



Sec:95

February 14, 2018

**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> February, 2018.**

With reference to our intimation letter dated 5.2.2018 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> February, 2018 and *inter-alia* transacted the following business:-

- 1) Considered and taken on record Unaudited Financial Results (Standalone) of the Company for the quarter and nine months ended **31<sup>st</sup> December, 2017** along with Limited Review Report of the Auditors. The financial results are also being published in newspapers.

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)

The Board Meeting concluded at 4.30 p.m.

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**

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



(Rupees in laacs)

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DEC 2017						
	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in previous year	Year to date figures for current period ended	Year to date figures for previous period ended
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>I</b>	<b>Income</b>					
	Revenue from Operations					
<b>II</b>	Other income	(1)	(2)	1	(2)	39
<b>III</b>	<b>Total Revenue</b>	<b>71</b>	<b>48</b>	<b>13</b>	<b>150</b>	<b>65</b>
<b>IV</b>	<b>Expenses</b>					
a)	Changes in inventories of traded goods	38	(31)	17	38	266
b)	Purchases of traded goods	(29)	33	(21)	5	(83)
c)	Employee benefits expense	21	22	35	65	222
d)	Finance cost	19	25	30	64	103
e)	Depreciation and amortisation	3	2	8	10	19
f)	Other expenses	65	119	49	155	241
	<b>Total Expenses</b>	<b>117</b>	<b>169</b>	<b>118</b>	<b>337</b>	<b>768</b>
<b>V</b>	<b>Profit Before Exceptional and Tax (III-IV)</b>	<b>(47)</b>	<b>(123)</b>	<b>(104)</b>	<b>(189)</b>	<b>(664)</b>
<b>VI</b>	Exceptional Items	43	43	0	43	0
	<b>Profit Before Exceptional and Tax (III-IV)</b>	<b>(4)</b>	<b>(80)</b>	<b>(104)</b>	<b>(146)</b>	<b>(664)</b>
<b>VII a)</b>	Tax expenses	0	0	0	0	0
b)	Current tax	0	0	0	0	0
c)	Deferred Tax	0	0	0	0	0
<b>VIII</b>	<b>Profit (Loss) for the period after Tax (V-VI)</b>	<b>(4)</b>	<b>(80)</b>	<b>(104)</b>	<b>(146)</b>	<b>(664)</b>
<b>IX</b>	Other Comprehensive Income (OCI)	3	0	0	3	0
<b>X</b>	<b>Total Comprehensive Income (VII+VIII)</b>	<b>(1)</b>	<b>(80)</b>	<b>(104)</b>	<b>(143)</b>	<b>(664)</b>
<b>XI</b>	Paid up Equity Share Capital (face value of Rs.10/- each)	1042	1042	1042	1042	1042
<b>XII</b>	<b>Earning Per Share (EPS) (of Rs.10/- each)</b>					
	Basic	(0.04)	(0.77)	(1.00)	(1.41)	(6.37)
	Diluted	(0.04)	(0.77)	(1.00)	(1.41)	(6.37)

**Notes:-**

- 1) The standalone 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.
- 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 nine months ended 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 & nine months ended Dec 31, 2016 have not been subjected to limited review or audit by statutory auditors financial results presented based on information compiled by management however management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
- 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 balances of sundry debtors, sundry creditors, warranty receivables, warranty payables written off and warranty stock are subject to reconciliation and confirmation. Closing stock is subject to physical verification. Management is in process of reconciling the same.

**PAE LIMITED**

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- c) The reconciliation of net loss reported in accordance with Indian GAAP to total comprehensive Income in respect of Equity Financial Instruments in accordance with Ind AS has not been made which may have effect on nine months ended result and No comparative is available for December, 2016 with regards to Employee benefit Expense and Equity Financial Instruments as required by Ind AS. This may have effect on balance of other equity. Management is of opinion there will be no major changes in this respect.
- d) Various legal cases are pending against the company 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 nine months ended 31.12.2017 and also for previous year as on 31.03.2017 as the bank facilities 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. The company is in process to negotiate with Bankers for settlement and representing again for settlement.
- b) Interest to suppliers for the quarter and nine months ended 31st Dec 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. 127.97 Lac creditors and warranty payable written back. Other expenses includes Rs. 65.21 Lac for writing off bed debts as identified by management as not recoverable.
- 7) Company entered an agreement on 29.09.2017 to sale its holding in subsidiary company Shurjo Energy Pvt Ltd. (99.98%) in three different tranches. Company accounted sale of first tranche (53.40%) for consideration of Rs. 0.50 Lac. Further loss on sale of second/third tranches will be booked on realisation of consideration above all tranches are subject to valuation by independent valuer.
- 8) The reconciliation of Net profit reported in prior periods in accordance with Indian GAAP to total comprehensive Income in accordance with Ind AS

No.	Particulars	3 Months ended 31/12/2016	Year to date period ended 31/12/2016
		(Rs. In Lakhs)	(Rs. In Lakhs)
1	Net loss for the period as per Indian GAAP	(104)	(664)
2	Add/(Less) : adjustment for Ind AS		
	(a) On account of reclassification of actuarial gains, arising in respect of defined benefit plans	-	-
	(b) Tax impact on above	-	-
	Total	-	-
3	Net Profit/(loss) for the period as per Ind AS	(104)	(664)
4	Other Comprehensive Income/(Expenses)	-	-
5	Total Comprehensive Income	(104)	(664)

