its current position.	Shri Dilip J. Thakkar is an eminent Chartered Accountant and partner of M/s. Jayantilal Thakkar & Associates, Mumbai and M/s. Jayantilal Thakkar & Company, Mumbai. He is a respected personality in the Indian corporate world.	Shri John O. Band has a M.A. Degree in Economics from Cambridge University and is a fellow member of Institute of Chartered Accounts of England & Wales. Currently he is a private equity investor in various businesses in India.
Qualifications	Diploma in Civil & Sanitary Engg. & Diploma in Business Management	B.S.E. (Bioengineering) from the University of Pennsylvania, Philadelphia, U.S.A. and M.B.A. from University of Chicago, Chicago, U.S.A.	Chartered Accountant	FCA (England & Wales)
No. of Other Public Companies in which Directorship is held as on 31 st March, 2010.	1	Nil	12	Nil
Chairman of Committees formed by Board of other Listed Companies on which he is a Director as on 31 st March, 2010.	None	Nil	4	Nil
Member of Committees formed by Board of other Listed Companies on which he is a Director as on 31 st March, 2010.	None	Nil	8	Nil
Shareholding in the Company	26,51,583 shares	6,70,007 shares	Nil	Nil

AUDITORS' REPORT

To,
The Members of PAE Ltd.

1. We have audited the attached Balance Sheet of **PAE Ltd.** as at 31st March 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

- (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the Directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on 31st March, 2010 from being appointed as a Director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements together with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2010;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

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

Satish K. Kelkar
Partner
Membership No: 38934

Place: Mumbai
Date: May 29, 2010

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date on the Accounts for the year ended 31st March 2010 of PAE Limited.

- | | |
|--|---|
| <p>(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) A substantial portion of the fixed assets have been physically verified by the management during the year and the company has also instituted a program for periodic verification of assets which is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.</p> <p>(c) The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us, we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the company.</p> <p>(ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.</p> <p>(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.</p> <p>(c) In our opinion and according to the explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and properly dealt with in the books of account.</p> <p>(iii) (a) During the year the Company has not taken any loans secured or unsecured from companies, firms or other parties in the register maintained under Section 301 of the Act. Accordingly sub clause iii (e), iii (f) and iii (g) of this order are not applicable.</p> <p>(b) The company has given unsecured Inter Corporate Deposit to one company covered in the register maintained under Section 301 of the Companies Act, 1956, wherein the balance payable as at the year end is Rs.50.38 lacs (Previous year Nil). Maximum balance during the year Rs. 75 lacs (Previous year 20 lacs.)</p> <p>(c) In our opinion and according to the explanations given to us, the rate of interest and other terms and conditions of the aforesaid loan given are not, prima facie prejudicial to the interest of the company.</p> | <p>(d) In our opinion and according to the explanations given to us, the company is regular in receiving the principal and interest as stipulated.</p> <p>(iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. We have not observed any continuing failure to correct major weaknesses in internal control system.</p> <p>(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that are referred to in Section 301 have been entered in the register required to be maintained under that section.</p> <p>(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.</p> <p>(vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.</p> <p>(vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.</p> <p>(viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.</p> <p>(ix) (a) According to the records of the company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Cess and other statutory dues applicable to it.</p> <p>According to the information and explanations given to us, there are no undisputed statutory dues which are outstanding as at 31st March 2010 for the period of more than six months from the date they become payable. The Excise Duty is not applicable to the company.</p> |
|--|---|

- (b) According to the records of the company, there are no disputed, Wealth Tax, Customs Duty, Service Tax or Cess. The details of dues in respect of Sales Tax, which have not been deposited on account of any dispute are given below:

Name of the Statute	Nature of the dues	Period to which the amount relates	Forum where dispute is pending (Rs. in lacs)	
			Commis- sionerate	Appellate Tribunal
Central Sales Tax and Various State Sales Tax Acts	Sales Tax demands, penalty and interest	1996-97		0.84
		1999-2000	0.26	
		2000-01	1.73	
		2001-02	3.44	
		2002-03	2.45	
		2003-04	5.53	
		2004-05	1.40	
		2006-07	4.92	
		2007-08	9.25	
		2008-09	8.28	
		2009-10	14.94	
	Total		52.20	0.84

- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. The company does not have any outstanding debentures.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the company.
- (xv) The company has given a guarantee for loan taken by a subsidiary company from a bank during the year and prima facie the terms and conditions thereof are not prejudicial to the interest of the company.
- (xvi) The term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) The company has not issued any secured debentures during the year.
- (xx) The company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place: Mumbai
Date: May 29, 2010

Satish K. Kelkar
Partner
Membership No: 38934

BALANCE SHEET AS AT 31ST MARCH, 2010

(ALL RUPEES IN LACS)

	Schedule	As at 31-Mar-2010	As at 31-Mar-2009
I. SOURCES OF FUNDS:			
SHAREHOLDERS' FUNDS:			
Share Capital	A	951.96	951.96
Reserves and Surplus	B	3,262.33	3,015.33
		4,214.29	3,967.29
LOAN FUNDS:			
	C		
Secured Loans		309.31	379.54
Unsecured Loans		373.31	353.92
		682.62	733.46
Deferred Tax Liability (Refer Note - 14)		17.22	18.23
TOTAL		4,914.13	4,718.98
II. APPLICATION OF FUNDS:			
FIXED ASSETS:			
	D		
Gross Block		1483.37	1482.81
Less : Depreciation		501.48	434.91
Net Block		981.89	1,047.90
Capital Work-in-Progress		6.26	0.00
		988.15	1,047.90
INVESTMENTS	E	612.49	180.23
CURRENT ASSETS, LOANS AND ADVANCES:			
	F		
Inventories		1,586.99	1,485.45
Debtors		2,265.58	1,835.15
Interest accrued but not due		0.72	1.11
Cash & Bank Balances		336.92	354.79
Loans & Advances		720.74	691.03
		4,910.95	4,367.53
Less:			
Current Liabilities	G	1,241.51	590.86
Provisions	H	355.95	285.82
		1,597.46	876.68
		3,313.49	3,490.85
TOTAL		4,914.13	4,718.98

For Accounting Policies and Notes to Accounts Refer Schedule 'O' & 'P'

As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants

Registration No. 100186W

SATISH K. KELKAR

Partner

Membership No. 38934

Mumbai, Dated 29th May 2010**Nitesh Jain**

General Manager - Accounts & Finance

Nimesh S. Nandu

Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi

Chairman & Managing Director

Pritam A. Doshi

Executive Director & CEO

Dilip J. Thakkar**John O. Band**

Directors

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(ALL RUPEES IN LACS)

	Schedule	For the year ended 31-Mar-2010	Previous year ended 31-Mar-2009
INCOME:			
Gross Sales & Operating Income	I	24,074.45	27,592.28
Less: Value added Tax		2,221.86	2,572.81
Net Sales & Operating Income		21,852.59	25,019.47
Other Income	J	65.98	62.66
TOTAL		21,918.57	25,082.13
EXPENDITURE:			
Cost of Sales	K	19,200.74	22,175.03
Employees Remuneration and Benefits	L	659.81	563.79
Establishment and other Expenses	M	1,126.01	1,212.68
Interest	N	125.91	193.71
Depreciation/Amortisation		103.82	113.92
Less: Transferred from Revaluation Reserve		22.32	22.32
		81.50	91.60
TOTAL		21,193.97	24,236.81
Profit before Tax		724.60	845.32
Less: Provision for Taxation:			
Previous year's taxes (Net)		5.25	0.00
Current Tax		245.00	292.00
Fringe Benefit Tax		0.00	20.00
Wealth Tax		0.00	0.20
Deferred Tax (Asset)/Liability (Refer Note - 14)		(1.01)	(3.14)
Profit after Tax		475.36	536.26
Add: Surplus brought forward		1,088.05	745.66
Balance available for appropriation		1,563.41	1,281.92
APPROPRIATIONS:			
Proposed Dividend on Equity Shares		176.11	142.79
Tax on Proposed Dividend		29.93	24.27
Transfer to General Reserve		35.65	26.81
Surplus carried to Balance Sheet		1,321.72	1,088.05
Earning per share (Refer Note - 8):			
Basic and diluted earning per share (in Rupees)		4.99	5.63

For Accounting Policies and Notes to Accounts Refer Schedule 'O' & 'P'

As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants
Registration No. 100186W

SATISH K. KELKAR

Partner

Membership No. 38934

Mumbai, Dated 29th May 2010

Nitesh Jain

General Manager - Accounts & Finance

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For and on behalf of Board of Directors

Arvind R. Doshi

Chairman & Managing Director

Pritam A. Doshi

Executive Director & CEO

Dilip J. Thakkar

John O. Band

Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(ALL RUPEES IN LACS)

	2009-10	2008-09
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	724.60	845.32
ADJUSTMENTS FOR:		
DEPRECIATION	81.50	91.60
INTEREST CHARGED	125.91	193.71
INTEREST/DIVIDEND INCOME	(18.72)	(13.16)
OTHERS	6.26	(2.25)
	<u>194.95</u>	<u>269.90</u>
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	919.55	1,115.22
ADJUSTMENTS FOR:		
TRADE AND OTHER RECEIVABLES	(459.52)	281.24
INVENTORIES	(101.54)	(362.95)
TRADE PAYABLES	673.17	(74.57)
	<u>112.11</u>	<u>(156.28)</u>
CASH GENERATED FROM OPERATIONS	1,031.66	958.94
DIRECT TAXES (PAID)/REFUNDS	(251.92)	(290.42)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>779.74</u>	<u>668.52</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	(51.41)	(69.39)
SALE OF FIXED ASSETS	6.15	2.21
INVESTMENT	(432.27)	(163.06)
SALE OF INVESTMENTS	0.04	0.00
INTEREST RECEIVED	8.12	6.66
DIVIDEND RECEIVED	10.99	7.55
NET CASH USED IN INVESTING ACTIVITIES	<u>(458.38)</u>	<u>(216.03)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
WORKING CAPITAL FINANCE	(70.23)	(103.84)
INTEREST PAID	(125.99)	(193.63)
PROCEEDS FROM LONG TERM BORROWING (NET)	19.39	138.73
DIVIDEND PAID	(138.13)	(137.02)
DIVIDEND TAX PAID	(24.27)	(24.27)
NET CASH USED IN FINANCING ACTIVITIES	<u>(339.23)</u>	<u>(320.03)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(17.87)	132.46
OPENING BALANCE AS AT BEGINNING OF THE YEAR	354.79	222.33
CLOSING BALANCE AS AT END OF THE YEAR	<u>336.92</u>	<u>354.79</u>

Notes:

1. The Cash Flow has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Cash and cash equivalents as on 31.03.10 and 31.03.09 includes restricted cash of Rs.54 lacs.
3. Previous year figures have been regrouped/reclassified wherever necessary.

As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants

Registration No. 100186W

SATISH K. KELKAR

Partner

Membership No. 38934

Mumbai, Dated 29th May 2010**Nitesh Jain**

General Manager - Accounts & Finance

Nimesh S. Nandu

Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi

Chairman & Managing Director

Pritam A. Doshi

Executive Director & CEO

Dilip J. Thakkar**John O. Band**

Directors

SCHEDULES 'A' TO 'P' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(ALL RUPEES IN LACS)

		As at 31-Mar-2010	As at 31-Mar-2009
SCHEDULE 'A': SHARE CAPITAL			
AUTHORISED:			
1,50,00,000	Equity Shares of Rs.10 each (Previous Year: 1,50,00,000 Equity Shares of Rs. 10 each)	1,500.00	1,500.00
50,00,000	Preference Shares of Rs. 10 each (Previous Year: 50,00,000 Preference Shares of Rs. 10 each)	500.00	500.00
		<u>2,000.00</u>	<u>2,000.00</u>
ISSUED, SUBSCRIBED AND PAID UP:			
95,19,600	Equity Shares of Rs.10 each fully paid up. (Previous Year 95,19,600 Equity Shares of Rs.10 each)	951.96	951.96
Of the above:			
(a) 4,00,000	Equity Shares were issued as fully paid Bonus Shares by capitalisation of General Reserve.		
(b) 31,73,200	Equity Shares were issued as fully paid Bonus Shares by capitalisation of Share Premium Account.		
		<u>951.96</u>	<u>951.96</u>
SCHEDULE 'B': RESERVES AND SURPLUS			
Capital Reserve		0.09	0.09
Securities Premium Reserve Account		531.23	531.23
Revaluation Reserve (Refer Note - 7)	596.64		618.96
Less: Depreciation on revaluation of assets transferred to Profit & Loss A/c	<u>22.32</u>	574.32	<u>22.32</u> 596.64
General Reserve:			
As per last Balance Sheet	799.32		772.51
Transfer from Profit & Loss Account	<u>35.65</u>	834.97	<u>26.81</u> 799.32
Surplus as per Profit & Loss Account		<u>1,321.72</u>	<u>1,088.05</u>
		<u>3,262.33</u>	<u>3,015.33</u>

(ALL RUPEES IN LACS)

As at
31-Mar-2010 As at
31-Mar-2009

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

a. Working capital loan from Banks:	288.60	356.30
(secured by hypothecation of inventory & book debts and all movables, both present & future and with a collateral charge on immovable & movable properties)		
b. Motor Vehicle Loan:	20.71	23.24
(secured by motor vehicles purchased under loan agreement)		
(Payable within one year Rs.11.50 Lacs - Previous year Rs.6.65 Lacs)		
	309.31	379.54

B. UNSECURED LOANS:

Fixed Deposits (Payable within one year Rs.97.29 lacs - Previous year Rs. 80.60 lacs)	373.31	353.92
	682.62	733.46

SCHEDULE 'D': FIXED ASSETS

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 01.04.2009	+ Added on Revaluation	Additions this year	Sales / Adjustment this year	As at 31.03.2010	As at 01.04.2009	Adjustment on Revaluation	Depreciation/ Amortisation this year	Sales / Adjustment this year	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
TANGIBLE ASSETS												
BUILDING AND OWNERSHIP FLATS *	908.71	-	-	-	908.71	106.65	22.32	10.27	-	139.24	769.47	802.06
OTHER PLANT & MACHINERY	13.93	-	3.00	0.52	16.41	5.34	-	3.15	0.34	8.15	8.26	8.59
FURNITURE & FIXTURES	172.91	-	2.89	2.40	173.40	101.82	-	15.11	2.28	114.65	58.75	71.09
OFFICE EQUIPMENTS	69.40	-	6.43	2.59	73.24	34.40	-	5.98	2.20	38.18	35.06	35.00
COMPUTERS	188.86	-	17.85	19.63	187.08	126.32	-	28.30	18.76	135.86	51.22	62.54
MOTOR VEHICLES	112.28	-	12.17	19.45	105.00	53.85	-	16.49	13.67	56.67	48.33	58.43
SUB TOTAL	1,466.09	-	42.34	44.59	1,463.84	428.38	22.32	79.30	37.25	492.75	971.09	1,037.71
INTANGIBLE ASSETS												
SOFTWARE	16.72	-	2.81	-	19.53	6.53	-	2.20	-	8.73	10.80	10.19
SUB TOTAL	16.72	-	2.81	-	19.53	6.53	-	2.20	-	8.73	10.80	10.19
TOTAL	1,482.81	-	45.15	44.59	1,483.37	434.91	22.32	81.50	37.25	501.48	981.89	1,047.90
PREVIOUS YEAR TOTAL	1,426.03	-	69.39	12.61	1,482.81	331.06	22.32	91.60	10.07	434.91		
CAPITAL WORK IN PROGRESS											6.26	-
										TOTAL	988.15	1,047.90

