

PAE LIMITED
68th Annual Report 2017-2018



Company Information

BOARD OF DIRECTORS:

| | | |
|------------------------------|---|-----------------------------------------------|
| Mr. Arvind R. Doshi | : | Non-Executive Chairman |
| Mr. Pritam A. Doshi | : | Managing Director |
| Dr. Mrs. Pratibha A. Doshi | : | Non-Executive Director |
| Mr. Karthikeyan Muthuswamy | : | Independent Director |
| Mr. John O. Band | : | Independent Director (Res. w.e.f. 27.03.2018) |
| Mr. Vijaykumar Nanappan Nair | : | Independent Director (App. w.e.f. 14.02.2018) |

AUDIT COMMITTEE:

| | | |
|------------------------------|---|-----------------------------------|
| Mr. John O. Band | : | Chairman (Res. w.e.f. 27.03.2018) |
| Mr. Vijaykumar Nanappan Nair | : | Chairman (App. w.e.f. 29.05.2018) |
| Mr. Karthikeyan Muthuswamy | : | Member |
| Mr. Pritam A. Doshi | : | Member |

NOMINATION AND REMUNERATION COMMITTEE:

| | | |
|------------------------------|---|-----------------------------------|
| Mr. John O. Band | : | Chairman (Res. w.e.f. 27.03.2018) |
| Mr. Karthikeyan Muthuswamy | : | Chairman (App. w.e.f. 29.05.2018) |
| Mr. Arvind R. Doshi | : | Member |
| Mr. Vijaykumar Nanappan Nair | : | Member (App. w.e.f. 29.05.2018) |

STAKEHOLDER RELATIONSHIP COMMITTEE

| | | |
|----------------------------|---|-----------------------------------|
| Mr. John Band | : | Chairman (Res. w.e.f. 27.03.2018) |
| Mr. Karthikeyan Muthuswamy | : | Chairman (App. w.e.f. 29.05.2018) |
| Mr. Arvind R. Doshi | : | Member |
| Mr. Pritam A. Doshi | : | Member |

REGISTERED & CORPORATE OFFICE:

PAE Limited, 69, Tardeo Road, Mumbai 400034.

BANKERS:

State Bank of India
Corporation Bank

STATUTORY AUDITORS:

M/s. R. C. Vakharia & Co., Chartered Accountants.

SECRETARIAL AUDITOR:

M/s. Leena Agrawal & Co., Practicing Company Secretary

ANNUAL GENERAL MEETING:

Day, Date & Time : Saturday, 29th September, 2018 at 11.00 A.M.
Venue : The Victoria Memorial School for the Blind
73, Tardeo Road, Next to H.P. Petrol Pump,
Mumbai-400034.

PAE LIMITED

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

NOTICE

NOTICE is hereby given that the 68th Annual General Meeting of the members of **PAE LIMITED** will be held on Saturday **29th day of September, 2018** at The Victoria Memorial School for the Blind, 73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai-400034 at 11.00 a.m. to transact the following businesses:

ORDINARY BUSINESSES:

1. To Consider and approve Financial Statements consist of Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss for the year ended on that date together with the Director's and Auditors report thereon.
2. To re-appoint a director in place of Mr. Arvind R. Doshi (holding DIN No. 00015293) Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. R. C. Vakharia & Company, Chartered Accountants, Mumbai, (having Firm Registration no. 111237W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration and out of pocket expenses as may be mutually agreed by them with the Board of Directors.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution as a **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) ("**Act**") read with Schedule IV to the Act, Mr. Vijaykumar Nanappan Nair (holding DIN No. 08089578), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for (3) three consecutive years commencing from **February 14, 2018 to February 13, 2021.**"

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

"RESOLVED THAT pursuant to Section 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto, the members of the company do hereby accords their approval and consent to the appointment of **Mr. Pritam A. Doshi (DIN:00015302) as Managing Director** (age about 45 years) of the Company for a period of **Three years** with effect from **01st April, 2018 to till 31st March, 2021** and to his receiving remuneration, benefits, amenities and other terms and conditions as Managing Director of the Company as set out herein below:

The proposed remuneration to be paid to Mr. Pritam Doshi and the perquisites proposed to be provided to him is set out below:

- i) Salary - Rs. 3,50,000/- per month.
- ii) Increments - Such increments as may be fixed by the Board of Directors from time to time.
- iii) Special Allowance as may be decided by the Board from time to time.
- iv) Provident Fund - Company's contribution not to exceed 12% of salary.
- v) Gratuity - Gratuity benefits as applicable to Officers of the Company and shall be subject to the maximum amount as may be permitted under the Company's rules in relation to gratuity prevailing from time to time.
- vi) Housing - House Rent Allowance of such amount as may be fixed by the Board of Directors from time to time. The flat (either owned or leased or for which House Rent Allowance is paid) shall be partly furnished, painted at such periodic intervals as per rules of the Company and air conditioned with reimbursement of gas, water and electricity bills, the monetary value of which may be evaluated as per the Income-tax Rules, 1962.

- vii) Medical Aid - Medical aid benefits for self and family as applicable to the Officers of the Company, subject to the condition that the cost of medical benefits to the Company shall not exceed Rs.15,000/- per year.
- viii) Free use of the Company's car and fuel expenses for use on the Company's business as well as for own use. If car is leased from an external agency or from spouse, lease rental and fuel expenses will be paid as per rules of the Company.
- ix) Reimbursement of salary of driver as per rules of the Company.
- x) Leave on full pay and allowances as per rules of the Company for such number of days of leave as may be granted to other employees of the Company in the Head Office.
- xi) Leave Travel Concession for self and family for undertaking one or more journeys in India subject to a ceiling of one and half month's salary in a financial year.
- xii) Reimbursement of actual travelling and entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.
- xiii) Reimbursement of expenses on mobile phone and landline phone at residence as per rules of the Company.

MINIMUM REMUNERATION

The above remuneration (including perquisites) shall be paid to Mr. Pritam Doshi as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company.

OTHER TERMS AND CONDITIONS

- a) He shall not be paid any sitting fees for attending Board/ Committee Meetings.
- b) He shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency without prior approval of the Central Government.
- c) The appointment may be terminated by the Company or by Mr. Pritam Doshi by giving not less than three months' prior notice in writing.

"RESOLVED FURTHER THAT pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the consent of the members be and is hereby accorded that Mr. Pritam A. Doshi (DIN:00015302), Managing Director of the Company be paid remuneration by way of Salary, Perquisites and Allowances with effect from 1st April, 2018 for the period of his tenure ending on 31st March, 2021, in case where in any financial year, during the currency of the tenure of Mr. Pritam Doshi as Managing Director, the Company has no profits or its profits are inadequate, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT any one director and/or company secretary of the company be and are hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

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

"RESOLVED THAT, pursuant to Section 180(1)(a), 110 and 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Companies (Amendment) Act, 2017 and subject to all other applicable provisions of the Companies Act, 2013, if any, (including any statutory modification or re-enactment thereof for the time being in force), regulation 24 of the SEBI (Listing Obligations and

Disclosures Requirements) Regulations, 2015, the provisions of the Memorandum and Articles of Association of the Company and further subject to the necessary approvals, consents, permissions and sanctions required from the Company's lenders, and/or other institutions or bodies, statutory authorities, and such conditions or modifications as may be prescribed by any of them while granting any such approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the powers conferred by this resolution), consent of the Members of the Company be and is hereby accorded for divest and dispose-off PAE Infrastructure Private Limited, a Wholly Owned Subsidiary of the Company by way of striking-off u/s 248(5) of the Companies Act, 2013.

RESOLVED FURTHER THAT, for the purpose of giving effect to the above resolution the Board of Directors of the Company or a duly authorized Committee thereof, be and is hereby authorized to take such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to divest and dispose-off and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

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

Date: May 29, 2018
Place: Mumbai

NOTES:

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

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

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

2. Members are requested to intimate the Registrar and Share Transfer Agent of the Company M/s. Link Intime India Private Ltd., immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DP) in respect of equity shares held in dematerialized form.
3. Members holding share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant share certificates to the Registrar and Share Transfer Agent of the Company.
4. The Register of Members and Share Transfer books of the Company will remain closed from September 24, 2018 to September 29, 2018 (both days inclusive). The Book closure dates have been fixed in consultation with the Stock Exchanges.
5. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to Sections 124(5) and other applicable provisions, if any, of the Companies Act, 2013, all unclaimed/unpaid dividends, remaining unclaimed for a period of seven (7) years from the date it became due for payment, in relation to the Company have to be transferred to IEPF and no claim shall lie against the Company for the amounts so transferred. Members who have not yet encashed their dividend warrant(s) pertaining to final dividend for the financial year 2010-2011 are requested to make their claim without any delay. It may be noted that the unclaimed final dividend for the financial year 2010-2011 declared by the Company on July 30, 2011 can be claimed by the shareholders by September 15, 2018 and any request for claim received after this date, will be considered as not received.

6. Compulsory Dematerialisation of Securities:

Persuant to notification dated 8th of June, 2018 towards amendment of SEBI (LODR) Regulations, 2015 the securities held in Physical form shall not be transfer unless the securities are held in Dematerialised form with a depository. Accordingly we hereby intimating all the shareholders holding shares in Physical form to convert the same in Dematerialised form on or before 30th November, 2018 via submitting request with Depository mentioned herein. Also note that any request for physical transfer shall not be entertained by Company and Registrar and Share Transfer Agent after 30th November, 2018 (IST 5:00 pm).

7. According to the Circular nos.17/2011 dated 21.04.2011 and no.18/2011 dated 29.4.2011 on "Green Initiative in Corporate Governance" issued by the Ministry of Corporate Affairs introducing paperless compliances

allowing service of documents through electronic mode. The Companies are now permitted to send various notices/documents to its shareholders through electronic mode which would be sufficient compliance under Section 53 of the Companies Act, 1956. In order to support the Green Initiative, Notice of AGM along with the Annual Report 2017-2018 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company /Depositories, unless Member has requested for a physical copy of the same. Members who have not registered their e-mail addresses, physical copies are being sent to them by the permitted mode.

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

8. Investor Grievance Redressal:

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

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

The instructions for shareholders voting electronically are as under:

1. The voting period begins on 25.09.2018 (9.00 a.m. IST) and ends on 28.09.2018 (5.00 p.m. IST).
2. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21/09/2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The shareholders should log on to the e-voting website www.evotingindia.com.
 - (i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (ii) Now, select the "PAE Limited" form the drop down menu and click on "SUBMIT"
 - (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (iv) Next enter the Image Verification as displayed and Click on Login.
 - (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (vi) If you are a first time user follow the steps given below:

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

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for PAE Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

In case of member receiving the physical copy:

- (A) Please follow all steps from sl. no.(i) to sl. No (xviii) above to cast vote.