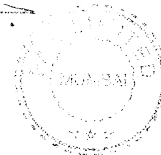
Note : Reconciliation is not required due to the following :

- 1 Property plant and equipment carried forwarded at carrying cost. No fair valuation done
- 2 Investment in subsidiaries valued at cost and no fair valuation is taken into account.  
This is as per board decision and there is no change in any accounting policies.
- 9) Exceptional items(net) represent profit on sale of property Rs. 56.27 Lac and loss on sale of investment of subsidiary Rs. 12.85 Lac
- 10) Previous years/Quarters figure are regrouped wherever necessary.
- 11) The above result were reviewed and recommended by audit committee and approved by board of directors in the meeting held on 14th Feb 2018. The results for the quarter ended 31st Dec 2017 has been subjected to limited review by the Statutory Auditors.

For PAE Limited

Pritam A Doshi  
Managing director

Place : 14th FEB' 2018  
Place : Mumbai



## PAE LIMITED

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**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 and nine months ended December 31, 2017 which are included in the accompanying 'Statement of Standalone unaudited financial results for the quarter and nine months ended December 31 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 recognized 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 and nine months ended December 31, 2017 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 of this statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditors of the Entity' issued by 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 and nine months ended 31<sup>st</sup> December, 2017. It has incurred accumulated losses of Rs. 6703.27 lacs till March 31, 2017 and loss of Rs. 146.02 Lakhs for the quarter and nine months ended December' 2017 making total accumulated loss (Deficit in Profit & Loss account ) of Rs.

6849.29 Lakhs as of December 31, 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 balances of sundry debtors , sundry creditors, warranty receivables, warranty payables written off and warranty stock are subject to reconciliation and confirmation. Closing stock is subject to physical verification. We draw attention to Note No. 3(b) of Notes to the published result.
- c) The reconciliation of net loss reported in accordance with Indian GAAP to total comprehensive Income in respect of Equity Financial Instruments in accordance with Ind AS has not been made which may have effect on nine months ended result and No comparative is available for December, 2016 with regards to Employee benefit Expense and Equity Financial Instruments as required by Ind AS. This may have effect on balance of other equity. We draw attention to Note No. 3(c) of Notes to the published result.
- d) Various legal cases are pending against the company 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. 11.65 Lac (after diminution of Rs. 760.66 Lac & after sale of 53.40% shares at a consideration of Rs. 0.50 Lakhs) in subsidiary company Shurjo Energy Pvt. Ltd and proportionate reduction in cost of its investment on sale. The company has discontinued its operations and its net worth is negative. The company entered into an agreement to sale its holding in three different tranches. Further the carrying value of investment will be adjusted on receipt of consideration and which is subject to valuation by independent valuer. 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

*R C Vakharia*

Rohit Vakharia  
Proprietor  
Mem. No. 033728

Date – 14.02.2018  
Place – Mumbai

ANNEXURE I

**Statement on Impact of Audit Qualifications for the quarter and Nine month ended December, 2017**

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
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 31<sup>st</sup> December, 2017. It has incurred accumulated losses of Rs. 6703.27 lacs till March 31, 2017 and loss of Rs. 146.02 Lakhs for the quarter and six months ended making total accumulated loss (Deficit in Profit & Loss account) of Rs. 6849.29 Lakhs as of December 31, 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. Closing stock is subject to physical verification. We draw attention to Note No.3 (b) of Notes to the published results.
3. The reconciliation of net loss reported in accordance with Indian GAAP to total comprehensive Income in respect of Equity Financial Instruments in accordance with Ind AS has not been made which may have effect on nine months ended result and No comparative is available for December, 2016 with regards to Employee benefit Expense and Equity Financial Instruments as required by Ind AS. This may have effect on balance of other equity. We draw attention to Note No. 3(c) of Notes to the published result.
- 3) Various legal cases are pending against the company 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:** (1) Year 2 and above  
(2) Year 1 and above  
(3) Nine Months  
(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. Closing stock is not physically verified. The management is in process of reconciling and physically verifying the same.
- iii) The reconciliation of net loss reported in accordance with Indian GAAP to total comprehensive Income in respect of Equity Financial Instruments in accordance with Ind AS has not been made which may have effect on nine months ended result. No comparative is available for December, 2016 with regards to Employee benefit Expense and Equity Financial Instruments as required by Ind AS. Management is of opinion there will be no major changes in this respect.
- iv) Various legal cases are pending against the company, 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. Winding up petition filed by suppliers.
- Negative cash flows
- Net Worth erosion



- (ii) Non receipt of any confirmation from debtors, creditors, warranty receivable, payable claims and warranty stocks. No physical verification report is available.
- (iii) The reconciliation of net loss reported in accordance with Indian GAAP to total comprehensive Income in respect of Equity Financial Instruments in accordance with Ind AS has not been made which may have effect on nine months ended result and No comparative is available for December, 2016 with regards to Employee benefit Expense and Equity Financial Instruments as required by Ind AS. This may have effect on balance of other equity.
- (iv) Various legal cases are pending against the company and by the company, the amount is unascertainable.

**III.**

CEO/Managing Director

CFO

Audit Committee Chairman

Statutory Auditor

**Signatories:**

Pritam A. Bodhe

Pritam A. Bodhe

R. Vaidya

**Place: Mumbai**

**Date: 14.02.2018**