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

+ Refer to Note 7 of Schedule 'P'

(ALL RUPEES IN LACS)

	As at 31-Mar-2010	As at 31-Mar-2009
SCHEDULE 'E': INVESTMENTS		
LONG TERM INVESTMENTS (AT COST)		
UNQUOTED:		
a) Investment in Subsidiary Companies		
1,30,28,772 Equity Shares of Shurjo Energy Pvt. Ltd. (Refer Note - 2) (Previous Year 34,53,335 shares)	506.81	175.60
10,000 Equity Shares of PAE Renewables Pvt. Ltd. (Refer Note - 2) (Previous Year - Nil)	1.00	0.00
	507.81	175.60
QUOTED:		
b) Other Investments		
8,53,305 Equity Shares of Pal Credit & Capital Ltd. (Previous year 8,54,305 shares) Less: Provision for diminution in value	87.64 85.34	87.74 85.43
	2.30	2.31
4,000 Equity Shares of South India Paper Mills Ltd. (Previous year 4,000 shares)	1.18	1.18
216 Equity Shares of Exide Industries Ltd. (Previous year 216 shares)	0.01	0.01
50 Equity Shares of Finolex Cables Ltd. (Previous year 50 shares)	0.01	0.01
10 Equity Share of Bosch Ltd. (Previous year 10 shares) (Formerly known as Mico Industries Company Ltd.)	0.02	0.02
500 Equity Shares of Gabriel India Ltd. (Previous Year 500 shares)	0.01	0.01
	3.53	3.54
UNQUOTED:		
In units of Unit Trust of India:		
6,846 Units of Unit Trust of India Balance Fund (Previous Year 6,535 units)	1.12	1.07
1,100 Equity Shares of Stiefel Und Shuh Ltd. (Previous Year 1,100 shares)	0.01	0.01
1,200 Equity Shares of Kongarar Integrated Fibres Ltd. (Previous Year 1200 shares) (Formerly known as Kongarar Textiles Ltd.)	0.01	0.01
	1.14	1.09
CURRENT INVESTMENTS:		
UNQUOTED:		
597,069 Units of SBI-Magnum Insta Cash Fund (Previous Year - Nil)	100.01	0.00
Total	612.49	180.23
Notes:		
1. Aggregate Book Value of Investments:		
Quoted Investments	3.53	3.54
Unquoted Investments	608.96	176.69
(Market Value of quoted investments Rs.28.99 lacs - Previous Year Rs.20.31 lacs)	612.49	180.23
2. Investments in Mutual Funds purchased and sold during the year		
Name of the Security	No. of Units	Value
Reliance Liquid Fund-TP-IP-Daily Dividend Reinvestment	55863729	8540.00
Birla Sunlife Savings Fund-Daily Dividend Reinvestment	23992592	2400.00

(ALL RUPEES IN LACS)

	As at 31-Mar-2010	As at 31-Mar-2009
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SCHEDULE 'F': CURRENT ASSETS, LOANS AND ADVANCES**A. CURRENT ASSETS:**

Inventories		
Traded Goods	1,549.07	1,458.97
Goods in Transit - Inter Branch	37.92	26.48
	<u>1,586.99</u>	<u>1,485.45</u>
Debtors: (Unsecured, considered good unless otherwise stated)		
A. Over six months:	16.63	40.15
B. Others:	2,248.95	1,795.00
	<u>2,265.58</u>	<u>1,835.15</u>
Interest accrued but not due	0.72	1.11
Cash and Bank Balances:		
Cash on Hand	14.19	12.19
Cheques on Hand	229.80	261.00
With Scheduled Banks:		
On Current Account	23.74	11.97
On Deposit Account	69.19	69.63
[Includes Rs.54 lacs (previous year Rs.54 lacs) as collateral against cash credit limits with banks]		
	<u>336.92</u>	<u>354.79</u>

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

Sundry Deposits	103.61	87.05
Claims/Incentives Receivable	225.45	185.54
Other Loans and Advances	341.30	418.44
Inter Corporate Deposit to subsidiary	50.38	0.00
	<u>720.74</u>	<u>691.03</u>
	<u>4,910.95</u>	<u>4,367.53</u>

SCHEDULE 'G': CURRENT LIABILITIES

Acceptances	13.84	9.93
Sundry Creditors:		
For goods purchased	745.95	202.24
For expenses	309.59	216.82
	<u>1,055.54</u>	<u>419.06</u>
VAT Payable (Net)	32.14	18.17
Rent Deposit	101.35	107.85
Dealers' Deposits	13.88	17.88
Advance from Customers	9.53	7.15
Interest Accrued but not due	0.00	0.08
Unclaimed Dividend *	14.98	10.32
Unclaimed matured fixed deposits *	0.25	0.42
	<u>1,241.51</u>	<u>590.86</u>

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

(ALL RUPEES IN LACS)

	As at 31-Mar-2010	As at 31-Mar-2009
SCHEDULE 'H': PROVISIONS		
Proposed Dividend on Equity Shares	176.11	142.79
Tax Payable on Proposed Dividend	29.93	24.27
Provision for Taxation (Net of taxes paid):		
Income Tax	87.83	83.61
Fringe Benefit Tax	1.20	1.20
Wealth Tax	0.03	0.20
	89.06	85.01
Provision for retirement benefits:		
Leave Encashment	26.73	24.42
Gratuity	0.68	0.00
	27.41	24.42
Provision for warranties (Refer Note - 16)	33.44	9.33
	<u>355.95</u>	<u>285.82</u>

	For the year ended 31-Mar-2010	For the year ended 31-Mar-2009
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SCHEDULE 'I': SALES & OPERATING INCOME

Gross Sales Less Returns	23,260.23	26,583.08
Operating Income:		
Incentive/Turnover Discounts from suppliers	573.18	675.71
Cash Discount from suppliers	220.21	294.80
Bad Debts Recovered	6.94	12.81
Previous years provision written back	0.25	5.11
Others	13.64	20.77
	814.22	1,009.20
	<u>24,074.45</u>	<u>27,592.28</u>

SCHEDULE 'J': OTHER INCOME

Interest, Gross [Tax deducted at source Rs. 0.94 lacs (Previous Year Rs.1.46 lacs)]	7.73	5.61
Rent Income	39.82	46.14
Dividend earned	10.99	7.55
Miscellaneous Income	7.40	3.36
Profit on sale of long term investment	0.04	0.00
	<u>65.98</u>	<u>62.66</u>

(ALL RUPEES IN LACS)

	For the year ended 31-Mar-2010	For the year ended 31-Mar-2009
SCHEDULE 'K': COST OF SALES		
Stock At Commencement	1,458.97	1,104.55
Add: Purchases	19,290.84	22,529.45
	<u>20,749.81</u>	<u>23,634.00</u>
Less: Stock at Close	1,549.07	1,458.97
	<u>19,200.74</u>	<u>22,175.03</u>

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

Salaries, Wages, Bonus & Ex-Gratia	559.86	478.94
Contribution to Provident, Gratuity and other funds	43.90	38.43
Staff Welfare	56.05	46.42
	<u>659.81</u>	<u>563.79</u>

SCHEDULE 'M': ESTABLISHMENT & OTHER EXPENSES

Stationery, Postage, Advertisement, Telephone, Electricity etc.	433.06	448.49
Clearing & Forwarding Agency Charges	49.35	47.13
Rent	78.18	75.10
Rates & Taxes	25.66	20.40
Cash Discount	84.82	75.05
Incentive/Turnover Discounts	65.47	184.81
Repairs to:		
(a) Buildings	6.32	1.07
(b) Others	<u>35.66</u>	<u>32.92</u>
	41.98	33.99
Insurance	7.36	7.75
Auditors' Remuneration (Refer to Note - 3)	10.79	10.90
Miscellaneous Expenses	236.22	246.09
Foreign currency fluctuation (Net) (Refer to Note - 9)	1.02	12.15
Directors' Fees	2.44	2.71
Loss on assets sold/discarded (Net)	1.22	0.33
Bad Debts Written Off	88.44	47.78
	<u>1,126.01</u>	<u>1,212.68</u>

SCHEDULE 'N': INTEREST

Paid to:		
Banks	75.10	160.27
On Fixed Deposits	41.90	28.80
Others	8.91	4.64
	<u>125.91</u>	<u>193.71</u>

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

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

2. Use of Estimates:

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

3. Fixed Assets and Depreciation/Amortisation:

- a) Fixed Assets are stated at cost less depreciation. Cost comprises of purchase price and any cost attributable to bring the asset to its working condition for its intended use.
- b) Computer Software forming part of Intangible assets is amortized over a period of five years.
- c) Depreciation is provided on written down value method in accordance with Schedule XIV of the Companies Act, 1956. Depreciation is provided from/upto the month of addition/disposal.
- d) Depreciation on value written up on revaluation of Buildings and Ownership flats has been provided on straight line method on the basis of estimated life determined by the valuer and equivalent amount of depreciation has been transferred from Revaluation Reserve to Profit and Loss Account.

4. Impairment of Assests:

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

5. Investments:

Investments are classified as long-term and current investments. Long-term investments are shown at cost or written down value (in case of other than temporary diminution) and current investments are shown at cost or fair value whichever is lower.

6. Inventories:

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

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

- b) Goods in Transit are valued at cost.

7. Revenue Recognition:

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

8. Foreign Currency Transactions:

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

9. Employee Benefits:

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

10. Leases:

Lease payments under operating lease are recognized as an expense in the Profit and Loss Account on straight line basis over the lease term.

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

11. Taxation:

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

12. Provisions, Contingent Liabilities and Contingent Assets:

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

SCHEDULE 'P' NOTES FORMING PART OF THE ACCOUNTS

1. Contingent liabilities not provided for in respect of:
 - a. Disputed Sales Tax demand of Rs.56.87 lacs (Previous year Rs.34.70 lacs). The management has been advised that there will be no liability arising on this account.
 - b. Estimated tax liability Nil (Previous year Rs.33.27 lacs for assessment years 2005-06 and 2006-07)
 - c. Counter indemnities given by the Company in respect of guarantees issued by the bank Rs.6.14 lacs (Previous year Rs.10.50 lacs).
 - d. The Company has given a corporate guarantee to a bank of Rs.350 lacs for secured loan availed by its subsidiary, Shurjo Energy Pvt. Ltd.
2. a) During the year, the Company subscribed to 95,75,437 equity shares (previous year 34,53,335) for a total consideration of Rs.331.21 lacs (previous year Rs.175.60 lacs) in Shurjo Energy Pvt. Ltd. to acquire 57% stake in the company w.e.f. 27th January, 2010, engaged in the manufacturing of solar photovoltaic panels on CIGS module.
- b) During the year, the Company subscribed to 10,000 equity shares of Rs.10 each for a total consideration of Rs.1 lac (previous year Nil) in PAE Renewables Pvt. Ltd. to acquire 100% stake in the company w.e.f. 18th March, 2010. PAE Renewables Pvt. Ltd. will be engaged in the business to design, install, sell and service renewable energy solutions of small and medium sizes in India.

3. Auditors' Remuneration includes :-

(Rupees in lacs)

2008-2009

2009-2010

I) Audit fees (including service tax)	5.24	5.22
ii) Tax Audit fees (including service tax)	1.38	1.38
iii) Other Services (including service tax)	4.08	4.28
iv) Out of pocket expenses	0.09	0.02
TOTAL	10.79	10.90

4. There are no amounts overdue and remaining unpaid for 30 days on account of principal and /or over due interest at the close of the year to micro, small and medium enterprises, as defined under "Micro, Small and Medium Enterprises Development Act, 2006". This information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
5. (a) *Amount paid/payable by the Company to Chairman & Managing Director, Executive Director & CEO and Non Executive Directors.

(Rupees in lacs)

2008-09

2009-10

Director's Sitting Fees	2.44	2.71
Salaries	32.70	31.50
Contribution to Provident Fund and Superannuation Fund	8.83	8.51
Other Perquisites & Benefits	40.11	36.13
Commission	8.17	9.31
	92.25	88.16

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

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

(Rupees in lacs)

2008-09

2009-10

Profit for the year before Tax as per Profit and Loss Account	724.60	845.32
Add: Loss on sale of assets as per section 350	0.01	0.00
Managerial Remuneration	92.25	88.16
	818.86	933.48
Less: Profit on sale of assets as per section 350	0.05	0.01
Profit on sale of investment	0.04	0.00
Previous Year tax provisions written Back	0.00	2.58
Net Profit as per Section 198	816.77	930.89
Commission to Chairman & Managing Director	Nil	Nil
Commission to Executive Director & CEO *	2.67	4.31
Commission to Non Executive Directors *	5.50	5.00
	8.17	9.31

* Remuneration paid to Chairman & Managing Director is governed by Central Government approval as per section 637AA of the Companies Act. Commission paid to Executive Director & CEO and Non Executive Directors is restricted to 1% of the net profit as determined by the Board of Directors.

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

i. Particulars of Trading Activities:

(Rupees In Lacs)

	Turnover				Opening Stock				Purchases				Closing Stock			
	2009-2010		2008-2009		2009-2010		2008-2009		2009-2010		2008-2009		2009-2010		2008-2009	
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
Lead Acid Storage Batteries	635972	14073.27	846517	18776.82	46000	966.96	29459	609.70	627917	12563.79	863058	17765.22	37945	614.05	46000	966.96
Power Backup Systems	76515	3120.24	43108	1682.92	4936	211.86	5243	232.63	86799	3090.27	42801	1454.79	15220	570.36	4936	211.86
Other Auto Products & Solar Products	-	3844.85	-	3550.53	-	280.15	-	262.22	-	3636.78	-	3309.44	-	364.66	-	280.15
		21038.36		24010.27		1458.97		1104.55		19290.84		22529.45		1549.07		1458.97

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

(Rupees in lacs)

2009-2010

2008-2009

ii. Value of imports calculated on C.I.F basis:	470.71	55.03
iii. Expenditure in Foreign Currency:		
a) Foreign Tour Expenses	4.99	10.02
b) Others	1.65	3.00
	<u>6.64</u>	<u>13.02</u>

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

(Rupees in lacs)

	Original Cost as at 01.12.07	Fair Market Value as at 01.12.07	Amount written up as at 01.12.07	Depreciation on Revalued Portion 01.04.09 to 31.03.10	Accumulated Depreciation on Revalued Portion 31.03.10	WDV as on 31.03.10
Buildings and Ownership Flats	139.10	765.50	626.40	22.32	52.08	574.32

8. Earnings per Share:

2009-2010

2008-2009

Profit after tax(Rupees in lacs)	475.36	536.26
Weighted average number of equity shares outstanding	95,19,600	95,19,600
Basic and diluted earnings per share (in Rupees)	4.99	5.63

9. In accordance with Accounting Standard 11, the exchange loss debited to Profit & Loss Account is Rs.1.02 lacs (previous year Rs.12.15 lacs). Premium in respect of Forward Exchange Contracts to be debited to subsequent year's Profit and Loss account is Rs.0.37 lacs (Previous year Rs.3.93 lacs).

