



Sec:41

August 14, 2017

To,  
**The Manager Listing**  
**BSE Limited,**  
Corporate Relationship Department  
Dalal Street, Mumbai – 400 001  
**Scrip Code:517230**

To,  
**The Manager Listing**  
**National Stock Exchange of India Limited**  
Corporate Communication Department  
Bandra (EAST), Mumbai – 400 051.  
**Scrip Symbol: PAEL**

Dear Sir/Madam,

**Sub.: Outcome of Board Meeting held today i.e. 14<sup>th</sup> August, 2017.**

With reference to our letter under ref:Sec:35 dated 8.8.2017 and captioned subject, we do hereby inform you that the meeting of Board of Directors of the Company held today i.e. 14<sup>th</sup> August, 2017 and *inter-alia* transacted the following business:-

- 1) Considered and taken on record the Unaudited Financial Results (Standalone) of the Company for the quarter ended **30<sup>th</sup> June 2017** along with Limited Review Report of the Auditors. The financial results, are also being published in newspapers.
- 2) The management has cancelled the proposal issue of 5,20,000 share warrants to the promoters and also cancelled the proposed redemption of preference shares which were issued to the promoters during the year 2013, 2014 and 2015 respectively

Attached please find Financial Results, along with Limited Review Report and Impact on Audit Qualifications.

The above information is also hosted on the website of the company at [www.paeltd.com](http://www.paeltd.com)

Kindly take the above document on record and acknowledge.

Thanking you,

Very truly yours,  
For **PAE Limited**

**Pritam A. Doshi**  
**Managing Director**  
**DIN: 00015302**



Encls: a/a

**PAE LIMITED**



(Rupees in lacs)

<b>PART I STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2017</b>				
		Particulars	30.06.2017	30.06.2016
<b>I</b>		<b>Income</b>		
		Revenue from Operations	1	28
<b>II</b>		Other Income	63	20
<b>III</b>		<b>Total Revenue</b>	<b>64</b>	<b>48</b>
<b>IV</b>		<b>Expenses</b>		
	a)	Changes in inventories of traded goods	31	172
	b)	Purchases of traded goods	1	(56)
	c)	Employee benefits expense	22	108
	d)	Finance cost	20	33
	e)	Depreciation and amortisation	5	6
	f)	Other expenses	46	125
		<b>Total Expenses</b>	<b>126</b>	<b>388</b>
<b>V</b>		<b>Profit Before Tax (III-IV)</b>	<b>(61)</b>	<b>(340)</b>
<b>VI</b>	a)	Tax expenses	0	0
	b)	Current tax	0	0
	c)	Deferred Tax	0	0
<b>VII</b>		<b>Profit (Loss) for the period after Tax (V-VI)</b>	<b>(61)</b>	<b>(340)</b>
<b>VIII</b>		<b>Other Comprehensive Income (OCI)</b>	0	0
<b>IX</b>		<b>Total Comprehensive Income (VII+VIII)</b>	<b>(61)</b>	<b>(340)</b>
<b>X</b>		Paid up Equity Share Capital (face value of Rs.10/- each)	1042	1042
<b>XI</b>		<b>Earning Per Share (EPS) (of Rs.10/- each)</b>		
		Basic	(0.59)	(3.26)
		Diluted	(0.59)	(3.26)

**Notes:-**

- 1) The stand financial results of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) As specified in the companies (Indian Accounting Standard) Rules, 2015 (as amended) in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and SEBI circular dated July 05, 2016. The company has for the first time adopted Ind AS for financial year commencing from April 01, 2017 with a transition of date of April 01, 2016.