The voting period begins on 25.09.2018 (9.00 a.m. IST) and ends on 28.09.2018 (5.00 p.m. IST). During these period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 21/09/2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

- The resolutions proposed will be deemed to have been passed on the date of AGM subject to receipt of number of votes in favour of the resolutions.
- M/s. Leena Agrawal & Co., Practicing Company Secretary, (Membership No.: FCS 6607) has been appointed as the Scrutinizer to scrutinize the e-voting process.
- In terms of Clause 35B of the Listing Agreement, those members, who do not access to e-voting facility, may send their assent or dissent in writing on the Ballot Form sent along with this AGM Notice so as to reach the Scrutinizer at the Address- M/s. Leena Agrawal & Co., Practicing Company Secretary, (Membership No.: FCS 6607) C/o. Link Intime India Private Limited (Unit: PAE Limited), at C-101, 247, Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 on or before September 28, 2018 (IST 5:00 p.m.). Any Ballot Form received after IST 5.00 p.m. will be treated as the reply from the member has not been received.
- Voting will be provided to the members through e-voting and / or at the venue of the Meeting. A member can opt for only one mode of voting i.e. either through e-voting or ballot if a member cast votes by both modes, then voting done through e-voting shall prevail and the ballot shall be treated as invalid.
- All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Registered office on all working days of the Company between 10.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting except Saturday, Sundays and Public holidays.

For PAE Limited

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

Date: May 29, 2018
Place: Mumbai

ANNEXURE TO NOTICE:

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECTION 110 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 IS ANNEXED HERETO.**Item No. 4**

Pursuant to the provisions of section 149 of the Companies Act, 2013 ("2013 Act") which came into effect from April 1, 2014, every listed Company is required to have at least one-third of the total number of Directors as Independent Directors, who are not liable to retire by rotation. The Securities and Exchange Board of India ("SEBI") vide its circular has directed that these Independent Directors are required to be appointed for 3 to 5 consecutive years and for maximum two term of such three to five years and those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. The Board of Directors at its meeting held on May 23, 2014 has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the 2013 Act and the SEBI circular. In effect the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceeds 5 years.

A Short brief about the Independent Directors is mentioned below:

Mr. Vijaykumar Nanappan Nair is a graduate in Psychology. He has pursued Diploma in Business Administration and Diploma in Effective Business Communication. He holds more than 35 years of experience in Automobile Battery Industry and recently served as the National Head. As National Head, Mr. Vijaykumar built a nation wide battery sales and service organization and established a new brand on the national level within a span of 18 months. He has visited various parts of the country to develop business across India. He has also visited countries like Sri-Lanka, Malaysia, Singapore & Bangladesh for building Business relationships. He was a member of Ahmedabad Management Association and has been a member of Gujarat Sports Club for 17 years.

The Ordinary Resolutions are recommended by the Board for the approval of the Members.

Item No.5:

Mr. Pritam A. Doshi, aged 45 years, is a promoter and Managing Director of the Company and having over 23 years of industry experience in the field of Bioengineering, management, information technology, investment strategy etc. The current term of appointment of Mr. Pritam Doshi as a Managing Director of the Company expired on March 31, 2018 and board of directors, subject to approval of members, appointed him as Managing Director for further period of three years with effect from April 01, 2018.

Pursuant to Sections 196 & 197 read with Schedule V of the Companies Act, 2013 requires the payment of minimum remuneration in case of lack or inadequacy of profits to be approved by the Members by way of a Special Resolution for a period not exceeding three years. As a Promoter and Managing Director, Mr. Pritam A. Doshi's leadership has led to the development of technologically and management of the company due to which the Company is looking forward to an exciting growth phase. In view of this, it is proposed to seek the approval of Members for re-appointment of Mr. Pritam A. Doshi with the following remuneration structure:

- i) Salary - Rs. 3,50,000/- per month.
- ii) Increments - Such increments as may be fixed by the Board of Directors from time to time.
- iii) Special Allowance as may be decided by the Board from time to time.
- iv) Provident Fund - Company's contribution not to exceed 12% of salary.
- v) Gratuity - Gratuity benefits as applicable to Officers of the Company and shall be subject to the maximum amount as may be permitted under the Company's rules in relation to gratuity prevailing from time to time.
- vi) Housing - House Rent Allowance of such amount as may be fixed by the Board of Directors from time to time. The flat (either owned or leased or for which House Rent Allowance is paid) shall be partly furnished, painted at such periodic intervals as per rules of the Company and air conditioned with reimbursement of gas, water and electricity bills, the monetary value of which may be evaluated as per the Income-tax Rules, 1962.
- vii) Medical Aid - Medical aid benefits for self and family as applicable to the Officers of the Company, subject to the condition that the cost of medical benefits to the Company shall not exceed Rs. 15,000/- per year.
- viii) Free use of the Company's car and fuel expenses for use on the Company's business as well as for own use. If car is leased from an external agency or from spouse, lease rental and fuel expenses will be paid as per rules of the Company.

- ix) Reimbursement of salary of driver as per rules of the Company.
- x) Leave on full pay and allowances as per rules of the Company for such number of days of leave as may be granted to other employees of the Company in the Head Office.
- xi) Leave Travel Concession for self and family for undertaking one or more journeys in India subject to a ceiling of one and half month's salary in a financial year.
- xii) Reimbursement of actual travelling and entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.
- xiii) Reimbursement of expenses on mobile phone and landline phone at residence as per rules of the Company.

MINIMUM REMUNERATION

The above remuneration (including perquisites) shall be paid to Mr. Pritam Doshi as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company.

OTHER TERMS AND CONDITIONS

- a) He shall not be paid any sitting fees for attending Board/ Committee Meetings.
- b) He shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency without prior approval of the Central Government.
- c) The appointment may be terminated by the Company or by Mr. Pritam A. Doshi by giving not less than three months' prior notice in writing.

The re-appointment and the remuneration proposed fulfill the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of Government of India is not required. A copy of the agreement containing the terms and conditions of re-appointment of Mr. Pritam A. Doshi is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto and including the date of the Annual General Meeting.

Accordingly the Board recommends the passing of the special resolution as set out in the Item No. 5 of the Notice.

Item No.6:

The Company holds 100% of the shareholding in PAE Infrastructure Private Limited a wholly owned Subsidiary (WOS) i.e. 3,52,000 shares of Rs.10/- each comprising value of Rs.3,52,000/-. Considering the present financial constraints, erosion of entire net worth of the WOS for the financial year ended 31st March, 2018 and operations of the company shuttered, the management opinion it is difficult to revive and operate the said WOS and it is necessary to strike-off in order to avoid operating and compliance expenses.

It is thus proposed to dispose-off the WOS Company by way of striking-off the name of company u/s 248(3) of the Companies Act, 2013 after discharge of all liabilities and Assets. There was Nil Assets and Directors of WOS are in process to pay of all outstanding liabilities as on 31st March, 2018.

The approval of the members is being sought under Section 180(1)(a) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Board recommends the resolution as set out in the Item No.6 of the Notice approval by the shareholders.

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

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

**Date: May 29, 2019
Place : Mumbai.**

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

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

| Name of Director | Mr. Vijaykumar N. Nair | Mr. Arvind Raoji Doshi | Mr. Pritam A. Doshi |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Date of Birth | 21.05.1951 | 26.11.1939 | 09.04.1973 |
| Nationality | Indian | Indian | Indian |
| Date of Initial Appointment | February 14, 2018 | April 16, 1994 | January 30, 2004 |
| Expertise in specific functional areas | Mr. Vijaykumar Nannapan Nair 67 years old and holds more than 35 years of experience in Automobile Battery Industry and recently served as the National Head. He was a member of Ahmedabad Management Association and has been a member of Gujarat Sports Club for 17 years | Mr. 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. | Mr. Pritam A. Doshi is having a wide exposure in the Automobile, Healthcare and IT Industry. |
| Qualifications | He is a graduate in Psychology. He has pursued Diploma in Business Administration and Diploma in Effective Business Communication. | Civil & Sanitary Engineer and Diploma in Business Management. | B. S. (Bio-Engg.) from the University of Pennsylvania, Philadelphia, U.S. A. and M. B. A. from University of Chicago, U.S. A. |
| Other Public Companies in which Directorship is held as on March 31, 2018. | Nil | 1. Sadhana Nitro Chem Ltd. | Nil |
| Chairman of Committees formed by Board of other Companies on which he is a Director as on March 31, 2018. | Nil | Remuneration Committee: 1. Sadhana Nitro Chem Ltd. | Nil |
| Member of Committees formed by Board of other Companies on which he is a Director as on March 31, 2018. | Nil | Audit Committee: 1. Sadhana Nitro Chem Ltd. Share Transfer / Investor Grievances Committee: 1. Sadhana Nitro Chem Ltd. | Nil |
| Shareholding in the Company as on March 31, 2018. | Nil | 26,55,728 | 13,95,199 |

DIRECTORS' REPORT

To, The Members,

Your Directors presents their 68th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

STATE OF COMPANY'S AFFAIRS:

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

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

FINANCIAL RESULTS:

The financial highlights of the year are:

| Particulars | (Rs. in Lacs) | | | |
|-------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | Standalone | | Consolidated | |
| | March 2018 | March 2017 | March 2018 | March 2017 |
| Income from operation | 8.92 | 47.36 | 9.51 | 63.20 |
| Other Income | 202.30 | 152.89 | 202.30 | 147.14 |
| Total Income | 211.22 | 200.25 | 211.81 | 210.34 |
| Profit/(loss) before Interest, Depreciation, Tax and Exceptional Items | (91.05) | (402.39) | (95.11) | (405.43) |
| Less: Interest Expenses | 47.00 | 95.07 | 47.02 | 95.16 |
| Less: Depreciation | 14.14 | 24.23 | 17.94 | 37.41 |
| Less: Exceptional Items | - | - | (131.72) | 650.58 |
| Profit/(loss) before Tax | (152.18) | (521.70) | (291.80) | 112.57 |
| Less Provision for Taxation | - | - | 0.03 | 0.79 |
| Net Profit/(Loss) after Tax | (152.18) | (521.70) | (291.83) | 111.78 |

During the financial year 2017-2018 the total income was Rs. 211.22 Lakhs compared to last year's total income of Rs.200.25 Lakhs. Loss before Tax was Rs. 152.18 Lakhs in the current year as compared to Rs.521.70 Lakhs in the previous year. This was due to the decrease in sales on account of difficult market condition, financial crunch and challenging situation worldwide.

DIVIDEND AND BOOK CLOSURE:

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

The register of members and share transfer books will remain close from September 24, 2018 to September 29, 2018 (both days inclusive) for the 68th Annual General Meeting of the Company scheduled to be convened on September 29, 2018 at 3:00 pm at The Victoria Memorial School for the Blind, 73, Tardeo Road, Next H. P. Petrol Pump, Mumbai-400 034.

SHARES CAPITAL:

Authorised Capital

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

Equity Shares

The paid up Equity share capital of the Company as on March 31, 2018 was Rs. 10,41,96,000/- comprising of 1,04,19,600 equity shares of Rs. 10/- each.

Preference Shares

The paid up Preference share capital of the Company as on March 31, 2018 was Rs.9,10,00,000/- comprising of 91,00,000 11% Non-Convertible, Cumulative, Redeemable Preference shares of Rs. 10/- each..