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

(Rupees in lacs)

Loans and Advances given to Subsidiary	Outstanding balance as at 31.03.10	Maximum Balance during the period
Shurjo Energy Pvt. Ltd.	50.38	75.00

11. Employee Defined Benefits:

The disclosure in terms of AS-15(revised) "Employee Benefits" has been given on the basis of Actuarial Valuation for the year ended 31st March 2010.

(Rupees in lacs)

Particulars	2009-2010	2009-2010	2008-2009	2008-2009
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Funded)	(Non Funded)	(Funded)	(Non Funded)
I. Reconciliation of opening and closing balances of Defined Benefit Obligation:				
Liability at the beginning of the year	82.48	24.42	79.07	17.41
Current service cost	7.29	4.02	5.13	3.71
Interest cost	6.60	1.52	6.64	1.64
Benefits paid	(14.68)	(18.80)	(2.44)	(6.12)
Actuarial (gain)/loss	(2.15)	15.57	(5.92)	7.78
Liability at the end of the year	79.54	26.73	82.48	24.42
II. Reconciliation of opening and closing balances of Fair Value of Plan Assets:				
Fair Value of Plan Assets at the beginning of the year	82.89	-	65.65	-
Expected Return on Plan Assets	6.31	-	6.20	-
Contributions	3.31	-	13.02	-
Benefits paid	(14.68)	-	(2.44)	-
Actuarial gain/(loss) on Plan Assets	1.03	-	0.46	-
Fair Value of Plan Assets at the end of the year	78.86	-	82.89	-
Net Actuarial (gain)/loss to be recognised	(3.18)	15.57	(6.38)	7.78
Actual Return on Plan Assets:				
Expected Return on Plan Assets	6.31	-	6.20	-
Actuarial gain/(loss) on Plan Assets	1.03	-	0.46	-
Actual Return on Plan Assets	7.34	0.00	6.66	0.00
III. Reconciliation of Fair Value of Assets and Obligations:				
Liability at the end of the year	79.54	26.73	82.48	24.42
Fair Value of Plan Assets at the end of the year	78.86	-	82.89	-
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	0.68	26.73	-	24.42
IV. Expense Recognised in the Profit and Loss Account:				
Current Service Cost	7.29	4.02	5.13	3.71
Interest Cost	6.60	1.52	6.64	1.64
Expected Return on Plan Assets	(6.31)	-	(6.20)	-
Net Actuarial (gain)/ loss to be recognised	(3.18)	15.57	(6.38)	7.78
Expense recognised in the Profit and Loss Account under "Contribution to Provident, Gratuity & Other Funds"	4.40	21.11	0.00	13.13
V. Principal Assumptions:	In Percent	In Percent	In Percent	In Percent
Mortality Table LIC	1994-96	1994-96	1994-96	1994-96
Discount Rate	8.25%	8.25%	8%	8%
Expected Return on Plan Assets	8%	-	8%	-
Rate of Escalation in Salary	5%	5%	5%	5%
Attrition Rate	2%	2%	2%	2%

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

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

(Rupees in lacs)

	Particulars	Year Ended 31.03.10	Year Ended 31.03.09
A	SEGMENT REVENUE		
1	Sales (Net of VAT)		
	Lead Acid Storage Batteries	14,640.07	19,575.89
	Power Backup Systems	3,129.59	1,684.53
	Other Auto Products	4,047.60	3,720.36
	Solar Products	14.52	-
	Unallocated Operating Income	20.83	38.69
	Net Sales/Income from Operations	21,852.61	25,019.47
B	RESULT		
1	Segment Result		
	Lead Acid Storage Batteries	1,723.13	2,167.93
	Power Backup Systems	397.01	208.97
	Other Auto Products	509.84	428.85
	Solar Products	1.04	-
	Unallocated Operating Income	20.83	38.69
	Gross Segment Result	2,651.85	2,844.44
2	Less: Allocated Expenses		
	Lead Acid Storage Batteries	65.47	184.81
	Power Backup Systems	0.00	0.00
	Other Auto Products	0.00	0.00
	Solar Products	0.00	0.00
	Total Allocated Expenses	65.47	184.81
3	Net Segment Result	2586.38	2,659.63
	Less:		
4	Unallocated Expenses(Net)	1,654.37	1,529.00
5	Depreciation	81.50	91.60
6	Interest Expense	125.91	193.71
7	Profit from ordinary activities	724.60	845.32
8	Net Profit before Tax	724.60	845.32
9	Capital Employed	4,528.63	4,104.11

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

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

- (a) Where the Company is a lessee:

The Company has taken various office and godown premises under leave and licence agreements. These are not non cancellable and range between 11 months and 5 years under leave and licence and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits under certain agreements. Amounts paid during the year under such agreements are Rs.78.18 lacs(previous year Rs.73.49 lacs) and are recognised in the Profit & Loss Account under 'Rent' in Schedule M.

- (b) Where the Company is a lessor:

The Company has given its own office and residential premises under leave and licence agreements. These are not non cancellable and range between 11 months and 5 years under leave and licence and are renewable by mutual consent on mutually agreeable terms. The Company has taken refundable interest free security deposits under certain agreements. Amounts received during the year under such agreements are Rs.39.82 lacs (previous year Rs.46.14 lacs) and are recognised in the Profit & Loss Account under 'Rent Income' in Schedule J.

14. In accordance with AS-22, Accounting for Taxes on Income, Deferred Tax Liability as at 31st March, 2010 is Rs.17.22 lacs.

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

(Rupees in lacs)

Deferred Tax Asset:
Provision for employee benefits
Others

2009-2010

3.02
2.61
5.63

2008-2009

2.79
5.40
8.19

Deferred Tax Liability:		
Depreciation	22.85	26.42
Net Deferred Tax (Liability)/Asset	(17.22)	(18.23)
Deferred Tax Asset/(Liability) recognised during the year	1.01	3.14

15. Related Party Disclosure as per AS-18

A. Particulars of Subsidiary Companies

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

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

Name of the Related Party	Nature of Relationship
Rajubai Investment Pvt. Ltd.	Controlled through key management personnel
Assure Insurance Advisors Pvt. Ltd.	
Arvind R. Doshi HUF	
Pritam A. Doshi HUF	

C. Key Management Personnel:

Name of Related Party	Nature of Relationship
Shri Arvind R. Doshi	Chairman & Managing Director
Shri Pritam A. Doshi	Executive Director & Chief Executive Officer
Shri Samir Roy	President & Chief Operating Officer (upto February 11, 2010)

D. Relatives of Key Management Personnel:

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

E. Details of Transactions with related parties:

(Rupees in lacs)

Particulars	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
1. Remuneration	-	-	121.27 (121.09)	-
2. Rent	-	-	-	6.29 (6.60)
3. Sales	0.51 (1.72)	-	-	-
4. Purchases	18.15 (0.00)	-	-	-
5. Purchase of Fixed Assets	6.47 (0.00)	-	-	-
6. Transfer of Fixed Assets	0.56 (0.00)	-	-	-
7. Rendering of Services	6.31 (0.00)	-	-	-
8. Other Advances Paid	11.20 (0.00)	-	-	-
9. Deposits Accepted	-	5.00 (0.00)	4.00 (6.00)	0.00 (0.00)
10. Deposits Repaid	-	4.65 (21.00)	0.00 (4.65)	0.00 (20.55)
11. Interest on deposits	-	0.80 (1.11)	1.20 (0.06)	0.16 (0.68)

Particulars	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
12. ICD Paid	182.50 (20.00)	-	-	-
13. ICD Refunded	132.50 (20.00)	-	-	-
14. Interest received on ICD	1.85 (0.20)	-	-	-
15. Investment	332.21 (168.79)	-	-	-
16. Corporate Guarantee given & outstanding	350.00 (0.00)	-	-	-
Amount outstanding on Balance Sheet Date	Subsidiary Companies	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
1. Fixed Deposits Outstanding	-	6.00 (5.65)	10.00 (6.00)	0.75 (1.55)
2. Interest payable	-	-	0.00 (0.02)	-
3. Commission Payable	-	-	2.67 (4.31)	-
4. Outstanding debit/(Credit)	3.25 (1.72)	-	-	-
5. ICD Outstanding	50.38 (0.00)	-	-	-
Figures for the previous year have been given in brackets.				

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

(Rupees in lacs)

Details of Warranty Provision as on 31.03.10

Opening Balance	9.33
Provision for warranty made during the year	37.31
Warranties adjusted against provision	(13.20)
Closing provision for warranty	<u>33.44</u>

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

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

As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants
Registration No. 100186W

SATISH K. KELKAR

Partner

Membership No. 38934

Mumbai, Dated 29th May 2010

Nitesh Jain

General Manager - Accounts & Finance

Nimesh S. Nandu

Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi

Chairman & Managing Director

Pritam A. Doshi

Executive Director & CEO

Dilip J. Thakkar

John O. Band

Directors

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

I. Registration DetailsCIN No.

L	9	9	9	9	9	M	H	1	9	5	0	P	L	C	0	0	8	1	5	2
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Balance Sheet Date

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

State Code

1	1
---	---

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

Public Issue

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

Rights Issue

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

Bonus Issue

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

Private Placement

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

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

Total Liabilities

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

Total Assets

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

Sources of funds

Paid up capital

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

Reserve & Surplus

		3	2	6	2	3	3
--	--	---	---	---	---	---	---

Secured loans

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

Unsecured loans

			3	7	3	3	1
--	--	--	---	---	---	---	---

Deferred Tax Liability

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

Application of Funds

Net Fixed Assets

			9	8	8	1	5
--	--	--	---	---	---	---	---

Investments

			6	1	2	4	9
--	--	--	---	---	---	---	---

Net Current Assets

		3	3	1	3	4	9
--	--	---	---	---	---	---	---

Misc Expenditure

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

Accumulated Losses

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

IV. Performance of Company (Amount in Rupees Thousands)

Turnover (Gross Revenue)

		2	1	9	1	8	5	7
--	--	---	---	---	---	---	---	---

Total Expenditure

		2	1	1	9	3	9	7
--	--	---	---	---	---	---	---	---

+ - Profit / Loss Before Tax

			7	2	4	6	0
--	--	--	---	---	---	---	---

+ - Profit / Loss After Tax

			4	7	5	3	6
--	--	--	---	---	---	---	---

Earnings Per Share in Rs.

				4	.	9	9
--	--	--	--	---	---	---	---

Dividend Rate %

			1	8	.	5	0
--	--	--	---	---	---	---	---

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

Item Code No.(ITC Code)

N	O	T		A	P	P	L	I	C	A	B	L	E
D	I	S	T	R	I	B	U	T	I	O	N		
												I	N
												L	E
												A	D
S	T	O	R	A	G	E		B	A	T	T	E	R
												I	E
												S	
												P	O
												W	E
												R	
B	A	C	K	U	P		S	Y	S	T	E	M	
												A	N
												D	
												O	T
												H	E
												R	
A	U	T	O		A	N	D		S	O	L	A	R
												P	R
												O	D
												U	C
												T	S

Nitesh Jain

General Manager - Accounts & Finance

For and on behalf of Board of Directors

Arvind R. Doshi

Chairman & Managing Director

Pritam A. Doshi

Executive Director & CEO

Dilip J. Thakkar**John O. Band**

Directors

Nimesh S. Nandu

Company Secretary

Mumbai, Dated 29th May 2010

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors
PAE Ltd

1. We have audited the attached Consolidated Balance Sheet of PAE Limited ("the Company") and its Subsidiaries ("the Group"), as at March 31, 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements ("CFS") have been prepared by the Company in accordance with the requirements of Accounting Standard ("AS") 21 Consolidated Financial Statements.
4. Included in these Consolidated Financial Statements (CFS) are Assets of Rs. 696.42 Lacs as at March 31, 2010,

revenues of Rs.836.95 Lacs and net cash outflow of Rs.17.00 Lacs for the year then ended, which have not been audited by us. These have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these entities, is based solely on reports of those respective auditors.

5. Based on our audit and on consideration of reports of other auditors on separate financial statements and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the Company and its Subsidiaries as at March 31, 2010;
 - (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

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

Satish K. Kelkar
Partner
Membership No: 38934

Place: Mumbai
Date: May 29, 2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(ALL RUPEES IN LACS)

	Schedule		As at 31-Mar-2010
I. SOURCES OF FUNDS:			
SHAREHOLDERS' FUNDS:			
Share Capital	A	951.96	
Reserves and Surplus	B	3,261.55	4,213.51
Minority Interest			145.47
LOAN FUNDS:	C		
Secured Loans		450.95	
Unsecured Loans		390.36	841.31
Deferred Tax Liability (Refer Note - 7)			17.22
TOTAL			5,217.51
II. APPLICATION OF FUNDS:			
FIXED ASSETS:	D		
Gross Block		2,133.82	
Less: Depreciation		565.84	
Net Block		1,567.98	
Capital Work-in-Progress		32.13	1,600.11
INVESTMENTS	E		104.68
CURRENT ASSETS, LOANS AND ADVANCES:	F		
Inventories		1,817.47	
Debtors		2,313.36	
Interest accrued but not due		0.72	
Cash & Bank Balances		371.86	
Loans & Advances		748.33	
		5,251.74	
Less:			
Current Liabilities	G	1,381.98	
Provisions	H	357.04	
		1,739.02	3,512.72
TOTAL			5,217.51

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

As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants

Registration No. 100186W

SATISH K. KELKAR

Partner

Membership No. 38934

Mumbai, Dated 29th May 2010**Nitesh Jain**

General Manager - Accounts & Finance

Nimesh S. Nandu

Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi

Chairman & Managing Director

Pritam A. Doshi

Executive Director & CEO

Dilip J. Thakkar**John O. Band**

Directors

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(ALL RUPEES IN LACS)