*AD*

**PAE LIMITED**

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



- 2) Company has opted to avail the relaxations provided by Securities and Exchange Board of India, vide its circular dated July 05,2016 (Circular), as available to listed entities and therefore statement does not include Ind AS compliant financial results for the preceding quarter and year ended March 31, 2017 as the same is not mandatory. Further, in accordance with the relaxation provided in the circular, the results for the previous quarter ended June 30, 2016 have not been subjected to limited review or audit by statutory auditors.
- 3) The statutory auditors of PAE Limited have qualified the following :
- a) The statutory auditors of PAE Limited have qualified the company's status Going Concern. The management and Board of Directors of the Company have initiated various steps like cost reduction, identifying non core assets for monetisation, which will improve the cash flows, Further steps are also being taken to evaluate various alternatives for raising funds and resolution of debts. The Board of Directors expects improvement in business results in the forthcoming years. Accordingly, the financial statements have been prepared on going concern basis.
  - b) The balance of sundry debtors, sundry creditors, warranty receivable, warranty payable and warranty stock are subject to reconciliation and confirmation. Management is in process of reconciling the same.
  - c) The reconciliation of net profit/loss reported in accordance with Indian GAAP to total comprehensive Income in respect defined employees benefit plans/other equity in accordance with Ind AS has not been made which may have effect on current quarter result. Management is of opinion there will be no major changes in this respect
  - d) Various legal cases are pending against and by the company, the amount is unascertainable , depending on the outcome of the cases necessary effects will be given in the book of accounts.
- 4) a) No provision for bank interest has been made during the quarter and previous year as on 30.06.2017 as the bank facilitated have been classified as Non Performing Assets by the Consortium banker. Bankers has issued notice to take possession of the security charged to bank under section 13 (4) SARFAESI Act 2002 and taken symbolic possession of the properties mortgaged and filed a securitization application in District Magistrate Court, Thane.
- b) Interest to suppliers for the quarter ended 30th June 2017 has not been provided as the company is in process in settlement of suppliers accounts.
- 5) The company has only one reportable segment namely "Power Products" hence segment disclosure under Ind AS 108 is not required.
- 6) Other income includes Rs. 56.33 Lac on sale of fixed assets (Extra Ordinary Income) and other expenses includes Rs. 13.23 Lac net of writing off/back debtors and creditors.
- 7) The above result as approved by audit committee and board of directors meeting held on 14th Aug 2017.

Place : 14th Aug' 2017  
Place : Mumbai



For PAE Limited

Pritam A Doshi  
Managing director

## PAE LIMITED

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

**R.C. VAKHARIA & CO.**  
Chartered Accountants

**ROHIT C. VAKHARIA**  
B.COM.(HONS), F.C.A.

404, Metro Avenue,  
Opp. WEH Metro Station,  
Andheri Kurla Road,  
Andheri East, Mumbai -400 099  
Tel No:- 022 2838 8282  
Email: rohitvakharia23@gmail.com

Ref. No.

Date:

To

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

1. We have reviewed unaudited financial results of PAE Limited (The company) for the quarter ended June 30, 2017 which are included in the accompanying 'Statement of Standalone unaudited financial results for the quarter ended 30<sup>th</sup> June 2017'. (The statement has been prepared by the company pursuant to regulation 33 of the Securities and Exchange Board of India ('Listing Obligation and Disclosure Requirements) Regulation,2015 ("The listing Regulation 2015"). The statement is the responsibility of the company's management and has been approved by the board of directors, further the management is also responsible to ensure that the accounting policies used in preparation of this statement are consistent with those used in the preparation of the company opening unaudited balance sheet as at April 1, 2016 prepared in accordance with the companies (Indian accounting standard) Rules 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue report on the statement based on our review. Attention is drawn to the fact the figure for the corresponding quarter ended 30<sup>th</sup> June 2016 including the reconciliation of profit/Loss for this period under Ind AS of the corresponding quarter with profit/Loss under the Companies (Accounting standards) Rules, 2006, as reported in these financial result have not been subjected to review or audit.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

**3. Basis for Qualified Conclusion**

a) We draw your attention that Net Worth of the company is negative at the quarter end 30th June, 2017. It has incurred accumulated losses of Rs. 6703.27 lacs till March 31, 2017 and loss of Rs. 61.25 Lakhs for the quarter and nine months ended making total accumulated loss of Rs. 6764.52 Lakhs as of June 30, 2017. Despite this, for the reasons mentioned in Note



No. 3(a) of Notes to the published results, the accounts have been prepared on going concern basis. This condition indicates existence of a material uncertainty that may cast significant doubt about the Company's ability to continue on a going concern basis. We don't have the appropriate audit evidence to consider the Company to continue as going concern.

- b) The balance of sundry debtors, sundry creditors, warranty receivables warranty payables and warranty stock are subject to reconciliation and confirmation. We draw attention to Note No. 3(b) of Notes to the published result.
- c) The reconciliation of net profit/loss reported in accordance with Indian GAAP to total comprehensive Income in respect defined benefit plans/other equity in accordance with Ind AS has not been made which may have effect on current quarter result. We draw attention to Note No. 3(c) of Notes to the published result.
- d) Various legal cases are pending against and by the company. The amount is unascertainable. We draw attention to Note No. 3 (d) of Notes to the published results.

#### 4. Emphasis of Matter

We draw your attention for carrying investment value of Rs. 25 Lac after diminution of Rs. 760.66 Lac to subsidiary company Shurjo Energy Pvt. Ltd . The company has discontinued its operations and its net worth is negative. Our review conclusion is not modified in above matter.