MEETINGS BOARD OF DIRECTORS:

The Meetings of the Board of Directors are pre-scheduled and intimated to all the Directors in advance in order to help them to plan their schedule. However, in case of special and urgent business needs, approval is taken either by convening meetings at a shorter notice with consent of all the Directors or by passing resolutions through circulation. During the year, the Board of Directors met 7 times i.e. on May 29, 2017, June 14, 2017, June 27, 2017, August 1, 2017, August 14, 2017, November 14, 2017 and February 14, 2018.

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS:

Pursuant to the provisions of Section 134(3)(d) of the Companies Act, 2013, disclosure is hereby given that the Company has received declaration / confirmation of independence from all the Independent Directors of the Company.

The certificates of independence received from all the Independent Directors have been duly noted by the Board.

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

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

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

AUDIT COMMITTEE:

The Company has an Independent Audit Committee comprising of 3 members i.e. 2 Independent Directors and 1 Executive Director. All the members of the Audit Committee are financially literate. In view of their professional qualification and experience in finance, all are considered to have financial management and accounting related expertise. Terms of reference of the Audit committee are elaborated in the Corporate Governance report which forms the part of this Annual Report.

The Audit Committee presently comprises of and Mr. Vijaykumar Nanappan Nair as a Chairman and Karthikeyan Muthuswamy and Mr. Pritam A. Doshi as its members. Mr. John O. Band, Independent Director was the Chairman of the committee and he has resigned from the board w.e.f. 27.03.2018. Consequently the Audit committee reconstituted and appointed Mr. Vijaykumar Nanappan Nair, Independent Director as a Chairman of the Committee w.e.f. 29.05.2018.

NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions of Section 178(5) of the Companies Act, 2013, Rule 6 of the Companies (Meetings of Board & its Powers) Rules, 2014 and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has constituted a Nomination and Remuneration Committee of the Board of Directors.

The Nomination & Remuneration Committee presently comprises Mr. Karthikeyan Muthuswamy as a Chairman and Mr. Arvind R. Doshi and Mr. Vijaykumar Nanappan Nair as its members. Mr. John O. Band, Independent Director was the member of the committee and he has resigned from the board w.e.f. 27.03.2018. Consequently the Nomination & Remuneration Committee reconstituted and appointed Mr. Vijaykumar Nanappan Nair, Independent Director as a member of the Committee w.e.f. 29.05.2018.

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has constituted a Stakeholders' Relationship Committee of the Board of Directors.

The Stakeholder Relationship Committee comprises of Mr. Karthikeyan Muthuswamy, Independent Director as its Chairman and Mr. Arvind R. Doshi and Mr. Pritam A. Doshi as its members. Mr. John O. Band, Independent Director was the Chairman of the committee and he has resigned from the board w.e.f. 27.03.2018. Consequently The Nomination & Remuneration Committee reconstituted and appointed Mr. Karthikeyan Muthuswamy, Independent Director as a Chairman of the Committee w.e.f. 29.05.2018.

The minutes of the Stakeholder Relationship Committee meetings are reviewed and noted by the Board from time to time.

DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors confirms that:

- in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act

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

PARTICULARS OF LOANS MADE, GUARANTEES GIVEN OR INVESTMENTS BY THE COMPANY U/S 186 OF THE COMPANIES ACT, 2013:

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

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

During the year there was no related party transactions of material nature that may have a potential conflict with interests of the Company, all transactions with related parties were in the normal course of business. On recommendation of Audit Committee the Board ratifies all the related party transactions on quarterly basis. The details of the transactions are annexed herewith as 'Annexure- 1' in the prescribed form AOC-2

MATERIAL CHANGES AND COMMITMENTS:

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

CONSOLIDATED FINANCIAL STATEMENT:

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

CORPORATE SOCIAL RESPONSIBILITY:

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

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

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

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

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

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

Details pertaining to remuneration as required under section 197(12) of the Companies act, 2013 read with rule 5(1) of the companies (appointment and Remuneration of managerial personnel) rules, 2014 are provided in 'Annexure-2' to the Board's Report.

MANAGERIAL REMUNERATION AND RELATED DISCLOSURES:

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

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

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

SUBSIDIARY / ASSOCIATE COMPANIES:

The Company had one unlisted Indian Wholly owned subsidiary as defined in Regulation (2)(zm) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 namely PAE Infrastructure Pvt. Ltd. and one Associate company namely Shurjo Energy Pvt. Ltd.. The Shareholders in the 67th Annual General Meeting consented to sale Subsidiary company and investment in Associate Company. Accordingly investment in M/s. Shurjo Energy Pvt. Ltd. Sold during the F.Y. 2017-2018 and company is in process of closure of PAE Infrastructure Pvt. Ltd., due to non-operation and necessary approvals of members seeking in this AGM. Existing subsidiary fall under the category of 'material non-listed Indian subsidiary'. However, the financial statements of all subsidiary company including investments made, if any, are periodically reviewed by the Audit Committee. The company has formulated policy for determining material subsidiary pursuant to regulation 16(c) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The financial performances, Minutes of Board Meetings of these subsidiary company and all significant transactions or arrangements entered into by the subsidiary companies are reviewed by the Board of the Directors from time to time.

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

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

In terms of explanation to Rule 19 of the Companies (Acceptance of Deposits) Rules, 2014, the Company has to pay an amount of Rs.4.45 Lakhs deposits are matured but not claimed for the year under review and will be repaid on claim of respective holder as per the terms of acceptance of the same,

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

STATUTORY AUDITORS AND INDEPENDENT AUDIT REPORT

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

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

The Audit Committee and the Board of Directors therefore recommend the appointment of M/s. R. C. Vakharia & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2018-2019 for the approval of the Members.

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

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

The Company undertaken Secretarial Audit for the year 2017-2018 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Agreement and Regulations and Guidelines prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999. The Secretarial Audit Report issued by M/s. Leena Agrawal & Company, Practicing Company Secretary is enclosed herewith as Annexure-4.

RESPONSES TO QUALIFICATIONS, RESERVATIONS, ADVERSE REMARKS & DISCLAIMERS MADE BY THE STATUTORY AUDITORS AND THE SECRETARIAL AUDITORS:

Referred to 'Basis for Qualified Opinion' by Statutory Auditors in their report, we hereby reply that:

Para (a) : due to critical financial conditions which resulting lowered operations of the company, operating costs bore by the company resulted accumulated losses. The management is striving to come out from this situation by raising finance from banks, NBFC and/or financiers and having hope that company could revive in coming further and being going concern for years to come.

Para (b) : The management is in process to make necessary arrangement for physical verification of stock and reconciliation of Sundry debtors, sundry creditors, warranty receivables, warranty payables and warranty stock.

Para (c) : The amount involved in various legal cases is subject to order of the respective courts and increasing interest costs, hence the same is unascertainable.

Response to the Qualifications / Adverse remarks in Secretarial Audit Report

In reference to the adverse remark by the Secretarial Audit Report regarding Appointment of Company Secretary and Compliance Office, the company has appointed Mr. Pranay Nandgaonkar, Company Secretary (Mem. No.A41333) as a Company Secretary and Compliance Officer of the Company at the board meeting held on 29.05.2018 w.e.f. 01.06.2018.

HUMAN RESOURCES

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

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The company has formed the committee to prevent Sexual harassment under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Formulated Policy on prevention of sexual harassment and safety of women employees at work place. There was no incidence of sexual harassment during the financial year ended 31st March, 2018.

SIGNIFICANT REGULATORY OR COURT ORDERS:

During the Financial Year 2017-18, there were no significant and material orders passed by the regulators or Courts or Tribunals which can adversely impact the going concern status of the Company and its operations in future

CORPORATE GOVERNANCE:

As required by the existing Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a detailed report on Corporate Governance is included in the Annual Report.

M/s. R. C. Vakharia & Co., Chartered Accountants have certified the Company's compliance of the requirements of Corporate Governance in terms of Regulation 34 of the Listing Regulations and their Compliance Certificate is annexed to the Report on Corporate Governance.

Management response to the adverse remarks in Compliance Certificate on Corporate Governance:

In reference to the "Opinion: by the by Auditors in Certificate on Corporate Governance:

- i) The company has appointed Mr. Pranay Nandgaonkar, Company Secretary (Mem. No.A41333) as a Company Secretary and Compliance Officer of the Company at the board meeting held on 29.05.2018 w.e.f. 01.06.2018.
- ii) Due to unavoidable circumstances, Mr. John O. Band, Chairman of the Audit committee couldn't attend the AGM held on 28.07.2017 and Shareholders queries on financial results duly address by Mr. Karthikeyan Muthuswamy, Independent Director and member of the Audit committee in absence of Chairman of the Audit committee.

COST AUDIT:

Since the company is in business of Trading and does not come under purview of In the Companies (Cost Records and Audit) Rules 2014 and the Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return in Form MGT-9 is enclosed with this report as Annexure-5.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since the Company does not own any manufacturing facility or unit, hence disclosures with respect to conservation of energy, technology absorption being not relevant, have not been given. During the year the foreign exchange outgo was Rs.2.22 lakhs and foreign exchange earnings were Nil.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to the Section 125 applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all the unpaid or unclaimed dividends are required to be transferred to the IEPF established by the Central Government, upon completion of 7 (seven) years. Further, according to the IEPF Rules, the shares in respect of which dividend has not been paid or claimed by the Shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. For the year under review your Company having unpaid dividend for the F.Y. 2010-2011 and those shareholder who has not claimed the said dividend the same shall be transferred to the IEPF fund of the Authority.

LISTING FEES AND TRADING CONFIRMATION:

Your Company has paid requisite annual listing fees to National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) where its securities are listed.

INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENT.

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

RISK MANAGEMENT

The Company has mechanisms to inform the Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk through means of a properly identified framework. Risk management is an ongoing process and the Audit Committee will periodically review risk mitigation measures. The Board of Directors has not constituted a Risk Management Committee as is not mandatory to the company vide circular bearing number CIR/CFD/POLICY CELL/7/2014 issued by SEBI dated September 15, 2014.

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

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

CAUTIONARY STATEMENT:

Statements in the Director's Report and the Management Discussion and Analysis Report describing the Company's objectives, projections, expectations, estimates or forecasts may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied therein due to risks and uncertainties. Important factors that could influence the Company's operations, inter alia, include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic, political developments within the country and other factors such as litigations and industrial relations.