	Schedule		For the year ended 31-Mar-2010
INCOME:			
Gross Sales & Operating Income	I	24,889.91	
Less: Value added Tax		2,221.86	
Net Sales & Operating Income		22,668.05	
Other Income	J	67.34	
TOTAL			22,735.39
EXPENDITURE:			
Cost of Sales	K	19,911.23	
Manufacturing Expenses	L	56.75	
Employees Remuneration and Benefits	M	732.05	
Establishment and other Expenses	N	1,325.60	
Interest	O	139.95	
Depreciation/Amortisation		133.76	
Less: Transferred from Revaluation Reserve		22.32	
		111.44	
TOTAL			22,277.02
			458.37
Add: Pre-acquisition loss transferred to Goodwill		129.51	
Minority Interest		98.61	
			228.12
Profit before Tax			686.49
Less: Provision for Taxation:			
Previous year's taxes (Net)			5.25
Current Tax			245.08
Deferred Tax (Asset)/Liability (Refer Note - 7)			(1.01)
Profit after Tax			437.17
Add: Surplus brought forward			1,125.46
Balance available for appropriation			1,562.63
APPROPRIATIONS:			
Proposed Dividend on Equity Shares			176.11
Tax on Proposed Dividend			29.93
Transfer to General Reserve			35.65
Surplus carried to Balance Sheet			1,320.94
Earning per share (Refer Note - 5):			
Basic and diluted earning per share (in Rupees)			4.59

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

As per our report attached

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

Chartered Accountants

Registration No. 100186W

SATISH K. KELKAR

Partner

Membership No. 38934

Mumbai, Dated 29th May 2010**Nitesh Jain**

General Manager - Accounts & Finance

Nimesh S. Nandu

Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi

Chairman & Managing Director

Pritam A. Doshi

Executive Director & CEO

Dilip J. Thakkar**John O. Band**

Directors

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(ALL RUPEES IN LACS)

2009-10

(A) CASH FLOW FROM OPERATING ACTIVITIES

NET PROFIT/(LOSS) BEFORE TAX		686.49
ADJUSTMENTS FOR:		
DEPRECIATION	111.44	
INTEREST CHARGED	139.95	
INTEREST/DIVIDEND INCOME	(17.92)	
OTHERS	8.28	
		<u>241.75</u>
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		928.24
ADJUSTMENTS FOR:		
TRADE AND OTHER RECEIVABLES	(356.56)	
INVENTORIES	(169.57)	
TRADE PAYABLES	653.84	
		<u>127.71</u>
CASH GENERATED FROM OPERATIONS		1,055.95
DIRECT TAXES (PAID)/REFUNDS		<u>(276.61)</u>
NET CASH FLOW FROM OPERATING ACTIVITIES		779.34

(B) CASH FLOW FROM INVESTING ACTIVITIES

PURCHASE OF FIXED ASSETS	(340.81)	
SALE OF FIXED ASSETS	6.14	
INVESTMENT	(100.05)	
SALE OF INVESTMENTS	0.04	
INTEREST RECEIVED	6.93	
DIVIDEND RECEIVED	10.99	
NET CASH USED IN INVESTING ACTIVITIES		<u>(416.76)</u>

(C) CASH FLOW FROM FINANCING ACTIVITIES

WORKING CAPITAL FINANCE	(60.49)	
INTEREST PAID	(140.03)	
PROCEEDS FROM LONG TERM BORROWING (NET)	17.41	
DIVIDEND PAID	(138.13)	
DIVIDEND TAX PAID	(24.27)	
NET CASH USED IN FINANCING ACTIVITIES		<u>(345.51)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		17.07
OPENING BALANCE AS AT BEGINNING OF THE YEAR	354.79	
CLOSING BALANCE AS AT END OF THE YEAR	<u>371.86</u>	17.07

Notes:

- The Cash Flow has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow statement issued by the Institute of Chartered Accountants of India.
- Cash and cash equivalents as on 31.03.10 includes restricted cash of Rs.54 lacs.
- Since this is the first year of consolidation previous year's figures are not applicable.

As per our report attached

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

Partner

Membership No. 38934

Mumbai, Dated 29th May 2010**Nitesh Jain**

General Manager - Accounts & Finance

Nimesh S. Nandu

Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi

Chairman & Managing Director

Pritam A. Doshi

Executive Director & CEO

Dilip J. Thakkar**John O. Band**

Directors

SCHEDULES 'A' TO 'O' ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 AND CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(ALL RUPEES IN LACS)

**As at
31-Mar-2010**

SCHEDULE 'A': SHARE CAPITAL**AUTHORISED:**

1,50,00,000	Equity Shares of Rs.10 each (Previous Year: 1,50,00,000 Equity Shares of Rs. 10 each)	1,500.00
50,00,000	Preference Shares of Rs. 10 each (Previous Year: 50,00,000 Preference Shares of Rs. 10 each)	500.00
		<u>2,000.00</u>

ISSUED, SUBSCRIBED AND PAID UP:

95,19,600	Equity Shares of Rs.10 each fully paid up. (Previous Year 95,19,600 Equity Shares of Rs.10 each)	951.96
Of the above :		
(a) 4,00,000	Equity Shares were issued as fully paid Bonus Shares by capitalisation of General Reserve.	
(b) 31,73,200	Equity Shares were issued as fully paid Bonus Shares by capitalisation of Share Premium Account.	
		<u>951.96</u>

SCHEDULE 'B': RESERVES AND SURPLUS

Capital Reserve		0.09
Securities Premium Reserve Account		531.23
Revaluation Reserve	596.64	
Less: Depreciation on revaluation of assets transferred to Profit & Loss A/c	<u>22.32</u>	
		574.32
General Reserve:		
As per last Balance Sheet	799.32	
Transfer from Profit & Loss Account	<u>35.65</u>	
		834.97
Surplus as per Profit & Loss Account		<u>1,320.94</u>
		<u>3,261.55</u>

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

(ALL RUPEES IN LACS)

As at
31-Mar-2010

SCHEDULE 'C': LOAN FUNDS

A. SECURED LOANS:

a. Working capital loan from Banks:	430.24
(secured by hypothecation of inventory & book debts and all movables, both present & future and with a collateral charge on immovable & movable properties)	
b. Motor Vehicle Loan:	20.71
(secured by motor vehicles purchased under loan agreement)	
(Payable within one year Rs.11.50 Lacs)	
	450.95

B. UNSECURED LOANS:

Fixed Deposits (Payable within one year Rs.97.29 lacs)	373.31
Loans from Banks	17.05
	390.36
	841.31

SCHEDULE 'D': FIXED ASSETS

(Rupees in lacs)

PARTICULARS	GROSS BLOCK						DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 01.04.2009	Added on Revaluation	Additions on acquisition of subsidiary	Additions this year	Sales / Adjustments this year	As at 31.03.2010	As at 01.04.2009	Adjustment on revaluation	Depreciation on acquisition of subsidiary	Depreciation/ Amortisation this year	Sales / Adjustments this year	As at 31.03.2010	As at 31.03.2010
TANGIBLE ASSETS													
BUILDING AND OWNERSHIP FLATS *	908.71	-	-	-	-	908.71	106.65	22.32	-	10.27	-	139.24	769.47
OTHER PLANT & MACHINERY	13.93	-	69.88	87.66	2.59	168.88	5.34	-	28.78	14.09	0.94	47.27	121.61
ELECTRICAL INSTALLATION	-	-	5.40	9.74	0.03	15.11	-	-	0.85	1.04	0.02	1.87	13.24
FURNITURE & FIXTURES	172.91	-	23.90	8.13	2.55	202.39	101.82	-	2.71	19.77	2.34	121.96	80.43
OFFICE EQUIPMENTS	69.40	-	12.48	7.61	3.04	86.45	34.40	-	1.21	7.68	2.30	40.99	45.46
COMPUTERS	188.86	-	2.46	27.39	19.92	198.79	126.32	-	1.06	29.74	18.97	138.15	60.64
MOTOR VEHICLES	112.28	-	-	12.17	19.45	105.00	53.85	-	-	16.49	13.67	56.67	48.33
SUB TOTAL	1,466.09	-	114.12	152.70	47.58	1,685.33	428.38	22.32	34.61	99.08	38.24	546.15	1,139.18
INTANGIBLE ASSETS													
SOFTWARE	16.72	-	-	2.81	-	19.53	6.53	-	-	2.20	-	8.73	10.80
TECHNICAL KNOWHOW	-	-	12.80	66.66	-	79.46	-	-	0.80	6.61	-	7.41	72.05
ACCREDITATION	-	-	-	35.52	-	35.52	-	-	-	3.55	-	3.55	31.97
GOODWILL	-	-	313.98	-	-	313.98	-	-	-	-	-	-	313.98
SUB TOTAL	16.72	-	326.78	104.99	-	448.49	6.53	-	0.80	12.36	-	19.69	428.80
TOTAL	1,482.81	-	440.90	257.69	47.58	2,133.82	434.91	22.32	35.41	111.44	38.24	565.84	1,567.98
CAPITAL WORK IN PROGRESS													32.13
												TOTAL	1,600.11

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

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

(ALL RUPEES IN LACS)

As at
31-Mar-2010

SCHEDULE 'E': INVESTMENTS

LONG TERM INVESTMENTS (AT COST)

QUOTED:

8,53,305	Equity Shares of Pal Credit & Capital Ltd.	87.64
	Less: Provision for diminution in value	<u>85.34</u>
		2.30
4,000	Equity Shares of South India Paper Mills Ltd.	1.18
216	Equity Shares of Exide Industries Ltd.	0.01
50	Equity Shares of Finolex Cables Ltd.	0.01
10	Equity Share of Bosch Ltd.	0.02
	(Formerly known as Mico Industries Company Ltd.)	
500	Equity Shares of Gabriel India Ltd.	<u>0.01</u>
		<u>3.53</u>

UNQUOTED:

In units of Unit Trust of India:

6,846	Units of Unit Trust of India Balance Fund	1.12
1,100	Equity Shares of Stiefel Und Shuh Ltd.	0.01
1,200	Equity Shares of Kongarar Integrated Fibres Ltd.	0.01
	(Formerly known as Kongarar Textiles Ltd.)	
		<u>1.14</u>

CURRENT INVESTMENTS:

UNQUOTED:

597,069	Units of SBI-Magnum Insta Cash Fund	<u>100.01</u>
---------	-------------------------------------	---------------

Total

104.68

1. Aggregate Book Value of Investments:

Quoted Investments	3.53
Unquoted Investments	<u>101.15</u>
(Market Value of quoted investments Rs.28.99 lacs)	<u><u>104.68</u></u>

SCHEDULE 'F': CURRENT ASSETS, LOANS AND ADVANCES

A. CURRENT ASSETS:

Inventories

Traded Goods	1,779.55
Goods in Transit - Inter Branch	<u>37.92</u>
	1,817.47

Debtors: (Unsecured, considered good unless otherwise stated)

A. Over six months:	16.63
B. Others:	<u>2,296.73</u>
	2,313.36

0.72

Interest accrued but not due

Cash and Bank Balances:

Cash on Hand	14.29
Cheques on Hand	229.80

With Scheduled Banks:

On Current Account	58.58
On Deposit Account	69.19

[Includes Rs.54 lacs as collateral against cash credit limits with banks]

371.86

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

(ALL RUPEES IN LACS)

As at
31-Mar-2010

SCHEDULE 'F': CURRENT ASSETS, LOANS AND ADVANCES (Contd...)

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

Sundry Deposits	116.96	
Claims/Incentives Receivable	225.45	
Other Loans and Advances	<u>405.92</u>	
		<u>748.33</u>
		<u>5,251.74</u>

SCHEDULE 'G': CURRENT LIABILITIES

Acceptances		13.84
Sundry Creditors:		
For goods purchased	843.71	
For expenses	<u>341.47</u>	
		1,185.18
VAT Payable (Net)		29.57
Rent Deposit		101.35
Dealers' Deposits		13.88
Advance from Customers		22.96
Interest Accrued but not due		-
Unclaimed Dividend *		14.98
Unclaimed matured fixed deposits *		<u>0.25</u>
		<u>1,381.98</u>

SCHEDULE 'H': PROVISIONS

Proposed Dividend on Equity Shares		176.11
Tax Payable on Proposed Dividend		29.93
Provision for Taxation (Net of taxes paid):		
Income Tax	87.83	
Fringe Benefit Tax	1.20	
Wealth Tax	<u>0.03</u>	
		89.02
Provision for retirement benefits:		
Leave Encashment	27.78	
Gratuity	<u>0.76</u>	
		28.54
Provision for warranties		<u>33.44</u>
		<u>357.04</u>

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

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

(ALL RUPEES IN LACS)

For the
year ended
31-Mar-2010

SCHEDULE 'I': SALES & OPERATING INCOME

Gross Sales Less Returns		24,075.70
Operating Income:		
Incentive/Turnover Discounts from suppliers	573.18	
Cash Discount from suppliers	220.21	
Bad Debts Recovered	6.94	
Previous years provision written back	0.25	
Others	13.63	
		<u>814.21</u>
		<u>24,889.91</u>

SCHEDULE 'J': OTHER INCOME

Interest, Gross (Tax deducted at source Rs.0.99 lacs)	6.93
Rent Income	39.82
Dividend earned	10.99
Miscellaneous Income	9.56
Profit on sale of long term investment	0.04
	<u>67.34</u>

SCHEDULE 'K': COST OF SALES / MATERIAL CONSUMED

Stock At Commencement:		
Raw Material	93.45	
Packing Material	1.58	
Finished Goods	1,521.42	
		1,616.45
Add: Purchases:		
Raw Material	717.13	
Packing Material	13.65	
Finished Goods	19,274.26	
Carriage Inward	1.82	
Clearing & Forwarding	37.62	
		20,044.48
Less: Stock at Close:		
Raw Material	163.62	
Packing Material	2.25	
Finished Goods	1,593.51	
		<u>1,759.38</u>
		19,901.55
Add: Opening Work-in-Process	25.09	
Less: Closing Work-in-Process	15.41	
		<u>9.68</u>
		<u>19,911.23</u>

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

(ALL RUPEES IN LACS)

For the
year ended
31-Mar-2010

SCHEDULE 'L' : OTHER MANUFACTURING EXPENSES

Opening Stock of Consumable Spares	2.97	
Add: Purchase of Consumable Spares	8.44	
Less: Closing Stock of Consumable Spares	4.76	
Stores & Consumables Consumed		6.65
Power Charges		12.14
Conversion Charges		9.71
Other Manufacturing Expenses		1.91
Electricity upgrade expenses		26.34
		<u>56.75</u>

SCHEDULE 'M': EMPLOYEES REMUNERATION AND BENEFITS

(Including Managerial Remuneration)

Salaries, Wages, Bonus & Ex-Gratia	623.44
Contribution to Provident, Gratuity and other funds	48.77
Staff Welfare	59.84
	<u>732.05</u>

SCHEDULE 'N': ESTABLISHMENT & OTHER EXPENSES

Stationery, Postage, Advertisement, Telephone, Electricity etc.	522.68
Clearing & Forwarding Agency Charges	49.34
Rent	93.62
Rates & Taxes	39.10
Cash Discount	84.82
Incentive/Turnover Discounts	65.47
Repairs to:	
(a) Buildings	7.11
(b) Machinery	0.66
(b) Others	37.91
	<u>45.68</u>
Insurance	16.34
Auditors' Remuneration	11.26
Miscellaneous Expenses	276.88
Foreign currency fluctuation (Net)	8.92
Directors' Fees	2.44
Loss on assets sold/discarded (Net)	3.20
Bad Debts Written Off	105.85
	<u>1325.60</u>

SCHEDULE 'O': INTEREST

Paid to:	
Banks	88.88
On Fixed Deposits	41.90
Others	9.17
	<u>139.95</u>

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

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

Name of the Company	Percentage Holding as at 31.03.10
1 Shurjo Energy Pvt. Limited	57%
2 PAE Renewables Pvt. Limited	100%

Each of the above subsidiary companies is incorporated in India.

iii. Method of Consolidation

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

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

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

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

2. Significant accounting policies forming part of Consolidated Accounts as at 31st March, 2010

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

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of statements. The actual results may differ from these estimates.
- iii. Revenue Recognition:
 - a) Sales are recognized on dispatch of goods. Sales are net of trade discounts, Sales Tax/VAT and returns.
 - b) Service income is recognized on execution of orders.
 - c) Rent income is recognized on accrual basis in accordance with the terms of the respective agreements.
- iv. Fixed Assets and Depreciation/Amortisation:
 - a) Fixed Assets are stated at cost less depreciation and impairment losses. Cost comprises of purchase price and any cost attributable to bring the asset to its working condition for its intended use.
 - b) Depreciation is provided on written down value method in accordance with Schedule XIV of the Companies Act, 1956. Depreciation is provided from/up to the month of addition/disposal.