#### 5. Qualified Conclusion

Subject to matters referred in para 3 above and based on our review conducted as above, nothing has come to our attention that causes us to believe that the statement has not been prepared in all material respects in accordance with Ind AS and other recognized accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing, 2015 including the manner in which it is to be disclosed, or that it contains any materials misstatement.

For R. C. Vakharia & Co.  
Chartered Accountants  
FRN – 111237W

Date – 14th Aug, 2017  
Place – Mumbai



*R. C. Vakharia*

Rohit Vakharia  
Proprietor  
Mem. No. 033728

**ANNEXURE I**

**Statement on Impact of Audit Qualifications for the year ended June 30, 2017**

<b>I.</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications)</b>
	1.	Turnover / Total income	-	-
	2.	Total Expenditure	-	-
	3.	Net Profit/(Loss)	-	-
	4.	Earnings Per Share	-	-
	5.	Total Assets	-	-
	6.	Total Liabilities	-	-
	7.	Net Worth	-	-
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

**II. Audit Qualification (each audit qualification separately):**

**a. Details of Audit Qualification:**

1. We draw your attention that Net Worth of the company is negative as on 30<sup>th</sup> June, 2017. It has incurred accumulated losses of Rs. 6703.27 lacs till March 31, 2017 and loss of Rs. 61.25 Lakhs for the quarter ended making total accumulated loss of Rs. 6764.52 Lakhs as of June 30, 2017. Despite this, for the reasons mentioned in Note No. 3(a) of Notes to publish results, the accounts have been prepared on going concern basis. This condition indicates existence of a material uncertainty that may cast significant doubt about the Company's ability to continue on a going concern basis. We don't have the appropriate audit evidence to consider the Company to continue as going concern.
2. The balance of sundry debtors, sundry creditors, warranty receivable, warranty payables and warranty stock are subject to reconciliation. We draw attention to Note No.3 (b) of Notes to the published results.
- 3) The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive Income in respect defined benefit plans/other equity in accordance with Ind AS has not been made which may have effect on current quarter result. We draw attention to Note No. 3(c) of Notes to the published result.
- 4) Various legal cases are pending against and by the company. The amount is unascertainable. We draw attention to Note No. 3 (d) of Notes to the published results.

- b. **Type of Audit Qualification** : Qualified Opinion
- c. **Frequency of qualification: a (1) Year 2 and above (2) Year 1 and above 3) First quarter 4) Year 1 and above.**
- d. For Audit Qualification(s) where the impact is quantified by the auditor:
- I. Reason for the same:-**
- i. The management and Board of Directors of the company have initiated various steps like cost reduction, identifying non core assets for monetization which will improve the cash flows. Further steps are also being taken to evaluate various alternatives for raising funds and resolution of debts. The Board of Directors expects improvement in the business results in the forthcoming years. Accordingly, the financial statements have been prepared on going concern basis.
  - ii. The balance of sundry debtors, sundry creditors, warranty receivable, warranty payables and warranty stock are subject to reconciliation. The management is in process of reconciling the same.
  - iii ) The reconciliation of net loss reported in accordance with Indian GAAP to total comprehensive Income in respect defined employees benefit plans/other equity in accordance with Ind AS has not been made which may have effect on current quarter result. Management is of opinion there will be no major changes in this respect.
  - iv) Various legal cases are pending against and by the company, the amount is unascertainable , depending on the outcome of the cases necessary effects will be given in the book of accounts.
- II. Auditors' Comments on (i) (ii) (iii) and (iv) above :**
- (i) We have relied on:
    - Default of loan and notices issued by the bankers under section 13(4) of SARFAESI Act, 2002 and taken the symbolic possession of the security charged and filed the securitization application with District Magistrate Court, Thane.
    - Negative cash flows
    - Net Worth erosion
  - (ii) Non receipt of any confirmation from debtors, creditors, warranty receivable, payable claims and warranty stocks.


iii) Company has not made reconciliation in accordance with Indian GAAP to total comprehensive income in respect defined employees benefit plans/other equity which may effect on current quarter period.

iv) Various legal cases are pending against and by the company, the amount is unascertainable .

**III.**

- CEO/Managing Director
- CFO
- Audit Committee Chairman
- Statutory Auditor

**Signatories:**

Nitam A Doshi  
Nitam A Doshi  
  
R. V. Chavan

**Place: Mumbai**  
**Date: 14.08.2017**