ACKNOWLEDGMENTS

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

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

**Sd/-
Arvind R. Doshi
Chairman
DIN: 00015293**

Date: May 29, 2018

Annexure-1

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**1. Details of contracts or arrangements or transactions not at arm's length basis:**

- | | |
|------------------------------------------------------------------------------------------------------------------------|-----|
| (a) Name(s) of the related party and nature of relationship: | NIL |
| (b) Nature of contracts / arrangements / transactions: | NIL |
| (c) Duration of the contracts / arrangements / transactions: | NIL |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | NIL |
| (e) Justification for entering into such contracts or arrangements or transactions: | NIL |
| (f) Date(s) of approval by the Board: | NIL |
| (g) Amount paid as advances, if any: | NIL |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: | NIL |

2. Details of material contracts or arrangement or transactions at arm's length basis:

| Name of the Related party | Nature of relationship | Duration of Contract | Salient terms | Amount (Rs. In Lakhs) |
|--------------------------------------------|------------------------|----------------------|------------------|-----------------------|
| Nature of Contract: | | | | |
| Interest on Fixed Deposit Paid | | | | |
| Arvind R. Doshi HUF | Director | As per terms | As per terms | 7.82 |
| Pritam A. Doshi HUF | Managing Director | As per terms | As per terms | 2.64 |
| Mrs. Pratibha A. Doshi | Director | As per terms | As per terms | 3.70 |
| Mrs. Priyadarshani A. Doshi | Relative of Director | As per terms | As per terms | 0.25 |
| | | | | 14.41 |
| Inter Corporate Deposit Received | | | | |
| Rajubhai Investment Pvt. Ltd. | Relative Directors | As per Agreement | As per Agreement | 21.32 |
| | | | | 21.32 |
| Inter Corporate Deposit Paid | | | | |
| Rajubhai Investment Pvt. Ltd. | Relative Directors | As per Agreement | As per Agreement | 17.87 |
| | | | | 17.87 |
| Interest on Inter Corporate Deposit | | | | |
| Rajubhai Investment Pvt. Ltd. | Relative Directors | As per Agreement | As per Agreement | 0.63 |
| Mr. Pritam A. Doshi | Managing Director | As per terms | As per terms | 1.62 |
| Mrs. Pratibha A. Doshi | Director | As per terms | As per terms | 0.34 |
| | | | | 2.59 |
| Remuneration to Director | | | | |
| Mr. Pritam A. Doshi | Managing Director | As per agreement | As per agreement | 43.66 |
| | | | | 43.66 |
| Loan From Director | | | | |
| Mr. Pritam A. Doshi | Managing Director | As per terms | As per terms | 513.57 |
| | | | | 513.57 |
| Repayment of Loan to Director | | | | |
| Mr. Pritam A. Doshi | Managing Director | As per terms | As per terms | 174.50 |
| | | | | 174.50 |

Note: Appropriate approvals have been taken for related party transactions. Advances have been adjusted against billing, wherever applicable.

Annexure-2

DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF KEY MANAGERIAL PERSONNEL) RULES, 2014.

1. (A) The percentage increase in remuneration of each Director, Managing Director and Whole-time Director

| Name of Director/ KMP and designation | Remuneration of Director/KMP for the financial year 2017-2018 | Last year remuneration 2017-2018 | % increase to Remuneration in the Financial Year 2017-2018 | Ratio of remuneration of each Director/ to median remuneration of employees | Comparison of the Remuneration of the KMP against the performance of the Company |
|------------------------------------------|------------------------------------------------------------------------|----------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Mr. Arvind R. Doshi | Nil | Nil | Nil | Nil | Nil |
| Mr. Pritam A. Doshi | Nil | Nil | Nil | Nil | |
| Mr. John O. Band* | Nil | Nil | Nil | Nil | |
| Mr. Karthikeyan Muthuswamy | Nil | Nil | Nil | Nil | |
| Dr. Mrs. Pratibha A. Doshi | Nil | Nil | Nil | Nil | |
| Mr. Vijaykumar Nanappan Nair** | Nil | Nil | Nil | Nil | |
| Total | Nil | Nil | Nil | Nil | |

*Resigned w.e.f. 27.03.2018 **Appointed w.e.f. 14.02.2018

Number of permanent employees on the rolls of the company: 12**Average percentile increase made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof: N.A.****The key parameters for any variable component of remuneration availed by the directors**

The key parameters for the variable component of remuneration availed by the Directors are considered by the board of directors based on the recommendations of the Nomination and Remuneration committee and Human Resource Division as per the Remuneration Policy.

Details of Remuneration of Employees pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the Year ended 31st March, 2018.

A. Employed throughout the year and were in receipt of remuneration for the year which in aggregate was not less than Rs.1.02 Cr. per annum.

| Sr. No. | Name of the Employee | Designation | Remuneration Received (Amt. in Rs.) | Nature of employment | Age(Yrs) | % of Equity shares held | Whether relative of any director or Manager |
|---------|----------------------|-------------|-------------------------------------|----------------------|----------|-------------------------|---------------------------------------------|
| | ---N.A.--- | | | | | | |

B. Employed for a part of the year and were in receipt of remuneration which, in the aggregate, was not less than Rs.8.50 Lakhs per month: N.A.

Annexure-3

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures:

| Name of the Subsidiary Company | Shurjo Energy Pvt. Ltd. | PAE Infrastructure Pvt. Ltd. |
|------------------------------------------------|-----------------------------------|------------------------------|
| Reporting Period | 01/04/2017-30/09/2017 (Unaudited) | 01/04/2017-31/03/2018 |
| Reporting Currency | INR | INR |
| Capital | 456.47 | 35.2 |
| Other Equity | -458.53 | -29.48 |
| Total Assets | 19.5 | 6.18 |
| Total Liabilities | 21.56 | 0.46 |
| Investment other than investment in subsidiary | - | 0.01 |
| Turnover | 0.59 | 0 |
| Profit/(Loss) before Taxation | 475.49 | -33.15 |
| Provision for Taxation | - | 0.03 |
| Deferred Tax | - | - |
| Profit/(Loss) after Taxation | 475.49 | -33.18 |
| Proposed Dividend | - | - |

No such subsidiary which are yet to commence operations

FORM MR 3
SECRETARIAL AUDIT REPORT
[Pursuant to section 204 (1) of the companies Act, 2013
and rule No.9 of the Companies (Appointment and
Remuneration or Managerial Personnel) Rules, 2014]
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2017 and ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s PAE Limited (“The Company”) for the financial year ended on 31st March, 2018, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder; except Section 204 of The Companies Act, 2013.
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings made by/in the Company and as such the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations (**Not Applicable To The Company During The Period Under Audit**);
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – (**Not applicable as the Company did not issue any security during the financial year under review**);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – (**Not applicable as the Company did not have any scheme for its employees during the financial year under review**);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – (**Not applicable as the Company has not issued any debts securities during the financial year under review**);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – (**Not applicable as the Company is not Registrar to an issue and Share Transfer Agent during the financial year under review**);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – (**Not applicable as the Company has not delist its equity shares from any stock exchange during the financial year under review**);
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – (**Not applicable as the Company has not bought back any of its securities during the financial year under review**); and
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- VI. We have relied on the certificate obtained by the Company from the Management Committee / Officers for systems mechanism and based on the information and representation made by the Company for due compliances of all applicable Acts, Laws, Orders, Regulations and other legal requirements of central, state and other Government and Legal Authorities concerning the business and affairs of the Company as listed in Annexure B.

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

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

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

OBSERVATIONS:

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Nonexecutive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.

- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting.
- c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

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

We further report that during the audit period the following was observed with regard to the provisions of the Listing Agreement to the extent applicable and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Companies Act, 2013:

- a) The Company has not complied with the provision of section 203 of the Companies Act 2013 with regard to appointment of Key Managerial Personnel, as no Company Secretary is appointed.
- b) The company has not appointed a qualified company Secretary as a Compliance officer in accordance with regulation 6 of SEBI (listing Obligations & Disclosure Requirements) Regulations, 2015.

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

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

**Place: Mumbai
Date: 29/05/2018**

Annexure – ‘A’ of Secretarial Audit Report

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

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

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

For Leena Agrawal & Co.
(Practicing Company Secretaries)

Sd/-
Leena Agrawal
Proprietress

Place: Mumbai
Date: 29/05/2018

FCS No: 6607
CP No: 7030

Annexure – 'B' of Secretarial Audit Report

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

Based on the compliance mechanism established by the Company and on the basis of the Management Representation Letter issued by the Company Secretary, we are of the opinion that the management has complied with the following laws specifically applicable to the Company :-

1. The Factories Act, 1948,
2. The Payment of Wages Act, 1936,
3. The Minimum Wages Act, 1948,
4. The Employees Provident Fund & Misc Provision Act, 1952,
5. The Payment of Bonus Act, 1965,
6. The Environment (Protection) Act, 1986,
7. The Electricity Act, 2003,
8. The Indian Stamp Act, 1999,
9. The Income Tax Act 1961 and Indirect Tax Law,
10. The Negotiable Instrument Act, 1881,
11. The Maternity Benefits Act, 1961,
12. The Payment of Gratuity Act, 1972,
13. The Apprentices Act, 1961,
14. Service Tax
15. VAT Act
16. Water (Prevention & Control of pollution) Act 1974 and rules thereunder;
17. Air (Prevention & Control of pollution) Act 1981 and rules thereunder;
18. The Employees Compensation Act, 1923
19. The Employment Exchange (Compulsory Notification & Vacancy) Act, 1959
20. The Equal Remuneration Act, 1976
21. The Industrial Dispute Act, 1947 (ID Act)
22. The Industrial Employment Standing Order Act, 1946
23. Workmen's Compensation Act, 1923
24. The Bombay Shop & Commercial Establishments Act, 1958
25. The Contract Labour (Regulation and Abolition) Act, 1970
26. Trade Union Act, 1926
27. The Child Labour (Prohibition and Regulation) Act, 1986
28. Public Liability Insurance Act 1991
29. The Central Electricity Authority Regulation, 2010
30. The Environment Protection Act, 1986
31. The Noise Pollution (Regulation and Control) Rules, 2000
32. The Motor Vehicle Act, 1939
33. The Central Sales Act, 1956
34. The Finance Act, 1994
35. The Bombay Shop and Establishment Act, 1948
36. The Maharashtra State Tax on professions trades callings and employments act 1975
37. The Maharashtra Value Added Tax Act, 2002 (MVAT)
38. The Prevention of Money Laundering Act, 2002
39. The Sale of Goods Act, 1930
40. The Information Technology Act, 2000
41. The Foreign Exchange Management Act, 1999
42. The Consumer Protection Act, 1986
43. The Indian Contract Act, 1872
44. The Sexual Harassment of Woman at Work Place (Prevention , Prohibition and redressal) Act, 2013
45. The Trade Marks Act, 1999

For Leena Agrawal & Co.
(Practicing Company Secretaries)

Leena Agrawal
Proprietress
FCS No: 6607
CP No: 7030

Place: Mumbai
Date: 29/05/2018

Annexure-5

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the financial year ended 31st March, 2018.
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)
of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

| Sr.No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--------------------------------------------------|---------------------------------|------------------------------------|
| 1 | Trading of batteries | 99611593 | 30.49% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|---------|---------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1 | PAE Infrastructure Pvt. Ltd. | U70102MH2011PTC216252 | Subsidiary | 100% | 2(87)(ii) |
| 2 | Shurjo Energy Pvt. Ltd. | U40106WB2003FTC096692 | Associate | 46.58 | 2(87)(ii) |