- c) Depreciation on value written up on revaluation of Buildings and Ownership flats has been provided on straight line method on the basis of estimated life determined by the valuer and equivalent amount of depreciation has been transferred from Revaluation Reserve to Profit and Loss Account.

- d) Intangible assets are amortised as under:

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

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

- v. Impairment of Assets:

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

- vi. Investments:

Investment are classified as long-term and current investments. Long-term investments are shown at cost or written down value (in case of other than temporary diminution) and current investments are shown at cost or fair value whichever is lower.

- vii. Inventories:

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

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

- viii. Foreign Currency Transactions:

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

- ix. Employee Benefits

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

- x. Leases:

Lease payments under operating lease are recognized as an expense in the Profit and Loss Account on straight line basis over the lease term.

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

- xi. Taxation:

Provision for Current tax and Wealth Tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Deferred tax is recognized on the basis of timing differences arising between the taxable income and accounting income computed using the tax rates and the laws that have been enacted or substantively enacted as of the

balance sheet date. Deferred tax assets are recognized only if there is a virtual certainty that they will be realized and reviewed for the appropriateness of their carrying values at each balance sheet date.

xii. Provisions, Contingent Liabilities and Contingent Assets:

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

3. Contingent Liabilities

Contingent liabilities not provided for in respect of:

- Disputed Sales Tax demand of Rs.57.01 lacs. The management has been advised that there will be no liability arising on this account.
- Disputed income tax demand of Rs.7.23 lacs for the assessment year 2008-09 in respect of which rectification petition is filed and amended order is pending with the Income Tax Authorities.
- Disputed Excise Duty of Rs.0.21 lacs relating to F.Y. 2008-09 & 2009-10 under Central Excise Act, 1944 is pending with Asst. Commissioner, Central Excise, Kalyani.
- Counter Guarantees by the Company in respect of guarantees (net of margin money) issued by the banks Rs.6.14 lacs.
- Corporate Guarantee of Rs.350 lacs has been given to a bank for a secured loan availed by its subsidiary.

4. Related Party Disclosure as per AS-18

A. Particulars of Associate Companies

Name of Related Party	Nature of Relationship
Hindhivac Pvt. Ltd.	0.02% Share Holder
EETS Ltd	0.04% Share Holder

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

Name of the Related Party	Nature of Relationship
Rajubhai investment Pvt. Ltd.	} Controlled through key management personnel
Assure Insurance Advisors Pvt. Ltd.	
Arvind R. Doshi HUF	
Pritam A. Doshi HUF	

C. Key Management Personnel:

Name of the Related Party	Nature of Relationship
Shri Arvind R. Doshi	Chairman & Managing Director
Shri Pritam A. Doshi	Executive Director & Chief Executive Officer
Shri Samir Roy	President & Chief Operating Office (upto February 11,2010)
Shri Adrian Court	Director
Shri Jayanta Mitra	Director (Resigned w.e.f. 27.01.2010)

D. Relatives of Key Management Personnel:

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

E. Details of Transactions with related parties:

Particulars	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
1. Remuneration	-	121.27	-
2. Rent	-	-	6.29
3. Deposits Accepted	5.00	4.00	-
4. Deposits Repaid	4.65	-	-
5. Interest on deposits	0.80	1.20	0.16
Amount outstanding on Balance Sheet Date	Enterprises mentioned in 'B' above	Key Management Personnel	Relatives of Key Management Personnel
1. Fixed Deposits Outstanding	6.00	10.00	0.75
2. Commission Payable	-	2.68	-

5. Earning per Share:**2009-2010**

Profit after tax (Rupees in lacs)	437.17
Weighted average number of equity shares outstanding	9519600
Basic and diluted earnings per share (in Rupees)	4.59

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

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

	Particulars	Year Ended 31.03.10
A	SEGMENT REVENUE	
1	Sales (Net of VAT)	
	Lead Acid Storage Batteries	14,640.04
	Power Backup Systems	3,129.54
	Other Auto Products	4,047.59
	Solar Products	830.05
	Unallocated Operating Income	20.83
	Net Sales/Income from Operations	22,668.05
B	RESULT	
1	Segment Result	
	Lead Acid Storage Batteries	1,723.10
	Power Backup Systems	396.96
	Other Auto Products	509.48
	Solar Products	106.42
	Unallocated Operating Income	20.83
	Gross Segment Result	2,756.79
2	Less: Allocated Expenses	
	Lead Acid Storage Batteries	65.47
	Power Backup Systems	0.00
	Other Auto Products	0.00
	Solar Products	326.01
	Total Allocated Expenses	391.48

	Particulars	Year Ended 31.03.10
3	Net Segment Result	2,365.34
	Less:	
4	Unallocated Expenses(Net)	1,655.58
5	Depreciation	111.44
6	Interest Expense	139.95
		458.37
7	Pre acquisition loss transferred to Goodwill	129.51
8	Minority Interest	98.61
9	Profit from ordinary activities	686.49
10	Net Profit before Tax	686.49
11	Capital Employed	4,625.97

7. Deferred Tax

In accordance with AS-22, Accounting for Taxes on Income, Deferred Tax Liability as at 31st March, 2010 is Rs.17.22 lacs. Major components of Deferred Tax Liability which have been recognised aforesaid are as under:

(Rupees in Lacs)

2009-2010

Deferred Tax Asset:

Provision for employee benefits	3.02
Others	2.61
	5.63

Deferred Tax Liability:

Depreciation	22.85
Net Deferred Tax (Liability)/Asset	(17.22)
Deferred Tax Asset / (Liability) recognised during the year	1.01

8. Since this is the first year of consolidation, previous year's figures are not applicable.

As per our report attached

For K. S. AIYAR & CO.

Chartered Accountants
Registration No. 100186W

SATISH K. KELKAR

Partner
Membership No. 38934

Mumbai, Dated 29th May 2010

Nitesh Jain

General Manager - Accounts & Finance

Nimesh S. Nandu

Company Secretary

For and on behalf of Board of Directors

Arvind R. Doshi

Chairman & Managing Director

Pritam A. Doshi

Executive Director & CEO

Dilip J. Thakkar

John O. Band
Directors

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

(Rupees in lacs)

Particulars	Shurjo Energy Pvt. Ltd.	PAE Renewables Pvt. Ltd.
A) The Financial Year of the subsidiary companies	March 31, 2010	March 31, 2010
B) Shares of the subsidiary held by PAE Limited on the above dates		
1) Number and face value	13028772 shares of Rs.1/- each fully paid up	10000 shares of Rs.10/- each fully paid up
2) Extent of holding	57%	100%
C) Net aggregate of profits/(losses) of the subsidiary company so far as it relates to PAE Limited		
I Dealt with in the accounts of PAE Limited for the year ended March 31, 2010 amounted to	-	-
- for the subsidiaries financial year ended as in A above		
II Note dealt with in the accounts of PAE Limited for the year ended March 31, 2010 amounted to		
- for the subsidiaries financial year ended as in A above	(266.19)	(0.46)

For and on behalf of Board of Directors

Nitesh Jain
General Manager - Accounts & Finance

Arvind R. Doshi
Chairman & Managing Director

Pritam A. Doshi
Executive Director & CEO

Nimesh S. Nandu
Company Secretary

Dilip J. Thakkar
John O. Band
Directors

Mumbai, Dated 29th May 2010

DIRECTORS' REPORT

To,
The Members
Shurjo Energy Private Limited

The Directors have pleasure in presenting their 6th Annual Report on the business operations of the Company along with the statement of Audited Accounts for the year ended 31st March, 2010.

1. Financial Results:

During the year ended 31st March, 2010 the Company made a Net Loss before Tax of Rs.266.11 lacs.

2. Directors

Mr. Jayanta Mitra resigned on 27th January 2010. The Board expressed sincere appreciation for the efficient and mature advice service provided by both of them to the Company.

3. Issue of Shares

The Company had issued 95,75,437 equity shares of Re.1/- each to PAE Limited increasing its holding to 57% during the year.

4. Directors' Responsibility Statement:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 ("the Act"), your Directors state that:-

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanatory statement relating to material departures.
- ii. The Directors have 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 as on 31st March, 2010 and of the Profit of the Company for the year ended on that date.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. Your Directors have prepared the attached Statement of Accounts for the year ended 31st March, 2010 on a Going Concern basis.

5. Public Deposits:

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956, read together with the Companies (Acceptance of Deposits) Rules, 1975.

6. Auditors:

M/s. George Read & Co., Chartered Accountants, the Statutory Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting. They have stated their inability to continue as Statutory Auditor for next year due to other professional pre-occupations.

The Board has recommended M/s. G. P. Agarwal & Co., Chartered Accountants, Kolkatta to fill in the casual vacancy till the Annual General Meeting.

7. Particulars of Employees:

Particulars of Employees within the meaning of the Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rule, 1975 as amended is reported to be nil.

8. Conservation Of Energy, Technology, Absorption & Foreign Exchange Earning And Outgo:

The information pursuant to the requirements of disclosure in terms of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 pertaining to the conservation of energy and technology absorption have not been given as the Company has not carried on any activities as specified therein.

The Company had earning in foreign currency of Rs.804.12 lacs and expenditure in foreign amounted to Rs.734.86 lacs during the year under review.

9. Acknowledgements:

The Board acknowledges the understanding and support shown by all its stakeholders, banks and other business associates towards the conduct of the efficient operations of the Company.

By order of the Board of Directors

Arvind R. Doshi
Chairman

Registered office:
D-82, Industrial Estate,
Block-D, Kalyani-741235,
Nadia West Bengal
Place: Kolkatta, Date: 26th May 2010

AUDITORS' REPORT

TO THE MEMBER'S OF SHURJO ENERGY PRIVATE LIMITED

1. We have audited the attached Balance Sheet of SHURJO ENERGY PRIVATE LIMITED, as at 31st March 2010 and also the Profit and Loss Account and Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such examination of the books and record of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in "Annexure-A", a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in "Annexure-A", we report that:
 - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - 4.2 In our opinion, proper books of accounts as required by law, have been kept by the Company, so far as appears from our examination of those books.
 - 4.3 The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - 4.4 In our opinion, the Balance Sheet, the Profit and Loss account and the Cash Flow statement dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - 4.5 On the basis of written representations received from the directors as at 31st March 2010, we report that none of the Directors are disqualified as on the 31st of March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

4.6 In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the Accounting Policies and Notes on Accounts, give the information required by the Companies Act 1956, in the manner so required, and give a true and fair view, in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010
- (ii) In the case of the Profit and Loss account, of the Loss of the Company for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

For **George Read & Co.**
Chartered Accountants

Satyapriya Bandyopadhyay
Partner Membership No : 58108
Firm Registration No.302208E
Place : Kalyani
Date : 26th May 2010

ANNEXURE "A" REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF SHURJO ENERGY PRIVATE LIMITED

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management at reasonable intervals. The system followed is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed of a substantial part of the fixed assets during the year so as to affect its going concern status.
- ii. (a) The Inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification of inventory vis-à-vis the book records.
- iii. (a) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Act. However, the Company has taken unsecured loans in the nature of Inter Corporate

deposits, from a Company covered in the register maintained under Section 301 of the Act. The maximum amount involved at any time during the year was Rs 75,00,000.

- (b) The rate of interest and other terms and conditions of the loans taken were not, prima facie, prejudicial to the interest of the company.
- (c) Regular payment of the principal amount and the interest thereon was observed.
- (d) Rs 50,38,392 was outstanding as on 31st March 2010 and reasonable steps have been taken by the company for payment of the principal and interest.
- iv. There is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. No major weakness was observed in the internal control system.
- v. The transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been properly entered therein. The said transactions have been made at prices which are reasonable having regard to the market prices prevailing at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there-under. As such Clause 4(vi) is not applicable.
- vii. The Internal Audit system is commensurate with the size of the Company and the nature of its business.
- viii. The Central Government has not prescribed the maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956 for any of the company's products.
- ix. (a) The Company is generally regular, **with occasional delays**, in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty Customs Duty, Cess and other statutory dues ,wherever applicable, with the appropriate authorities. There were no arrears of statutory dues as at the last day of the financial year, due for a period of more than six months from the date they became payable.

(b) **Disputed dues of Sales Tax & Income Tax pending deposit were as follows :**

Name of the Statute	Nature of the Dues	Amount in Rs	Period to which it relates	Forum where dispute is pending
W.B.V.A.T Act, 2003	Sales Tax	13,737	2005-06	Asst. Commissioner, Commercial Taxes, Kolkata
Income Tax Act, 1961	Income Tax	7,22,680	2007-08	Income Tax Officer, Kolkata
Central Excise Act, 1944	Excise Duty	21,181	2008-09	Asst Commissioner, Central Excise, Kalyani

- x. **The accumulated loss at the end of the financial year was more than 50 % of the Net-Worth. Cash loss has been incurred in the financial year under review though Cash profit was reported in the immediately preceding financial year.**
- xi. The Company has not defaulted in repayment of dues to financial Institutions or banks.
- xii. The Company has not granted loans and advances on the basis of security or by way of pledge of shares, debentures and other securities. As such Clause 4(xii) is not applicable.
- xiii. The Company is not a chit fund or a nidhi / mutual benefit fund/ society. As such Clause 4(xiii) is not applicable.
- xiv. The Company is not a dealer or trader in shares, securities, debentures and other investments. As such Clause 4(xiv) is not applicable.
- xv. The Company has not given any guarantees for loans taken by others from banks or financial Institutions during the year. As such Clause 4(xv) is not applicable.
- xvi. The company has not taken any term loan during the year. As such Clause 4(xvi) is not applicable.
- xvii. On an overall examination of the Balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. Allotment of 95,75,473 shares was made to parties and Companies covered in the register maintained u/s 301 of the Companies Act 1956 during the year. The price at which the shares have been issued is not, prima facie, prejudicial to the interest of the company.
- xix. The Company being a private limited company, Clause 4(xix) relating to the issue of debentures is not applicable.
- xx. The Company being a private limited company, Clause 4(xx) relating to the raising of money by way of public issue is not applicable.
- xxi. No fraud, on or by the Company, has been noticed or reported during the year to us.