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

(I) Category-wise share holding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2017] | | | | No. of Shares held at the end of the year [As on 31-March-2018] | | | | % Change during the year |
|---------------------------------------|-----------------------------------------------------------------------|-------------|----------------|-------------------|-----------------------------------------------------------------|-------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter s | | | | | | | | | |
| (1) Indian | 5774963 | 0.00 | 5774963 | 55.42 | 57749633 | 0.00 | 5774963 | 55.42 | 0 |
| a) Individual/HUF | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| b) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| d) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| e) Any other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (A)(1) | 5774963 | 0.00 | 5774963 | 55.42 | 57749633 | 0.00 | 5774963 | 55.42 | 0 |
| (2) Foreign | | | | | | | | | |
| a) NRI Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total shareholding of Promoter | | | | | | | | | |
| A=A(1)+A(2) | 5774963 | 0.00 | 5774963 | 55.42 | 57749633 | 0.00 | 5774963 | 55.42 | 0 |

| | | | | | | | | | |
|-----------------------------------------------------------------------------------|----------------|---------------|-----------------|--------------|-----------------|---------------|-----------------|--------------|-------------|
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 1100 | 100 | 1200 | 0.01 | 11000 | 0 | 1100 | 0.01 | 0.00 |
| b) Banks / FI | 72300 | 3230 | 75550 | 0.73 | 723000 | 900 | 73200 | 0.70 | 0.03 |
| c) Central Govt | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| d) State Govt(s) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| e) Venture Capital Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 15225 | 0 | 15225 | 0.15 | 15225 | 0 | 15225 | 0.15 | 0.00 |
| g) FIs | 0.00 | 1625 | 1625 | 0.02 | 0.00 | 0 | 0 | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| i) Others (specify) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| Sub-total (B)(1):- | 88625 | 4975 | 93600 | 0.91 | 88625 | 900 | 89525 | 0.86 | 0.05 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 349364 | 35636 | 385000 | 3.89 | 265850 | 31253 | 297103 | 2.85 | 1.04 |
| ii) Overseas | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 2 lakh | 2556759 | 8229255 | 3379684 | 32.43 | 2689042 | 6220935 | 3311135 | 31.78 | 0.65 |
| ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakhs | 686210 | 0 | 686210 | 6.59 | 492529 | 0 | 492529 | 4.73 | 1.86 |
| c) Others (specify) | 0.00 | 0.00 | 0.00 | 0.00 | 384838 | 532 | 385370 | 0.00 | 0.00 |
| Clearing Members | 53545 | 0.00 | 53545 | 0.51 | 26379 | 0.00 | 26379 | 0.25 | 0.26 |
| Foreign Nationals | 3250 | 0.00 | 3250 | 0.03 | 0 | 0.00 | 0 | 0.00 | 0.00 |
| Non Resident Indians (REPAT) | 35098 | 325 | 35423 | 0.34 | 35609 | 275 | 35884 | 0.06 | 0.28 |
| Non Resident Indians (NON REPAT) | 7598 | 327 | 7925 | 0.08 | 6712 | 0 | 6712 | 0.34 | -0.26 |
| Trusts | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sub-total (B)(2):- | 3691824 | 859213 | 4551037 | 43.68 | 3900959 | 654153 | 4555112 | 43.72 | 0.04 |
| Total Public Shareholding (B)= (B)(1)+ (B)(2) | 3780449 | 864188 | 4644637 | 44.58 | 39895846 | 655053 | 4644637 | 44.58 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 9555412 | 864188 | 10419600 | 100 | 9764547 | 655053 | 10419600 | 100 | 0.00 |

(ii) Shareholding of Promoters-

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

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

| Sr. No. | Name of shareholders | Shareholding | | Date | Increase/Decrease in shareholding | Reason | Cumulative Shareholding during the year (01.04.,2017 to 31.03.2018) | |
|---------|----------------------|---------------------------------------------------------------|----------------------------------|------|-----------------------------------|--------|---------------------------------------------------------------------|----------------------------------|
| | | No. of shares at beginning of year (01.04.2017 to 31.03.2018) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| | Not applicable | | | | | | | |

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

| Sr. No. | Name of shareholders | Shareholding | | Date | Increase/Decrease in shareholding | Reason | No. of shares | Cumulative Shareholding during the year (01.04.,2017 to 31.03.2018) |
|---------|----------------------------------------|----------------------------------------------------------------|----------------------------------|-------------------|-----------------------------------|--------|---------------|---------------------------------------------------------------------|
| | | No. of shares at beginning of year (01.04.,2017 to 31.03.2018) | % of total shares of the Company | | | | | % of total shares of the Company |
| 1 | BALRAM BHARVANI | 156400 | 1.5010 | 1.4.17 to 31.3.18 | 14600 | Nil | 171000 | 1.64 |
| 2 | MAHENDRA GIRDHARILAL | 132613 | 1.27 | 1.4.17 to 31.3.18 | Nil | Nil | 132613 | 1.27 |
| 3 | GENERAL INSURANCE CORPORATION OF INDIA | 72300 | 0.69 | 1.4.17 to 31.3.18 | Nil | Nil | 72300 | 0.69 |
| 4 | RAVIRAJ DEVELOPERS LTD. | 66320 | 0.63 | 1.4.17 to 31.3.18 | -1000 | Nil | 65320 | 0.63 |
| 5 | KLB SECURITIES PVT. LTD. | 32935 | 0.31 | 1.4.17 to 31.3.18 | Nil | Nil | 32935 | 0.31 |
| 6 | ANJANA SINHA | 30000 | 0.28 | 1.4.17 to 31.3.18 | Nil | Nil | 30000 | 0.28 |
| 7 | JATIN GUPTA | 29807 | 0.28 | 1.4.17 to 31.3.18 | Nil | Nil | 29807 | 0.28 |
| 8 | JADEJA MAHESHWARI NARENDRASINH | 28500 | 0.27 | 1.4.17 to 31.3.18 | Nil | Nil | 28500 | 0.27 |
| 9 | BABULAL JAIN | 27717 | 0.26 | 1.4.17 to 31.3.18 | NIL | NIL | 27717 | 0.26 |
| 10 | AARTIE SUNIL ANANDPARA | 61595 | 0.59 | 1.4.17 to 31.3.18 | -61595 | Nil | 0 | 0 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name of shareholders | Shareholding | | Date | Increase/Decrease in shareholding | Reason | Cumulative Shareholding during the year (01.04.,2017 to 31.03.2018) | |
|---------|-----------------------|----------------------------------------------------------------|----------------------------------|----------|-----------------------------------|--------|---------------------------------------------------------------------|----------------------------------|
| | | No. of shares at beginning of year (01.04.,2017 to 31.03.2018) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 1 | Arvind Raoji Doshi | 2655728 | 25.49 | 1.4.2016 | Nil | Nil | 2655728 | 25.49 |
| 2 | Pratibha Arvind Doshi | 1695656 | 16.27 | 1.4.2016 | Nil | Nil | 1695656 | 16.27 |
| 3 | Pritam Arvind Doshi | 1395199 | 13.39 | 1.4.2016 | Nil | Nil | 1395199 | 13.39 |
| 4 | *John Oliver Band | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 5 | KarthikeyanMuthuswamy | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

*Resigned w.e.f. 27.3.2018

V. INDEBTEDNESS:

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

| | Secured Loans excluding deposits | Unsecured Loans | Fixed Deposits | Total Indebtedness |
|------------------------------------------------------------|-------------------------------------|----------------------|----------------------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 202,668,019.00 | 46,963,101.00 | 13,775,000.00 | 263,406,120.00 |
| ii) Interest due but not paid | 0 | 2,814,990.00 | 1,048,915.00 | 3,863,905.00 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 202,668,019.00 | 49,778,091.00 | 14,823,915.00 | 267,270,025.00 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 0 | 34,453,019.00 | 0 | 34,453,019.00 |
| • Reduction | 55,248.00 | 0 | 14,378,915 | 14,434,163.00 |
| Net Change | 55,248.00 | 34,453,019.00 | 14,378,915.00 | 48,887,182.00 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 202,612,771.00 | 78,260,342.00 | 445,000.00 | 281,318,113.00 |
| ii) Interest due but not paid | 0 | 5,970,768.00 | 0 | 5,970,768.00 |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 202,612,771.00 | 84,231,110.00 | 445,000.00 | 287,288,881.00 |

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

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

B. Remuneration to other directors

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

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

MANAGEMENT DISCUSSION & ANALYSIS

PAE Ltd was incorporated in the year 1950 and is one among those few names in the industry that need no introduction. It's a journey of over 68 years of achieving milestones and setting standards, which has become inevitable with the growth in the industry. Investing substantially in the creation of path breaking technologies, implemented and introduced some of the most mission-critical solutions in the battery, inverter and UPS industry.

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

Corporate Philosophy

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

Business Scenario

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

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

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

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

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company has instituted an internal control system for all its branches to ensure efficiency of operations, financial reporting, proper recording and safeguarding of assets, compliance with applicable laws and regulations, etc.

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

CORPORATE GOVERNANCE REPORT

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

1. Company's philosophy on the Code of Governance

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

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

2. Board of Directors

a. Composition

The strength of the Company's Board as on March 31, 2018 is 5 (five) Directors. Composition of the Board of Directors is as under:

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

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

b. Independent Directors:

The present Independent Directors ("IDs") of the Company are well educated, competent and meet criteria as prescribed under the Companies Act, 2013 ("the Act"). IDs are not liable to retire by rotation, as their term of office was predetermined for five years by the Shareholders at the Annual General Meetings in which they were appointed, as required by the Act. The IDs on the Board are highly experienced and competent persons from their respective fields. The IDs take active part at the Board Meetings and Committee Meetings which add value in the decision making process of the Board of Directors. All the IDs of the Company have confirmed that they satisfy the criteria of Independence as stipulated in the Act and Listing Agreement.

The Company has formulated a familiarization program to familiarize Directors from time to time with the Company's operations, business, industry and environment in which it functions and the

regulatory environment applicable to it. The familiarisation program for Directors has been disclosed on the website of the Company- www.paeltd.com.

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

c. Non-Executive Directors' compensation and disclosures

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

d. Other provisions as to Board and Committees

The Board normally meets once in a quarter and additional meetings are held as and when required. During the year under review, the Board of Directors met 7 times i.e. on May 29, 2017, June 14, 2017, June 27, 2017, August 1, 2017 August 14, 2017 November 14, 2017 and February 14, 2018. The dates of Board Meetings were generally decided in advance with adequate notice to all Board Members. The necessary quorum was present for all the meetings.

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

| Name of the Director | Category | No. of Board Meetings attended out of 7 Meetings held | | No. of Directorship(s)/Committee(s) positions held in other public Company and subsidiary of Public Company as on 31 st March, 2018 | | |
|--------------------------------|------------------------------------------|-------------------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------|
| | | Board | Last AGM | Directorship | Committee Chairmanship | Committee Membership |
| Mr. Arvind R. Doshi | Promoter & Non-Executive Chairman | 7 | Yes | 1 | 1 | 2 |
| Mr. Pritam A. Doshi | Managing Director (Promoter & Executive) | 7 | Yes | - | - | - |
| Dr. Mrs. Pratibha A. Doshi | Non-Executive (Promoter) | 7 | Yes | - | - | - |
| **Mr. John O. Band | Independent Non Executive | 7 | No | - | - | - |
| Mr. Karthikeyan Muthuswamy | Independent Non Executive | 7 | Yes | - | - | - |
| * Mr. Vijaykumar Nanappan Nair | Independent Non Executive | - | - | - | - | - |

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

** Mr. John O. Band has resigned from the directorship of the Company w.e.f. 27.03.2018.

* Mr. Vijaykumar Nanappan Nair has joined the Board of Directors w.e.f. 19.03.2018

Information supplied to the Board

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

provided with all the relevant information on important matters affecting the working of the Company as well as the related details that require deliberation by the members of the Board.

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

e. Code of Conduct

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

f. Whistle Blower Policy

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

g. Internal Financial Control and its adequacy

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

3. BOARD COMMITTEES

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

i. Audit Committee

The Company has an Independent Audit Committee comprising of 2 (two) Independent Directors and 1 (one) Executive Director. Mr. John O. Band, Independent Director was the Chairman of the committee and he has resigned from the board w.e.f. 27.03.2018. Consequently the Audit committee reconstituted and appointed Mr. Vijaykumar Nanappan Nair, Independent Director as a Chairman of the Committee w.e.f. 29.05.2018. Mr. Karthikeyan Muthuswamy, Independent Director and Mr. Pritam A. Doshi, Managing Director are Members of the Committee. All the members of the Audit Committee are financially literate. In view of their professional qualification and experience in finance, all are considered to have financial management and accounting related expertise.

The terms of reference, powers and role of Audit Committee are in accordance with regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with Section 177(4) of the Companies Act, 2013. The broad terms of reference include the following:

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

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

During the 2017-2018, five meetings of the Audit Committee were held i.e. on May 29, 2017, June 14, 2017 August 14, 2017, November 14, 2017 and February 14, 2018. The necessary quorum was present for all the meetings.

| Name | Category | Meetings during the year 2017-18 | |
|----------------------------|--------------------------------------|----------------------------------|----------|
| | | Held | Attended |
| Mr. John O. Band* | Non-Executive Independent Director | 5 | 5 |
| Mr. Karthikeyan Muthuswamy | Non - Executive Independent Director | 5 | 5 |
| Mr. Pritam A. Doshi | Managing Director | 5 | 5 |

*Resigned w.e.f. 27.03.2018

II. Nomination & Remuneration Committee

The Nomination & Remuneration Committee presently comprises of and Mr. Karthikeyan Muthuswamy as a Chairman and Mr. Arvind R. Doshi and Mr. Vijaykumar Nanappan Nair as its members. Mr. John O. Band, Independent Director was the Member of the committee and he has resigned from the board w.e.f. 27.03.2018. Consequently the Nomination & Remuneration Committee reconstituted and appointed Mr. Vijaykumar Nanappan Nair, Independent Director as a Member of the Committee w.e.f. 29.05.2018.

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

The Company does not have any Employee Stock Option Scheme.

No meeting was held of the Nomination & Remuneration Committee of the Company during the year 2017-2018.

Details of Remuneration to Directors

Non-executive Directors have not taken sitting fees during the year as on 31.03.2018 for attending meetings of the Board, Audit and other committee meetings. The remuneration to Executive Director was made for only part payment during the Financial Year 2017-18 is as follows:

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

*Resigned w.e.f. 27.03.2018

III. Stakeholder Relationship Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, your Company has re-constituted the Stakeholders' Relationship Committee of the Board of Directors consequent upon resignation of Mr. John O. Band, Independent Director as a Chairman of the Shareholders Grievances and Share Transfer Committee of the Company. The Stakeholder Relationship Committee reconstituted and appointed Mr. Karthikeyan Muthuswamy, Independent Director as its Chairman and Mr. Arvind R. Doshi and Mr. Pritam A. Doshi as its members. The minutes of the Stakeholder Relationship Committee meetings are reviewed and noted by the Board from time to time.

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

required under SEBI Regulations and the Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd., attend to all grievances of the Shareholders and the investors. The Company and M/s. Link Intime India Pvt. Ltd., are making further attempts to ensure that the grievances are expeditiously addressed and redressed to the full satisfaction of the Stakeholders.

As on 31.03.2018, no complaints were received during the year 2017-2018.

During the year under review, the Committee met twice i.e. on May 28, 2017 and on November 14, 2017.

| Name | Category | Meetings during the year 2017-18 | |
|---------------------|------------------------------------|----------------------------------|----------|
| | | Held | Attended |
| Mr. John O. Band* | Non-Executive Independent Director | 2 | 2 |
| Mr. Arvind R. Doshi | Non - Executive Chairman | 2 | 2 |
| Mr. Pritam A. Doshi | Managing Director | 2 | 2 |

*Resigned w.e.f. 27.03.2018

IV. Borrowing Committee:

The Board of Directors of the Company vide Resolution passed at its meeting held on November 14, 2011 constituted Borrowing Committee with three members viz. Mr. Arvind R. Doshi, Mr. Pritam A. Doshi and Mr. John O. Band. The Company has re-constituted the Borrowing Committee of the Board of Directors consequent upon resignation of Mr. John O. Band, Independent Director and member of the borrowing Committee of the Company. The Borrowing Committee reconstituted and appointed Mr. Karthikeyan Muthuswamy, Independent Director as a member Committee w.e.f. 29.05.2018.

1. The committee has power to take decisions for the requirement of the funds and to make borrowings of the required amount within the ceiling from any bank and financial institution and to negotiate, settle and finalize all the terms and conditions for the borrowings.
2. The committee may offer and provide security and to create/extend charges on the assets of the Company as the committee may consider appropriate in the interest of the Company.

During the year there was no requirement to hold meeting of Borrowing Committee.

V. Risk Management:

The Company has mechanisms to inform the Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk through means of a properly identified framework. The risk management issues are discussed in Management Discussion & Analysis. Risk management is an ongoing process and the Audit Committee will periodically review risk mitigation measures. The Board of Directors has not constituted a Risk Management Committee as is not mandatory to the company pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

4. Subsidiary / Associate Companies:

The Company had one unlisted Indian subsidiary as defined in Regulation (2)(zm) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 namely PAE Infrastructure Pvt. Ltd. and one Associate company namely M/s. Shurjo Energy Pvt. Ltd.. The Shareholders in the 67th Annual General Meeting consented to sale Subsidiary company and investment in Associate Company. Accordingly investment in M/s. Shurjo Energy Pvt. Ltd., sold during the F.Y. 2017-2018 and company is in process for closure of PAE Infrastructure Pvt. Ltd. during the current F.Y. 2018-2019. Existing subsidiary fall under the category of 'material non-listed Indian subsidiary'. However, the financial statements of all subsidiary company including investments made, if any, are periodically reviewed by the Audit Committee. The company has formulated policy for determining material subsidiary pursuant to regulation 16(c) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The financial performances, Minutes of Board Meetings of these subsidiary company and all significant transactions or arrangements entered into by the subsidiary companies are reviewed by the Board of the Directors from time to time.

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

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

6. Related Party Transactions:

Details of significant related party transactions, i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, their subsidiary companies or relatives, etc. as per Accounting Standard 18 "Related Party Disclosures" are presented under Note 30(b) of the Notes to the Financial Statement. All material transaction (Financial and/or Commercial) where Directors may have potential interest are provided to the Audit Committee/Board. The related parties neither participate nor vote on such matters. During the year under review there was no related party transactions of material nature that may have a potential conflict with interests of the Company, all transactions with related parties were in the normal course of business. The Company was not required to take omnibus approval of Audit Committee, as most of the related party transactions were entered by the Company with its Subsidiary Companies at arm's length basis and the Company prepares the consolidated accounts of these subsidiaries and place before the Shareholders at every Annual General Meeting for their approval. On recommendation of Audit Committee the Board ratifies all the related party transactions on quarterly basis. The Company has formulated policy on materiality of related party transaction and dealing with related party transactions as compliance of regulation 23 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

Persuant to new SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company is required to have a Compliance Officer who is a senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information. All the Directors on the Board, employees at Senior Management levels at all locations and other designated employees who could be privy to unpublished price sensitive information of the Company is governed by this code. All the Directors, Employees at Senior Management levels and other designated employees of the Company are restricted from entering into opposite transactions i.e. buy or sell any number of shares during the next 6 months following the prior transactions.

7. CEO/CFO Certification:

As required under regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Pritam A. Doshi – Managing Director & Head Finance of the Company had certified to the Board the financial statements for the year ended March 31, 2018.

8. General Body Meetings

Details of previous General Meetings:

| Financial Year | Category | Date | Time | Location |
|----------------|----------------------|--------------------|------------|-------------------------------------------------------------------------------------------------------|
| 2014-15 | 65 th AGM | August 13, 2015 | 11:00 a.m. | The Victoria Memorial School for the Blind, 73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai-400034. |
| 2015-16 | 66 th AGM | September 23, 2016 | 11.00 a.m. | The Victoria Memorial School for the Blind, 73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai-400034. |
| 2016-17 | 67 th AGM | July 28, 2017 | 11.00 a.m. | The Victoria Memorial School for the Blind, 73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai-400034. |

Special resolutions passed in previous 3 years**a. AGM August, 2015:**

Special Resolution for re-appointment of Mr. Pritam A. Doshi as a Managing Director of the Company for a period of 3(three) years

w.e.f. April 1, 2015 and to pay minimum remuneration pursuant to Section 196 & 197 read with Schedule V of the Companies Act, 2013 in case of lack or inadequacy of profits.

The Company has conducted Postal Ballot and declared results thereof on January 27, 2016:

1. Special Resolution to approve sale of PAE Renewables Private Limited, a wholly-owned subsidiary pursuant to Section 180(1)(a) of the Companies Act, 2013.
2. Special Resolution to approve a Related Party Transaction pertaining to sale of PAE Renewables Private Limited, a wholly owned subsidiary to Promoter(s) / Promoter Group of the Company pursuant to Section 188 of the Companies Act, 2013.

b. AGM 2016:

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

c. AGM 2017:

7. Special Resolution was passed for sale of Shurjo Energy Pvt. Ltd., a wholly-owned subsidiary pursuant to Section 180(1)(a) of the Companies Act, 2013.
8. Special Resolution was passed for sale of PAE Infrastructure Pvt. Ltd., a wholly-owned subsidiary pursuant to Section 180(1)(a) of the Companies Act, 2013.
9. Special Resolution was passed pursuant to Sections 42 and 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendments to or re-enactment thereof) ("Act") for issue and allotment of 5,20,000 share warrants Convertible into 5,20,000 equity shares of Rs.10/- each fully paid up, in one of more tranches, to the promoters or promoters group on preferential allotment basis. The said Share warrants were not issue due to some reasons.
10. Special Resolution was passed to approve a Related Party Transaction pertaining to sale of PAE Infrastructure Private Limited, a wholly owned subsidiary to Promoter(s) / Promoter Group of the Company pursuant to Section 188 of the Companies Act, 2013.
11. Special Resolution was passed to convert its subsidiary Company M/s. PAE Infrastructure Pvt. Ltd., into a Limited Liability Partnership.

9. Disclosures:

- Mr. Arvind R. Doshi, Dr. (Mrs.) Pratibha A. Doshi and Mr. Pritam A. Doshi are related with each other belongs to promoter / promoter group.
- During the last three years, there were no strictures or penalties imposed by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to capital markets.
- The Company has adopted a Whistle Blower policy.
- Senior management has made the disclosure to the Board and confirmed that they had no material financial and commercial transactions that could have a potential conflict with the interest of the Company at large.
- In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed by the Central Government under the Companies (Accounting Standards) Rules, 2006.
- In line with the requirements of SEBI, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a firm of practicing Company Secretaries to confirm that the aggregate number of equity shares of the Company held in NSDL and CDSL and in physical form, tally with the total number of issued/paid-up, listed and admitted capital of the Company.
- The Company is compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended.
- Although it is not mandatory, the Board of Directors of the Company has constituted a Borrowing Committee, the details of which have been provided under Section 'Borrowing Committee.'