For **George Read & Co.**
Chartered Accountants

Satyapriya Bandyopadhyay
Partner Membership No : 58108
Firm Registration No.302208E
Place : Kalyani
Date : 26th May 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in Lacs)

	Schedules	As at 31-Mar-2010	As at 31-Mar-2009
I. SOURCES OF FUNDS			
1. Shareholder's Fund			
(a) Share Capital	A	228.57	132.82
(b) Reserves & Surplus	B	110.27	158.59
		338.84	291.41
2. Loan Funds			
(a) Secured Loan		141.64	149.95
Packing Credit Loan (Secured by hypothecation of Inventory and Book Debts and all movable, both present and future, with a collateral charge on immovable and movable properties and also secured by Corporate Guarantee given by holding company of Rs.350 lacs)			
(b) Unsecured Loan			
From Directors			
From Others		67.43	28.17
Deferred Tax Liability			1.46
		209.07	179.57
TOTAL		547.92	470.98
II. APPLICATION OF FUNDS			
1. Fixed Assets	C		
(a) Gross Block		336.57	127.00
(b) Less: Depreciation/Amortisation		64.36	35.42
(c) Net Block		272.21	91.58
(d) Capital Work in Progress		25.88	-
		298.09	91.58
2. Current Assets, Loans & Advances			
(a) Inventories	D	230.48	185.55
(b) Sundry Debtors	E	50.01	119.65
(c) Cash & Bank Balances	F	34.75	51.70
(d) Loans & Advances	G	82.89	80.42
		398.13	437.32
Less: Current Liabilities and Provisions			
i) Current Liabilities	H	144.87	54.79
ii) Provision		3.43	3.13
Net Current Assets		249.83	379.41
TOTAL		547.92	470.98
Significant Accounting Policies and Notes on Accounts	O		

The Schedules referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For and on behalf of

George Read & Co.

Chartered Accountants

For and on behalf of the Board of Directors

Satyapriya Bandyopadhyay

Partner Membership No : 58108

Firm Registration No.302208E

Place : Kalyani

Date : 26th May 2010**Arvind R. Doshi**

Director

Pritam A. Doshi

Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in Lacs)

	Schedules	For the year ended 31-Mar-2010	For the year ended 31-Mar-2009
INCOME			
Sales		833.74	734.88
Other Income	I	3.21	6.16
		<u>836.95</u>	<u>741.04</u>
EXPENDITURE			
Cost of Material Consumed	J	727.08	576.48
Other Manufacturing Expenses	K	56.75	10.93
Employees Remuneration and Benefits	L	72.23	50.67
Administration & Other Expenses	M	201.16	62.58
Interest		15.89	13.68
Depreciation/Amortisation		<u>29.95</u>	<u>11.27</u>
		<u>1,103.07</u>	<u>725.61</u>
Profit before Taxation		<u>(266.11)</u>	<u>15.43</u>
Provision for Taxation			
- Current Tax		0.08	1.80
- Fringe Benefit Tax		-	0.25
- Deferred Tax		-	1.46
		<u>0.08</u>	<u>3.51</u>
Profit after Taxation		<u>(266.19)</u>	<u>11.92</u>
Balance brought from the previous period		<u>37.40</u>	<u>23.15</u>
Prior Period Adjustments	N	-	2.33
Balance carried to Balance Sheet		<u>(228.79)</u>	<u>37.40</u>
Significant Accounting Policies and Notes on Accounts	O		

The Schedules referred to above form an integral part of the Profit & Loss Account

This is the Profit & Loss Account referred to in our report of even date

For and on behalf of

George Read & Co.

Chartered Accountants

For and on behalf of the Board of Directors

Satyapriya Bandyopadhyay

Partner Membership No : 58108

Firm Registration No.302208E

Place : Kalyani

Date : 26th May 2010**Arvind R. Doshi**

Director

Pritam A. Doshi

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in Lacs)

Particulars	2009-10		2008-09	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax	-	(266.11)	-	15.43
Adjustments for:				
Depreciation	29.95	-	11.27	-
Interest Expenses	19.22	-	13.34	-
Foreign Exchange(gain)/loss	3.42	-	-	-
Provision for doubtful advance & others	37.51	-	1.33	-
Deferred Tax written back	(1.46)	88.64	-	25.94
Operating Profit before Working Capital Changes		(177.47)		41.37
Adjustments for:				
Decrease/(Increase) in Receivables	(69.64)	-	(84.41)	-
Decrease/(Increase) in Inventories	44.93	-	(27.56)	-
Decrease/(Increase) in Advance & Others	(2.47)	-	(55.07)	-
Increase/(Decrease) in Payables	90.08	62.91	(47.55)	(214.58)
Cash generated from operations		(114.57)		(173.21)
Income Tax paid	-	(3.10)		(0.17)
Net Cash flow from Operating activities	-	(117.67)		(173.38)
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(217.92)	-	(46.98)	-
Issue of share and securities Premium	313.62	-	202.30	-
Interest On FD received	1.08	-	0.62	-
Net Cash used in Investing activities		96.78		155.93
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long term Borrowings	30.96	-	102.52	-
Loan repayment	(11.12)	-	(20.99)	-
Intrest subvention received	3.97	-	0.38	-
Interest paid	(19.89)	-	(15.83)	-
Net Cash used in financing activities		3.92		66.07
Net increase in cash & Cash Equivalents	-	(16.95)		48.62
Cash and Cash equivalents as at 01.04.2009	-	51.70		3.08
Cash and Cash equivalents as at 31.03.2010	-	34.75		51.70
Cash & Cash Equivalents	As on		As on	
	31.03.2010	31.03.2009	31.03.2009	31.03.2008
Cash in Hand	0.10	0.02	0.02	0.06
Cash at Bank	34.64	51.68	51.68	3.02
Cash & Cash equivalents as stated	34.75	51.70	51.70	3.08

For and on behalf of

George Read & Co.

Chartered Accountants

Satyapriya Bandyopadhyay

Partner Membership No : 58108

Firm Registration No.302208E

Place : Kalyani

Date : 26th May 2010

For and on behalf of the Board of Directors

Arvind R. Doshi

Director

Pritam A. Doshi

Director

SCHEDULES 'A' TO 'O' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in Lacs)

	As at 31-Mar-2010	As at 31-Mar-2009
SCHEDULE - A		
Share Capital - Authorised		
30,000,000 (Previous year 30,000,000)	300.00	300.00
Equity Shares of Re.1/- each		
	300.00	300.00
Issued, Subscribed & Paid Up		
22,857,495 Equity Shares of Re1/- each fully paid up includes 9,575,437 shares which are acquired by holding company PAE Ltd.during the year (Previous year 13,282,058)	228.57	132.82
	228.57	132.82
SCHEDULE - B		
Reserves & Surplus		
Securities Premium Reserve Account	356.65	134.25
Less: Adjustment for Expenses incurred under section 78 (2) (c) of the Companies Act, 1956	17.59	13.06
	339.06	121.19
Profit & Loss Account	(228.79)	37.40
	(228.79)	37.40
	110.27	158.59

SCHEDULE - C**Fixed Assets and Depreciation**

(Rupees in Lacs)

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	As at April 1, 2009	Additions during the year	Deletion	As at March 31, 2010	As at April 1, 2009	For the Year	Deletion	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Tangible Assets										
Plant & Machinery	69.88	84.65	2.07	152.46	28.78	10.94	0.60	39.12	113.34	41.09
Electrical Installation	5.48	9.74	0.03	15.19	0.85	1.04	0.02	1.87	13.32	4.63
Computers	2.46	9.55	0.30	11.71	1.06	1.44	0.22	2.29	9.42	1.40
Office Equipment	1.54	0.15	0.45	1.24	0.22	0.21	0.11	0.33	0.91	1.31
Air Conditioner	10.94	1.06	-	12.00	0.99	1.49	-	2.48	9.52	9.95
Furniture & Fixture	23.90	5.24	0.15	28.99	2.71	4.67	0.07	7.31	21.68	21.19
Intangible Assets										
Technical Knowhow	12.80	66.66	-	79.46	0.80	6.61	-	7.41	72.05	12.00
IEC Certification	-	35.52	-	35.52	-	3.55	-	3.55	31.97	-
Total	127.00	212.57	3.00	336.57	35.41	29.95	1.02	64.36	272.21	91.58
Previous Period	72.87	54.13	-	127.00	26.47	11.27	2.33	35.42	91.58	-

(Rupees in Lacs)

	As at 31-Mar-2010	As at 31-Mar-2009
SCHEDULE - D		
Inventories		
Raw Materials	163.62	93.45
Packing Materials	2.25	1.58
Work in Process	15.41	25.09
Consumables & Spares	4.77	2.98
Finished Goods	44.43	62.45
	<u>230.48</u>	<u>185.55</u>
SCHEDULE - E		
Sundry Debtors		
(Unsecured, Considered Good)		
Debts outstanding for more than six months	-	-
Other Debts	50.01	119.65
	<u>50.01</u>	<u>119.65</u>
SCHEDULE - F		
Cash & Bank Balances		
Cash in Hand	0.10	0.02
Balance with Scheduled Banks:		
Current Account	34.64	9.51
Fixed Deposit	-	42.17
	<u>34.75</u>	<u>51.70</u>
SCHEDULE - G		
Loans & Advances		
(Unsecured, Considered Good)		
Advance to Suppliers	54.65	51.15
Advance for Capital Goods	0.83	0.33
Advance Fringe Benefit Tax	0.24	0.61
Security Deposit	13.35	11.82
Income Tax Refund Receivable	0.03	0.03
Interest Refund Account (Receivable)	2.69	-
Accrued Interest on Bank Deposits	-	0.72
Advance Income Tax	2.10	0.29
Other Advances	6.43	2.43
VAT, CST and Service Tax Receivable.	2.57	13.05
	<u>82.89</u>	<u>80.42</u>
SCHEDULE - H		
Current Liabilities & Provisions		
Current Liabilities		
Sundry Creditors		
For goods purchased	100.00	31.02
For Expenses	31.45	23.42
Sales Tax Payable	0.02	0.35
Advance from Customers	13.41	-
Provisions		
Provision for Taxation	2.05	2.03
Provision for Gratuity	0.08	0.40
Provision for Leave Encashment	1.05	-
Provision for Fringe Benefit Tax	0.25	0.69
	<u>148.30</u>	<u>57.92</u>

(Rupees in Lacs)

Schedules	For the year ended 31-Mar-2010	For the year ended 31-Mar-2009
Schedule - I		
Other Income		
Foreign Exchange Gain (Net)	-	5.24
Misc. Income	0.70	0.30
Deferred Tax liability written back	1.46	-
Interest on Fixed Deposit (Gross)	1.05	0.62
(Includes Tax Deducted at Source of Rs 5,469/- Previous Year Rs. 17,594/-)		
	<u>3.21</u>	<u>6.16</u>
Schedule - J		
Cost of Material Consumed		
Opening Stock		
Raw Material	93.45	88.06
Packing Material	1.58	2.68
Add: Purchase	-	-
Raw Material	717.13	554.19
Packing Material	13.65	12.11
Carriage Inward	1.82	1.34
Clearing & Forwarding	37.62	33.42
Less: Closing Stock of Raw Materials & Packing Materials	-	-
Raw Material	163.62	93.45
Packing Material	2.25	1.58
	<u>699.38</u>	<u>596.77</u>
		-
Add: Opening Work in Process	25.09	-
Opening Finished Goods	62.45	67.25
		-
Less: Closing Work in Process	15.41	25.09
Closing Finished Goods	44.43	62.45
(Increase)/Decrease in Finished Goods	<u>27.70</u>	<u>(20.29)</u>
	<u>727.08</u>	<u>576.48</u>
Schedule - K		
Other Manufacturing Expenses		
Opening Stock of Consumables & Spares	2.98	-
Add: Purchase of Consumables & Spares	8.44	6.12
Less: Closing Stock of Consumables & Spares	4.77	2.98
Stores & Consumables Consumed	<u>6.65</u>	<u>3.14</u>
Power Charges	12.14	5.57
Conversion Charges	9.71	2.22
Other Manufacturing expenses	1.91	-
Electricity upgrade expenses	26.34	-
	<u>56.75</u>	<u>10.93</u>

(Rupees in Lacs)

Schedules	For the year ended 31-Mar-2010	For the year ended 31-Mar-2009
Schedule - L		
Employees Remuneration and Benefits		
Salaries, Wages & Bonus	63.42	45.22
Contribution to Provident, Gratuity & Other Funds	4.87	2.16
Staff Welfare Expenses	3.94	3.29
	<u>72.23</u>	<u>50.67</u>

Schedule - M**Administration & Other Expenses**

Rent of Premises	15.43	17.87
Stationery, Postage, Advertisement & Telephone.	4.68	2.06
Professional Fees	51.84	7.37
Sales commission	27.92	-
Doubtful Advances written off	17.41	-
Foreign Exchange loss (Net)	7.90	-
Rates & Taxes	1.23	1.51
Registration & Filing Fees	0.28	0.31
Repairs & Maintenance	-	-
- Building	0.80	1.17
- Machinery	0.66	2.96
- Others	1.19	0.89
Travelling & Conveyance	8.21	4.76
Security Charges	1.20	0.80
Insurance Premium	8.99	2.80
Clearing, Forwarding and Freight Charges on exports	5.12	5.97
Fringe Benefit tax Paid	0.02	-
Income Tax Paid	1.31	-
Bank Charges	5.90	5.06
Auditors Remuneration:	-	-
- Audit Fees	0.20	0.18
In other Capacity:	-	-
- Tax Audit / VAT Audit/ Limited Review Fees	0.16	0.05
Sales Promotion Expenses	8.61	-
Misc. Expenses	32.11	8.81
	<u>201.16</u>	<u>62.58</u>

Schedule - N**Prior Period Adjustments**

Depreciation	-	2.33
	-	2.33

SCHEDULE - O

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS 31ST MARCH, 2010

Significant Accounting Policies:

1. Basis of Accounting:

- The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- The financial statements have been prepared under the historical cost convention to comply in all material aspects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006(as amended) and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates:

The presentation 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, and disclosure of contingent liabilities at the date of the financial statements and the result of the operations during the reporting period. Although such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of statements, the actual outcome may diverge from these estimates.

3. Fixed Assets and Depreciation/Amortization:

- Fixed Assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to acquisition and installation of Fixed Assets.
- Depreciation on fixed assets is calculated on written down value method at applicable rates prescribed in Schedule XIV of the Companies Act, 1956, from / up to the date of addition/disposal.
- Intangible Assets:

Technical Know-how: Costs incurred during the development stage identifiable to a particular product or process and whose feasibility of development can be demonstrated and marketed are treated as Intangible assets under the head "Technical Know how" and the same is amortized over a period of 8 years.

IEC Certification: Denotes amount paid for obtaining IEC certificate to be amortized over a period of 5 years

4. Inventory Valuation:

- Raw materials
Stores and spares
Work in process
Packing Material
- Finished goods are valued at lower of cost and net realizable value.
- Cost of inventories is ascertained on FIFO basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where ever applicable, appropriate overheads.

5. Revenue Recognition:

Sales are recognized as revenue on dispatch of goods. Sales are net of discounts, Sales Tax / VAT and sales returns.

6. Foreign Currency Transactions:

Transactions in foreign currencies are recognized at the rates

existing at the time of such transactions. Gains or losses resulting from the settlement of such transactions are recognized in the Profit & Loss Account. Year-end balances of monetary items are translated at applicable year-end rates and the resultant differences are recognized in the Profit & Loss Account.

7. Employee Benefits:

Defined Contribution Plan: Company's contributions paid/ payable during the year to Provident Fund, Gratuity and ESIC are recognised in the Profit and Loss Account.

Defined Benefit Plan: Company's liabilities towards gratuity and leave encashment are accrued based on actuarial valuation carried out by an independent actuary by projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up final obligation. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flow using discounted rate that is determined by reference to market yields at the Balance Sheet date.

8. Earnings per share:

The Company reports basic and diluted earnings per share in accordance with Accounting Standard -20. "Earning Per Share" issued by the ICAI. Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

9. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes after careful evaluation of facts and legal aspects of the matter involved. Contingent Assets are neither recognised not disclosed in the Financial Statements. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

SCHEDULE - O (Contd.)

Notes to the Accounts:

1. Contingent Liabilities not provided for in respect of:

- Disputed Sales Tax demand of Rs. 0.14Lacs (Previous year Rs. 0.14Lacs) under West Bengal V.A.T. Act, 2003 related to 2005-06 in respect of which proceedings is pending with Asstt. Commissioner Commercial Taxes, Kolkata.
- Disputed Income Tax demand of Rs. 7.23Lacs (Previous year Rs. NIL) under Income Tax Act, 1961 relating to Assessment year 2008-09 in respect of which rectification petition is filed and amended order is pending with Income Tax Officer, Kolkata.
- Disputed Excise Duty of Rs. 0.21Lacs (previous year NIL) relating to period 2008-09 & 2009-10 under Central Excise Act, 1944 is pending with Asstt. Comm. Central Excise, Kalyani.
- Outstanding Bank Guarantees (Net of Margin Money) is Rs. Nil (Previous year Rs. 7.50Lacs)

2. Investment (Share of Holding Company)

With effect from 27.01.2010, PAE Ltd, has acquired 57% share holding i.e. 130.29 Lacs Shares in the company and thus become holding company.

3. Estimated amount of Capital Commitments

(Net of advances) outstanding is Rs. 10.54 lacs (Previous year Rs. 1.35Lacs)

4. (a) As per letter dated 9th December 2004 received from Falta Special Economic Zone (Approval No. 2(I)/S-39/2004/6462), the Company was granted the status of an Export Oriented Unit. The same is valid till 9th May, 2010. The company has opted to apply for renewal for a further period of five years.

(b) The company is entitled to benefits of tax u/s Section 10B of the Income tax Act, 1961 till the assessment year 2011-12.

(c) Deferred taxation has not been considered in view of the tax holiday available to the company as indicated in Note 4 (b) above.

(d) Balances of receivables amounting to Rs. 12.84 lacs and payables amounting to Rs. 0.89 lacs are awaiting confirmation.

5. Amount paid/payable to auditors:

	2009-10	2008-09
Audit Fees	Rs. 0.18 Lacs	Rs.0.18 Lacs
Tax Audit Fees	Rs. 0.05 lacs	Rs.0.05 Lacs
Other Services	Rs. 0.08 lacs	Nil
Out of pocket expenses	Nil	Nil

6. (i) No amount was due to SSI undertakings as on 31-03-2010 with regard to Sundry Creditors for goods and expenses.

(ii) No amount was payable to vendors falling within the ambit of the Micro Small and Medium Enterprises Development Act, 2006 as per the available information.

7. Earning per Share:

	As at 31.03.2010	As at 31.03.2009
Profit/ (Loss) after Tax (Rs. in Lacs)	(266.19)	11.92
Weighted average equity shares outstanding (In Lacs)	165.64	67.72
Diluted equity shares outstanding (In Lacs)	165.64	67.72
Basic earnings per share (in Rs.)	(1.61)	0.18
Diluted earnings per share (in Rs.)	(1.61)	0.18

8. Particulars regarding Licensed and Installed Capacity, Opening and Closing Stock, Actual Production and Sales of Manufactured Items.

		Units	Year ended 31-03-2010		Year ended 31-03-2009	
			Quantity	Value	Quantity	Value
(I)	Licensed Capacity		Not Applicable		Not Applicable	
(II)	Installed Capacity (as certified by the management)					
	Solar Photovoltaic Panel	Wp	2,700,000	N.A.	2,700,000	N.A.
(III)	Opening Stock of Finished Goods					
	Modules below 50 Wp	Pcs	724	11.45	1,006	11.45
	Modules between 50 Wp - 100 Wp	Pcs	641	47.83	291	47.83
	Modules above 100 Wp	Pcs	24	2.39	65	2.39
	Total		1,389	61.67	1,362	61.67
(IV)	Actual Production					
	Modules below 50 Wp	Pcs	15,860	N.A.	17,977	N.A.
	Modules between 50 Wp - 100 Wp	Pcs	3,560	N.A.	2,783	N.A.
	Modules above 100 Wp	Pcs	423	N.A.	-	N.A.
	Total		19,843		20,760	
(V)	Sales *					
	Modules below 50 Wp	Pcs	15,281	388.90	18,259	628.54
	Modules between 50 Wp - 100 Wp	Pcs	4,130	398.54	2,433	106.33
	Modules above 100 Wp	Pcs	285	46.30	41	-
	Total		19,696	833.74	20,733	734.87
(VI)	Closing Stock of Finished Goods					
	Modules below 50 Wp	Pcs	1,303	25.80	724	11.45
	Modules between 50 Wp - 100 Wp	Pcs	71	3.99	641	47.83
	Modules above 100 Wp	Pcs	162	14.64	24	2.39
	Total		1,536	44.43	1,389	61.67

*Includes rejections / samples

9. Cost of Materials Consumed

	Units	Year ended 31 st March 2010		Year ended 31 st March 2009	
		Quantity	Value	Quantity	Value
Solar Cell	Pcs	74,498	430.62	63,356	374.95
Solar Tempered Glass	Sq. Mtrs.	20,800	63.16	18,763	56.24
Aluminium Extruded Profile	Kgs.	16,952	32.66	23,948	44.20
EVA/DNP Sheet	Sq. Mtrs.	8,779	46.27	20,054	32.39
Tape	Sq. Mtrs.	17,842	80.71	55,022	34.93
Others *			45.95		54.06
Total			699.37		596.77

* As none of the other items individually exceeds 10% of the total value of the Raw Materials consumed, the quantitative details have not been provided.

10. Information pursuant to the provision of paragraph 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956
(a) Value of Imported and indigenous Raw Materials and Stores & Spares Consumed

	Year ended 31 st March 2010		Year ended 31 st March 2009	
	Value	%	Value	%
(i) Raw Materials				
Imported	557.60	80%	447.86	75%
Indigenous	141.77	20%	148.91	25%
Total	699.37	100%	596.77	100%
(ii) Stores and Spares				
Imported	2.18	33%	0.51	16%
Indigenous	4.47	67%	2.62	84%
Total	6.65	100%	3.13	100%

(b) CIF Value of Imports:	2009-10	2008-09
(i) Raw Materials	660.89	471.87
(ii) Semi-finished products	NIL	NIL
(iii) Components, stores and spare parts	23.14	0.52
(iv) Capital goods	9.88	NIL
(c) Expenditure in foreign currency:		
(i) Foreign Bank Charges	0.42	0.28
(ii) Consultancy Fees	36.30	10.40
(iii) Foreign Travel Expenses	4.23	NIL
(d) Earnings in foreign exchange:		
FOB value of Exports	804.12	726.12

11. Employee Defined Benefits:

The disclosure in terms of Accounting Standard 15 (revised) "Employee Benefits" has been given on the basis of Actuarial Valuation for the year ended 31st March 2010.

(Rupees in Lacs)

PARTICULARS	2009-10	
	GRATUITY (FUNDED)	LEAVE ENCASHMENT (NON- FUNDED)
I. Reconciliation of opening and closing balances of Defined Benefit Obligation:		
a. Liability at the beginning of the year	0.54	0.38
b. Current service cost	0.44	0.08
c. Interest cost	0.04	0.03
d. Benefits paid	NIL	NIL
e. Actuarial(gain)/Loss	(0.02)	0.56
Liability at the end of the Year	0.99	1.05

PARTICULARS	2009-10	
	GRATUITY (FUNDED)	LEAVE ENCASHMENT (NON- FUNDED)
II. Actual Return on Plan Assets	0.06	NIL
III. Reconciliation of fair Value of Assets and obligations:		
a. Liability at the end of the year	0.99	0.38
b. Fair value of Plan assets at the end of the year	0.91	NIL
Amount recognized in the Balance Sheet under "Provision for Retirement benefits"	(0.08)	(0.38)
IV. Expenses recognized in the Profit and Loss account:		
a. Current Service cost		
b. Interest Cost	0.44	0.08
c. Expected return on Plan Assets	0.04	0.03
d. Net Actuarial(gain)/Loss to be recognized	(0.03)	NIL
	(0.06)	0.56
Expenses recognized in the Profit and Loss account under "Contribution to provident, Gratuity and other funds"	0.39	0.67
V. Principal Assumptions	In percent	In percent
a. Mortality Table LIC (1994-96) Ultimate		
b. Discount Rate	8.25	8.25
c. Expected Return on Plan Assets	8.25	NA
d. Rate of Escalation in Salary	5	5
e. Attrition Rate	2	2

* As Accounting Standard 15 has been adopted for the first time during the financial year 2009-10, the comparative figures for the previous year are not available.

12. Related Party Disclosure as per Accounting Standard 18

A. (i) Particulars of Associate Companies

Name of the Related Party

PAE Limited
Shurjo Energy Holding Ltd
Hindhivac Pvt. Ltd
EETS Ltd

Nature of Relationship

Holding Company
42.94% share holder
0.02% Share Holder
0.04% Share holder

B. Particulars of Enterprises controlled by any person described as key management Personnel:

Name of the Related Party

Rajubai Investment Pvt. Ltd.
Assure Insurance Advisors Pvt. Ltd.
PAE Renewables Private Limited
(Formerly known as Sky Natureenergy Private Limited.)
Arvind R. Doshi HUF
Pritam A. Doshi HUF

Nature of Relationship

Controlled through key management personnel

C. Key Management Personnel:

Name of the Related Party

Shri Arvind R. Doshi
Shri Pritam A. Doshi
Shri Adrian Court
Shri Jayanta Mitra

Nature of Relationship

Chairman
Director
Director
Director (Resigned w.e.f 27.01.2010)

D. Details of Transactions with related parties:

(Rupees in lacs)

Sl. No	Particulars	Associate Companies	Enterprises mentioned above	Key management personnel	Relatives of Key management personnel
1	Sales	18.36	-	-	-
2	ICD Accepted	182.50	-	-	-
3	ICD repaid	132.50	-	-	-
4	Interest on ICD	1.85	-	-	-
5	Corporate guarantee received	350.00	-	-	-
Sl. No	Amount outstanding on Balance Sheet Date	Associate Companies	Enterprises mentioned above	Key management personnel	Relatives of Key management personnel
1	Interest Payable	0.38	-	-	-
2	Prof. Fess and Other charges payable	4.21	-	-	-
3	Trade Receivables	1.97	-	-	-
4	Trade Payable	0.25	-	-	-
5	ICD Payable	50.00	-	-	-

13. There were no employees whose particulars were required to be disclosed under section 217 (2A) on the Companies Act, 1956.

14. All monetary values are stated in Rs.Lacs.

15. Disclosure as per Accounting Standard-19, "Leases" issued by the Institue of Chartered Accountants of India, are given below:

The company has taken one guest house and an office premises under leave & license agreement. These are ranges between 11month and 33 months under leave & license and renewable by mutual consent and mutually agreeable terms. Total rent paid for the period for guest house is Rs.2.40 lacs (Previous year Rs.3.00 Lacs) and for Office Rs.13.03 lacs (Previous year Rs.14.87 Lacs)

16. Previous year's figures have been re-arranged/re-grouped wherever necessary.

Signature to Schedules A to O

For and on behalf of

George Read & Co.

Chartered Accountants

For and on behalf of the Board of Directors

Satyapriya Bandyopadhyay

Partner Membership No : 58108

Firm Registration No.302208E

Place : Kalyani

Date : 26th May 2010

Arvind R. Doshi

Director

Pritam A. Doshi

Director

DIRECTORS' REPORT

To,
The Members
PAE Renewables Private Limited

The Directors have pleasure in presenting their 12th Annual Report on the business operations of the Company along with the statement of Audited Accounts for the year ended 31st March, 2010.

1. Financial Results:

During the year ended 31st March, 2010, the Company made a Loss of Rs.46,162/-.

2. Dividend:

In view of the inadequacy of the Profits, your Directors do not recommend any dividend on the Equity Shares.

3. Change in Name of the Company

During the year under review the Company changed its name to PAE Renewables Private Limited w.e.f. 21st July 2009.

4. Directors

Mr. Arvind R. Doshi was appointed as Additional Director on 9th March, 2010. Your Directors recommend his appointment at the ensuing Annual General Meeting.

Ms. Priyadarshani A. Doshi resigned from the Board with effect from 11th March 2010. The Board expressed sincere appreciation for the efficient and mature advice and service provided by her to the Company.

5. Directors' Responsibility Statement:

As required under Section 217(2AA) of the Companies Act, 1956 ("the Act"), we hereby state that :-

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanatory statement relating to material departures.
2. The Directors have 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 as on 31st March, 2010 and of the loss of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. Your Directors have prepared the attached Statement of Accounts for the year ended 31st March, 2010 on a going concern basis.

6. Auditors:

M/s. M.B. Agrawal & Co., Chartered Accountants, the Statutory Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting. They have given their consent to act as Auditors of the Company if re-appointed. Members are requested to re-appoint them and fix their remuneration.

7. Particulars of Employees:

Particulars of Employees within the meaning of the Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rule, 1975 as amended is reported to be nil.

8. Conservation of Energy, Technology, Absorption & Foreign Exchange Earning and Outgo:

The information pursuant to the requirements of disclosure in terms of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 pertaining to the conservation of energy and technology absorption have not been given as the Company has not carried on any activities as specified therein.

During the year under review, there were no foreign exchange earnings and outgo.

9. Acknowledgements:

The Board acknowledges the understanding and support shown by all its stakeholders, banks and other business associates towards the conduct of the efficient operations of the Company.