10. Disclosures on Sexual Harassment:

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

As disclosures required under the Section 21 and 22 of the aforementioned act, the company hereby report that during the financial year 2017-18, the Company has received zero complaints on sexual harassment and the company carried necessary arrangement for prevention of sexual harassment of women at workplace.

11. Auditor's Certificate on Corporate Governance:

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

12. Means of communication:

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

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

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

1. General Shareholder information

| | |
|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| i) Annual General Meeting: | |
| Date & Time | Saturday, 29 th September, 2018 at 11.00 A.M. |
| Venue | The Victoria Memorial School for the Blind 73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai-400034. |
| ii) Financial Calendar: | |
| Financial Year | April 1 to March 31 |
| Financial reporting of results: | |
| a. Quarterly unaudited results | Within forty five days from the end of the quarter |
| b. Annual audited results | Within sixty days from the end of the quarter |
| iii) Book Closure date | From September 24, 2018 to September 29, 2018 (both days inclusive). |
| iv) Last Date of Receipt | Friday 28 th September, 2018 before 5:00 p.m. at the Registered Office of the Company |
| iv) Listing on Stock Exchanges and Scrip Codes | BSE Limited (Code: 517230) The National Stock Exchange of India Limited (Code: PAEL) |
| v) Demat ISIN No. for Equity Shares: Corporate Identification Number (CIN) of the Company: | INE 766A01018 L99999MH1950PLC008152 |
| vi) Market price data | Monthly high & low quotations of shares traded at Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the year 2016-2017: |

BSE Share Price

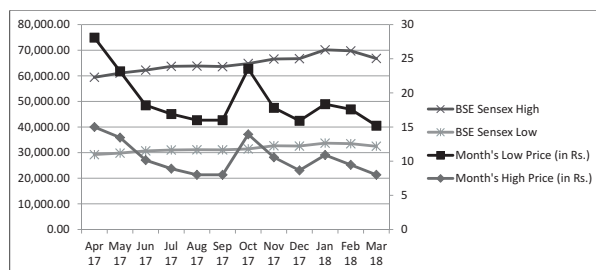
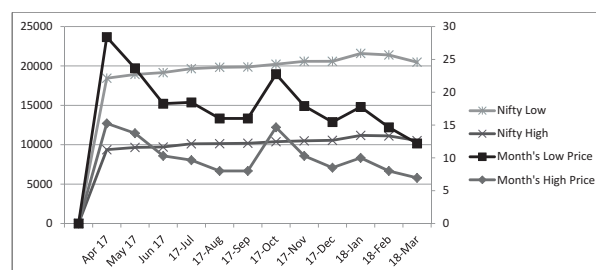
| Month | Month's High Price (in Rs.) | Month's Low Price (in Rs.) | Total Turnover (in Rs. lacs) | BSE Sensex High | BSE Sensex Low |
|--------|-----------------------------|----------------------------|------------------------------|-----------------|----------------|
| Apr-17 | 15 | 13.10 | 5.09 | 30,184.22 | 29,241.48 |
| May-17 | 13.46 | 9.7 | 5.28 | 31,255.28 | 29,804.12 |
| Jun-17 | 10.15 | 8.04 | 3.47 | 31,522.87 | 30,680.66 |
| Jul-17 | 8.9 | 8 | 0.13 | 32,672.66 | 31,017.11 |
| Aug-17 | 8 | 8 | - | 32,686.48 | 31,128.02 |
| Sep-17 | 8 | 8 | - | 32,524.11 | 31,081.83 |
| Oct-17 | 13.93 | 9.6 | 6.24 | 33,340.17 | 31,440.48 |
| Nov-17 | 10.57 | 7.25 | 3.49 | 33,865.95 | 32,683.59 |
| Dec-17 | 8.65 | 7.26 | 3.51 | 34,137.97 | 32,565.16 |
| Jan-18 | 10.9 | 7.45 | 4.44 | 36,443.98 | 33,703.37 |
| Feb-18 | 9.46 | 8.13 | 0.05 | 36,256.83 | 33,482.81 |
| Mar-18 | 8 | 7.2 | 0.30 | 34,278.63 | 32,483.84 |

Source: BSE Website

NSE Share Price

| Month | Month's High Price (in Rs.) | Month's Low Price (in Rs.) | Total Turnover (in Rs. lacs) | Nifty High | Nifty Low |
|--------|-----------------------------|----------------------------|------------------------------|------------|-----------|
| Apr-17 | 15 | 13.10 | 5.09 | 30,184.22 | 29,241.48 |
| May-17 | 13.46 | 9.7 | 5.28 | 31,255.28 | 29,804.12 |
| Jun-17 | 10.15 | 8.04 | 3.47 | 31,522.87 | 30,680.66 |
| Jul-17 | 8.9 | 8 | 0.13 | 32,672.66 | 31,017.11 |
| Aug-17 | 8 | 8 | - | 32,686.48 | 31,128.02 |
| Sep-17 | 8 | 8 | - | 32,524.11 | 31,081.83 |
| Oct-17 | 13.93 | 9.6 | 6.24 | 33,340.17 | 31,440.48 |
| Nov-17 | 10.57 | 7.25 | 3.49 | 33,865.95 | 32,683.59 |
| Dec-17 | 8.65 | 7.26 | 3.51 | 34,137.97 | 32,565.16 |
| Jan-18 | 10.9 | 7.45 | 4.44 | 36,443.98 | 33,703.37 |
| Feb-18 | 9.46 | 8.13 | 0.05 | 36,256.83 | 33,482.81 |
| Mar-18 | 8 | 7.2 | 0.30 | 34,278.63 | 32,483.84 |

Source: NSE Website

BSE Sensex and Share Price Chart for 2017-2018:**NSE Nifty and Share Price Chart for 2017-2018**

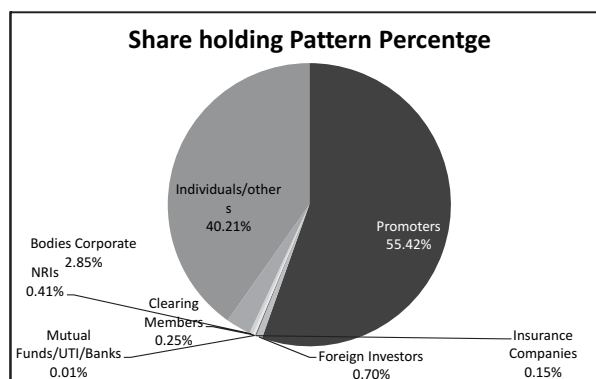
| | |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Registrar & Transfer Agents | M/s. Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Phone : +91 22 49186270 Fax: +91 22 49186060 Email : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in |
| Share Transfer System | <p>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.</p> <p>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.</p> |

Distribution of shareholding as on March 31, 2018

| No. of Shareholders | % to Total | Shareholding of Shares | No. of shares | % to Total |
|---------------------|---------------|------------------------|--------------------|---------------|
| 874388.0907 | Upto 500 | 1375438 | 13.20 | |
| 615 | 6.1965 | 501-1000 | 511754 | 4.91 |
| 275 | 2.7708 | 1001-2000 | 420255 | 4.03 |
| 104 | 1.0479 | 2001-3000 | 263072 | 2.53 |
| 48 | 0.4836 | 3001-4000 | 167916 | 1.62 |
| 35 | 0.3526 | 4001-5000 | 160784 | 1.54 |
| 54 | 0.5441 | 5001-10000 | 406367 | 3.90 |
| 51 | 0.5139 | 10001 and above | 7114014 | 68.27 |
| 9925 | 100.00 | Total | 1,04,19,600 | 100.00 |

Distribution of shareholding by ownership as on March 31, 2018

| Category | No. of Shares held | Share holding % |
|------------------------|--------------------|-----------------|
| Promoters | 57,74,963 | 55.42 |
| Foreign Investors | 73,200 | 0.70 |
| Insurance Companies | 15,225 | 0.15 |
| Mutual Funds/UTI/Banks | 1,100 | 0.01 |
| Clearing Members | 26,379 | 0.25 |
| NRIs | 42,596 | 0.41 |
| Bodies Corporate | 2,97,103 | 2.85 |
| Individuals/others | 41,89,034 | 40.21 |
| Total | 1,04,19,600 | 100.00 |



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

| | | |
|-------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| x) | Dematerialization of Shares | Trading in Equity Shares of the Company is permitted only in dematerialized form. Ap-proximately 93.71% of the shares issued by the Company have been dematerialized up to March 31, 2018. |
| xi) | Outstanding GR/ Warrants or any Convert-ible instruments | Not applicable |
| xii) | Plant Locations | The Company does not have manufacturing or processing plants, as it is a distribution and marketing company. |
| Xiii) | Address for correspondence | PAE Limited, 69, Tardeo Road, Mumbai 400034. Phone: 022-66185799 Fax No.: 022-66185757. Website: www.paeltd.com Email: investors@paeltd.com |

Declaration on code of conduct**The Board of Directors**

PAE Limited
69, Tardeo Road
Mumbai- 400 034.

Dear Sirs,

This is to confirm that the Board has laid down a code of conduct for all Board Members and Senior Management Personnel of the Company. The code of conduct has also been posted on the website of the Company.

It is further confirmed that all Directors and Senior Management Personnel of the Company have affirmed compliance within the Code of Conduct of the Company for the year ended March 31, 2018, as envisaged in Regulations 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 pursuant to the Listing Agreement with stock exchanges.

For and on behalf of the
Board of Directors

Sd/-
Pritam A. Doshi
Managing Director

Place : Mumbai
Date : May 29, 2018

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

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

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

For and on behalf of the Board
For PAE Limited

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

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

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

1. We have examined the compliance of conditions of Corporate Governance by PAE Limited ("the Company") for the financial year ended March 31, 2018, as stipulated in Regulations 17-27, Clause (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

Management's responsibility for compliance with the condition of Listing Regulations

2. The compliance with terms and conditions contained in Corporate Governance is the responsibility of the management of the company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

3. Our examination was limited to Procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. Pursuant to requirements of the Listing regulations, it is our responsibility to provide a reasonable assurance whether the company has complied with conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2018.
5. We conducted our examination in accordance with the guidance note on Reports or certificates for special purposes issued by the Institute of Chartered Accountant of India. The Guidance note requires the we comply with the ethical requirements of code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirement control SQC-1 Quality control for firms that Audits and Reviews of historical financial information and other assurance and related service engagements

Opinion

7. 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 except:
 - Company has not complied with Section 203 of the Companies Act, 2013 in respect of appointment of Key Managerial Personnel i.e. Chief Financial Officer and Company Secretary
 - Company has not complied with section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR), 2015 as Audit Committee Chairman was not present in the AGM held on 28.07.2017.
8. 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.

Restriction on use:

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

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

Sd/-
**Rohit Vakharia
Partner
M. No. 033728**

Place: Mumbai
Date: May 29, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PAE LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **PAE Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statement.