By order of the Board of Directors

Arvind R. Doshi
Chairman

Registered office:
69, Tardeo Road,
Mumbai 400034.
28th April 2010

AUDITORS' REPORT

The Shareholders of,
M/S. PAE RENEWABLES PRIVATE LIMITED
Mumbai

1. We have audited the attached Balance Sheet of M/S. PAE Renewables Private Limited as at 31st March, 2010 and the Profit and Loss Account of the Company for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit:
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:-
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by the Law have been kept by the company so far as appears from our examination of such books;
 - c. The Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of accounts of the company;
 - d. In our opinion, the Balance Sheet and Profit and Loss Account complies with the mandatory Accounting Standards referred in Section 211(3C) of the Companies Act, 1956.
 - e. On the basis of information and explanation given to us none of the directors is disqualified u/s 274(1) (g) of the Companies Act, 1956 from being appointed as a director.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010 and
 - ii. In the case of Profit and Loss Account of the Loss for the year ended on that date.

FOR M. B. AGRAWAL & CO.
CHARTERED ACCOUNTANTS
Reg. No.: 100137 W

M.B.AGRAWAL
PARTNER
M. NO. 9045

Place: Mumbai.
Date : 28th April, 2010.

BALANCE SHEET AS AT 31ST MARCH, 2010

AS ON 31.3.2009	LIABILITIES	AS ON 31.3.2010	AS ON 31.3.2009	ASSETS	AS ON 31.03.2010
	SHARE CAPITAL			CURRENT ASSETS, LOANS & ADVANCES	
500,000	Authorised Share Capital	500,000		A) Current Assets	
500,000	50,000 Equity shares of Rs. 10/ each.	500,000		Bank balance with scheduled	
			25,490	bank (in current account)	19,954
100,000	Issued, Subscribed & Paid up	100,000			
	Share Capital 10,000 Equity				
	shares of Rs. 10/- each				
	Current liabilities & Provision				
-	Sundry creditors for exps.	500	17,029	Profit & loss A/c bal b/fwd	75,634
1,124	Outstanding Liabilities	-	58,605	During the year	46,162
-	Provisions	2,758			
-	Sundry creditors	38,492			
101,124	Total Rs.	141,750	101,124	Total Rs.	141,750

Notes

1. The accounts are prepared as per general accounting standard on accrual basis.
2. Directors have waived the board meeting fees.
3. The other additional information as required by para 3,4,4A to 4D of part II of Schedule VI of the Companies Act,1956 is either Nil or not applicable.
4. During the year all the Equity shares were acquired by PAE LTD and hence it is wholly owned subsidiary of PAE LTD.
5. Sundry Creditors Rs.38,492.00 is payable to Holding Company.

AS PER OUR REPORT ATTACHED

FOR AND ON BEHALF OF BOARD OF DIRECTORS

M.B.AGRAWAL & CO.
CHARTERED ACCOUNTANTS
(REG.No:100137W)

M.B.AGRAWAL
PARTNER
(M.NO.9045)
PLACE:MUMBAI
DATE: 28th April 2010

ARVIND R. DOSHI
CHAIRMAN

PRITAM A. DOSHI
DIRECTOR

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Previous year		Current year	Previous year		Current year
1,124	To Audit fees	4,392	58,605	By Loss during the year	46,162
6,500	Professional fees & legal charges	7,072		trf to Balance sheet	
-	Advertising expenses	1,250			
180	Bank Charges	228			
29,800	Filing fees	-			
11,994	Preliminary exp	-			
-	Internet Related Exp	2,155			
1,433	Printing & stationary	-			
6,066	General charges	-			
1,508	Other Rates & Taxes	1,040			
-	Sales tax related exp	30,025			
58,605	Total Rs.	46,162	58,605	Total Rs.	46,162

AS PER OUR REPORT ATTACHED

FOR AND ON BEHALF OF BOARD OF DIRECTORS

M.B.AGRAWAL & CO.
CHARTERED ACCOUNTANTS
(REG.No:100137W)

M.B.AGRAWAL
PARTNER
(M.NO.9045)
PLACE:MUMBAI
DATE: 28th April 2010

ARVIND R. DOSHI
CHAIRMAN

PRITAM A. DOSHI
DIRECTOR

STATEMENT PURSUANT TO PART-IV OF SCHEDULE -VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

CIN No.

U 5 1 3 9 7 M H 1 9 9 8 P T C 1 1 5 8 8 5

Balance Sheet Date

3 1 0 3 2 0 1 0

State Code

1 1

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

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

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

Total Liabilities

1 4 1 . 7 5

Total Assets

1 4 1 . 7 5

Sources of funds

Paid up capital

1 0 0 . 0 0

Reserve & Surplus

N I L

Secured loans

N I L

Unsecured loans

N I L

Deferred Tax Liability

N I L

Application of Funds

Net Fixed Assets

N I L

Investments

N I L

Net Current Assets

(2 1 . 8 0)

Misc Expenditure

N I L

Accumulated Losses

1 2 1 . 8 0

IV. Performance of Company (Amount in Rupees Thousands)

Turnover (Gross Revenue)

N I L

Total Expenditure

4 6 . 1 6

+ - Profit / Loss Before Tax

- 4 6 . 1 6

+ - Profit / Loss After Tax

- 4 6 . 1 6

Earnings Per Share in Rs.

N I L

Dividend Rate %

N I L

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

Item Code No.(ITC Code)

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

Product Description

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

FOR AND ON BEHALF OF BOARD OF DIRECTORS

ARVIND R. DOSHI
CHAIRMANPRITAM A. DOSHI
DIRECTOR

PLACE: MUMBAI

DATE: 28th April 2010



NOTES

Lined area for notes, consisting of multiple horizontal lines.



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

PROXY FORM

DP Id *	
Client Id*	

I/we of
being Member/Members of PAE LIMITED hereby appoint
of or failing him
of or failing him
of as my/our Proxy to attend and vote for
me/us on my/our behalf at the SIXTIETH ANNUAL GENERAL MEETING of the said Company to be held on Saturday
31st July, 2010 at 3.30 p.m. at Babasaheb Dahanukar Hall of Maharashtra Chamber of Commerce, Oricon House, 6th
Floor, 12, K. D. Marg, Fort, Mumbai 400001 and at any adjournment thereof.

Signed this day of 2010.

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

Affix
Revenue
Stamp

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

ii) A PROXY NEED NOT BE A MEMBER

* Applicable for investors holding shares in electronic form.



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

ATTENDANCE SLIP

I hereby record my presence at the SIXTIETH ANNUAL GENERAL MEETING at Babasaheb Dahanukar Hall of Maharashtra
Chamber of Commerce, Oricon House, 6th Floor, 12, K. D. Marg, Fort, Mumbai 400001 on Saturday 31st of July, 2010 at 3.30 p.m

Name of the
Member
Folio No.

DP Id*	
Client Id*	

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

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

* Applicable for investors holding shares in electronic form.

Name of the
Member

Folio No.

DP Id*	
Client Id*	

* Applicable for investors holding shares in electronic form.

DISCOUNT COUPON for SHAREHOLDERS



15% Off MRP on a PowerZen 600VA UPS

**600 VA UPS off-line
for your personal computer**

Valid for Purchases from **PAE** branches
Upto 31 March, 2011

Terms and conditions:

- This coupon can not be considered with any other discount or schemes.
- The coupon should be surrendered at the time of purchase to the nearest PAE branch at the locations mentioned overleaf.

Cut here

Name of the
Member

Folio No.

DP Id*	
Client Id*	

* Applicable for investors holding shares in electronic form.

DISCOUNT COUPON for SHAREHOLDERS



**15% Off MRP on Chloride
Automotive or Motorcycle Battery**

Valid for Purchases from **PAE** branches
Upto 31 March, 2011

Terms and conditions:

- This coupon can not be considered with any other discount or schemes.
- The coupon should be surrendered at the time of purchase to the nearest PAE branch at the locations mentioned overleaf.



TO AVAIL THIS OFFER, PLEASE CALL THE NEAREST PAE BRANCH

PAE LIMITED

www.paeltd.com

East

Kolkata 033-25555588/25338477
Siliguri 0353-2524500
Ranchi 0651-2331675/6573318/2332443
Cuttack 0671-2332386/ 2331386

West

Ahmedabad 079-25601941/25601974/25601049
Baroda 0265-2429846
Surat 0261-2643364/2640551
Rajkot 0281-2371141/2371629
Vashi 022-61547400/61547444/61547441
Kolhapur 0230-2460193/2468778/2468065
Nagpur 0712-2520989
Pune 020-64704112/3/4
Indore 0731-2566609/4076609
Jabalpur 0761-2450033
Raipur 0771-2235082/4033561

North

Delhi 011-41540545/6
Jalandhar 0181-2458354
Jaipur 0141-2370710/2370172
Kanpur 0512-2650611/2653650

South

Bangalore 080-22220133/22211320
Mangalore 0824-2443385
Hubli 0836-2377956
Ernakulam 0484-2335555 2334411/2344851
Calicut 0495-2369747/757
Chennai 044-28411672/3/26801672/73
Coimbatore 0422-2333557
Madurai 0452-4378353 / 3206971
Trichy 0431-2750047
Hyderabad 040-23220677/23222412
Vizag 0891-2727922



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www.paeltd.com

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Hubli 0836-2377956
Ernakulam 0484-2335555 2334411/2344851
Calicut 0495-2369747/757
Chennai 044-28411672/3/26801672/73
Coimbatore 0422-2333557
Madurai 0452-4378353 / 3206971
Trichy 0431-2750047
Hyderabad 040-23220677/23222412
Vizag 0891-2727922



With the new energy plan “Jawaharlal Nehru National Solar Mission” in place, India is focusing on solar energy as a dependable and alternate source of energy.

India has put its foot down to tap the power of the sun in order to increase sustainable sources of energy. This form of energy will have a prominent role to play since India, as a tropical country, is blessed with abundant sunlight.

On one hand, most urban and semi urban cities in India have started experiencing peak electricity shortages while on the other hand class two cities and villages are still devoid of regular grid supply.

PAE has geared itself by venturing into solar PV at the right juncture and by introducing the right products. **PAE's solar offerings cover solar panels and ultra efficient power electronics, common area lighting solution, solar street lighting, home light system and lanterns, covering the entire value chain.**

Our initial success comprises supply of 10.8 KW CIGS thin film modules to SCN Realtors Pune for their Orange County project. The entire apartment runs on solar power consuming zero units every day. This is a highly commendable and a live example to prove the power of solar and PAE has been fortunate to be a part of it.

With the increasing trend of people constructing dream homes on the outskirts of the city, their motive has also been to 'go green'. PAE has successfully executed a project in Alibag, Raigad district to power the garden lights, outhouse and critical loads in this weekend home.

With government support for PV growth, ample solar resources and good market potential PAE is poised to make a mark in this sector.



**Renewtech 2010, Pune:**

Mr. Ganesh Naik, Hon'ble Minister for Non-Conventional Energy - Maharashtra and Ms. Christa Thoben, Minister for Economic Affairs & Energy - Germany, having a confab with our MD.



10.8 KW Solar PV Installation
Orange County, Pashan, Pune

2.8KW Solar Powered Garden and Farmhouse Lighting, Alibag, Raigad



(Rs. In lacs)

Year ending	March 2010	March 2009	March 2008	March 2007	March 2006
-------------	------------	------------	------------	------------	------------

Profitability Items

Gross Income	24140	27655	25639	18418	14377
PBDIT & Exceptional Income	932	1131	948	615	314
Exceptional Income	0	0	158	18	0
EBIDITA	932	1131	1106	633	314
Depreciation	81	92	81	37	26
Interest	126	194	149	113	80
PBT	725	845	876	483	208
Taxes	250	309	278	158	77
PAT	475	536	598	325	131
Dividend (including tax on dividend distribution)	206	167	167	111	0

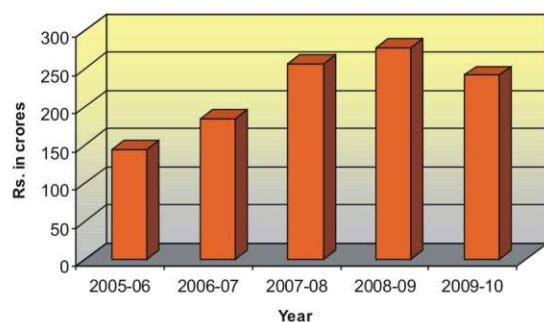
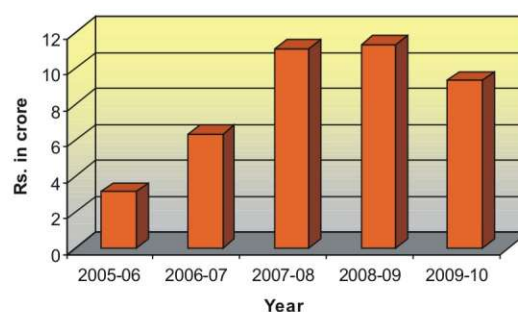
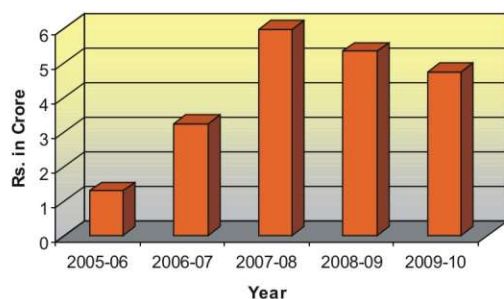
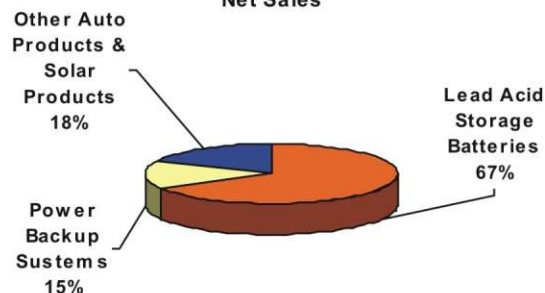
Balance Sheet Items

Net Fixed Assets	988	1048	1095	415	177
Investments	612	180	17	19	538
Net Current Assets	2977	3136	3006	3162	2865
Total Capital Employed	4577	4364	4118	3596	3580
Shareholders Funds	4214	3967	3620	3214	3208
Borrowings (net)	346	379	477	378	360
Deferred Tax Liability	17	18	21	4	12
Sources of Funds	4577	4364	4118	3596	3580

Ratios

Book Value Per Share	44.27	41.67	38.03	33.76	33.70
CEPS	5.84	6.60	7.13	3.80	1.65
EPS	4.99	5.63	6.28	3.42	1.37

*Previous years figures are regrouped / reclassified wherever necessary

Gross Income**EBIDITA****Profit After Taxes****Net Sales**



SOLAR POWERED BUILDINGS - FUTURE HOMES

BOOK-POST



If undelivered please return to:

PAE LIMITED

69, Tardeo Road
Mumbai - 400 034