Basis for Qualified Opinion

- a) We draw your attention that balance of Retained Earning (Profit & loss A/c) of the company is negative as on 31st March, 2018. It has incurred accumulated losses of Rs. 6694.60 lacs till March 31, 2017 and loss of Rs. 152.18 (excluding other comprehensive income) Lakhs for the year ended making total accumulated loss of Rs. 6846.78 Lakhs as of March 31, 2018. Despite this, for the reasons mentioned in Note No. 36 of Notes to the accounts, the accounts have been prepared on going concern basis. This condition indicates existence of a material uncertainty that may cast significant doubt about the Company's ability to continue on a going concern basis. We don't have the appropriate audit evidence to consider the Company to continue as going concern.
- b) The balance of sundry debtors, sundry creditors, warranty receivables, warranty payables and warranty stock are subject to reconciliation and confirmation. Closing stock is subject to physical verification. We draw attention to Note No. 37 of Notes to the accounts.
- c) Various legal cases are pending against the company and by the company, the amount is unascertainable. We draw attention to Note No. 38 of Notes to the accounts.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraph and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its loss, total comprehensive income, its Cash Flows and changes in equity for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) Except for the effects of the matter described in the Basis of Qualified Opinion paragraph above which may have an adverse effect on the functioning of the Company, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
 - e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - f) On the basis of the written representations received from the directors, as on March 31, 2018 and taken on record by the Board of Directors, none of the directors of the company is disqualified as on March 31, 2018 from being appointed as a director, in terms of Section 164(2) of the Act.
 - g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has pending litigation which would impact its financial position regarding non payment of dues as cases filed under Negotiable Instrument Act for cheque bouncing amount involve Rs. 40.50 lacs, possession of property of the company mortgaged to the bank under SARFAESI Act by the Banker where amount outstanding is Rs. 20.26 crores as per books of accounts and order for winding up issued by High Court, Mumbai amounting to Rs. 1.32 Crores and Refer Note No. 35 to the Notes to the accounts- contingent liability)
 - (ii) The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Rohit Vakharia
Proprietor
Membership No. 033728

Place: Mumbai
Date: May 29, 2018

ANNEXURE A

Referred to in paragraph 1 under the heading 'Report on other legal and regulatory Requirements' of our Report of even date on the Standalone Ind AS financial statements for the year ended on March 31, 2018 of PAE Limited.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Fixed Asset Register is required to be updated where the sale of assets has been effected.
- (b) Except the fixed assets lying at the Vashi Branch where possession have been taken over by the banker and where physical verification has not been conducted, or otherwise the fixed assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company. However possession of property at Vashi and Gold Coin has been taken over by the bankers under SARFAESI Act.
- (ii) (a) The inventory has been physically verified during the year by the management at the year end.
- (b) The discrepancies noticed on verification between the physical stocks and the book records were material and properly dealt with in the books of accounts by writing off the amounting to Rs. 1.98 Lacs. The company has written off inventory amounting to Rs. 35.41 Lacs (including Rs.1.98 lacs on account of physical verification discrepancy and Rs. 16.15 lacs provision for stock of more than 2 years as per the policy followed by the company and balance Rs. 17.28 lacs on account of defective stock)
- (iii) As informed, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013.
- (iv) In our opinion, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the investments.
- (v) The Company had accepted deposits prior to the commencement of Companies Act, 2013. In terms of section 74(1)(b) of the Companies Act, 2013, an amount of Rs. 4.45 lacs is matured but unclaimed as at the year end. The company has shortage of liquid asset required to be maintained amounting to Rs. 1.86 lacs.
- During the year, the company has not accepted any deposits from public in terms of section 73 of the Companies Act, 2013 except Dealer deposit o/s as at the year-end Rs. 21.50 Lacs.
- We are informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or Court or any other tribunal.
- (vi) We have been informed that the Company is not required to maintain cost records under section 148(1) of the Companies Act, 2013.
- (vii) (a) According to the records of the Company, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Custom Duty, Excise Duty, Value added tax, Cess and other material statutory dues applicable to it have not been regular in depositing during the year with the appropriate authorities.

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

(excluding interest provided Rs. 10.81 Lacs)

| Outstanding Statutory Dues (more than six months) | Amount Rs. (excluding interest) |
|----------------------------------------------------------|----------------------------------------|
| Labour welfare funds | 443.00 |
| Entry Tax | 61,424.60 |
| Central Sales Tax | 27,701.41 |
| Value Added Tax | 1,478,459.00 |
| Superannuation Payable | 96,625.00 |
| Tax Deducted at Source | 947,144.00 |
| Provident Fund | 241,702.00 |
| Staff ESIC | 403,544.00 |
| Profession Tax | 162,223.00 |
| Staff Insurance | 13,801.00 |
| Total | 3,433,066.60 |

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

| Name of the Statute | Nature of Dues | Period to which amount relates | Amount (Rs. in lacs) | Forum where dispute is pending |
|-------------------------------------------|--------------------------------------------|---------------------------------------|-----------------------------|-----------------------------------------------------------------------------------------|
| Central Sales Tax and VAT Act | VAT, CST, penalty and interest | 1992-93 | 3.05 | Appellate Tribunal |
| Central Sales Tax and VAT Act | VAT, CST, penalty and interest | 1996-97, 2001-02 till 2011-12 | 590.01 | West Bengal Sales Tax |
| VAT Act | VAT, penalty and interest | 2005-06 | 107.99 | Asst. Commissioner |
| Various State VAT Act | VAT, penalty and interest | 2006-07 | 3.80 | Revisonal Tax board/Asst. Commissioner |
| Various State VAT Act | VAT, penalty and interest | 2007-08 | 37.13 | Asst. Commissioner Rev. Tax Board/ Commercial tax office / Appellate Asst. Commissioner |
| Various State VAT Act | VAT, penalty and interest | 2008-09 | 17.57 | Asst./Dy/ Commissioner / Appellate Tribunal |
| Central Sales Tax & Various State VAT Act | VAT, CST, penalty and interest | 2009-10 | 44.47 | Asst./Dy/ Commissioner / Appellate Tribunal |
| Central Sales Tax & Various State VAT Act | VAT, CST, penalty and interest Taxes Dept. | 2010-11 | 153.78 | Appellate Tribunal/ Commercial |
| Central Sales Tax & Various State VAT Act | VAT, CST, penalty and interest | 2011-12 | 48.21 | Asst. Commissioner/ Appellate Tribunal |
| Central Sales Tax & Various State VAT Act | VAT, CST, penalty and interest | 2012-13 | 295.66 | Asst. Commissioner/ Commercial Taxes/Appellate Dept. |
| Central Sales Tax & Various State VAT Act | VAT, CST, penalty and interest | 2013-14 | 24.56 | Asst. Commissioner/ Commercial Taxes |
| Total | | | 1326.25 | |
| Income tax Act | Disallowance u/s 14A | 2012-13 | 142.00 | CIT(A) |
| Income tax Act | Disallowance u/s 14A | 2014-15 | 123.17 | CIT(A) |
| Income tax Act | Disallowance u/s 14A | 2015-16 | 121.60 | CIT(A) |

Disputed demand details are not available of our verification. Above mentioned amounts are net of demand paid which are subject to reconciliation with various branches. Amounts are as certified by the management.

- (viii) According to the information and explanations given to us, the Company has defaulted in repayment of dues to State Bank of India & Corporation bank. The bankers have taken possession of the property at Vashi and Gold Coin, Tardeo. Amount outstanding is Rs. 20.26 crores as per books of accounts.
- The Company does not have any outstanding debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer, hence, the provision of the clause (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations furnished by the management, which has been relied upon by us, there were no frauds on or by the Company or no fraud on the Company by its officers/ employees has been noticed or reported during the year.

- (xi) The Company has complied with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013 in paying/providing managerial remuneration.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards and Companies Act, 2013.
- (xiv) During the year the company has not made any preferential allotment of shares and hence, the provision of the clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of Section 192 of Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Rohit Vakharia
Proprietor
Membership No. 033728

Place: Mumbai
Date: May 29, 2018

Annexure B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **PAE Limited** ('the Company') as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on the date.

Management's responsibility for Internal Financial Controls

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

Auditors Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details,

accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the management and directors of the company and; (3) provide reasonable assurances regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal financial Controls over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2018:

- The company did not have an appropriate internal control system in respect of warranty claim receivable/payable, sundry debtors, sundry creditors, Inventory, statutory compliances and legal cases.
- The company does not have Internal Auditor, Company Secretary and Qualified Accountant.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018. However it is required to be strengthened.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 standalone Ind AS financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone Ind AS financial statements of the Company.

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

Rohit Vakharia
Proprietor
Membership No. 033728

Place: Mumbai
Date: May 29, 2018

BALANCE SHEET AS AT 31.03.2018

(₹ in Lacs)

| Particulars | Note No. | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|------------------------------------------------|----------|-------------------------|-------------------------|-------------------------|
| ASSETS | | | | |
| 1 Non Current Assets | | | | |
| (a) Property, Plant and Equipment | 2 | 409.10 | 466.47 | 538.65 |
| (b) Capital Work in Progress | | | | |
| (c) Investment Property | | | | |
| (d) Goodwill | | | | |
| (e) Other Intangible Assets | 3 | 0.30 | 0.47 | 1.02 |
| (f) Intangible Assets under Development | | | | |
| (g) Biological Assets other than bearer plants | | | | |
| (h) Financial Assets | | | | |
| (i) Investments | 4 | 12.05 | 46.28 | 59.22 |
| (ii) Trade Receivables | | | | |
| (iii) Loans | 5 | 51.95 | 60.35 | 197.88 |
| (iv) Others | | | | |
| (i) Deferred Tax Assets (Net) | | | | |
| (j) Other Non Current Assets | 6 | 5.21 | 5.49 | 1.51 |
| 2 Current Assets | | | | |
| (a) Inventories | 7 | 11.85 | 50.03 | 280.80 |
| (b) Financial Assets | | | | |
| (i) Investments | | | | |
| (ii) Trade Receivables | 8 | 50.57 | 92.57 | 1286.20 |
| (iii) Cash and Cash Equivalents | | | | |
| (iv) Bank Balance other than above | 9 | 21.84 | 26.96 | 49.53 |
| (v) Loans - | 10 | 82.96 | 83.15 | 69.28 |
| (vi) Others | | - | - | - |
| (c) Current Tax Assets (Net) | | | | |
| (d) Other Current Assets - | 11 | 300.20 | 308.78 | 264.51 |
| Total Assets | | 946.02 | 1,140.54 | 2,748.62 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity Share Capital | 12 | 1,041.96 | 1041.96 | 1041.96 |
| (b) Other Equity | 13 | (5,121.71) | (4,935.07) | (4,364.61) |
| LIABILITIES | | | | |
| 1 Non Current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | | | | |
| (ii) Trade Payables | | | | |
| (iii) Other Financial Liabilities | 14 | 910.00 | 910.00 | 910.00 |
| (b) Provisions | 15 | 29.05 | 48.99 | 38.81 |
| (c) Deferred Tax Liabilities (Net) | | | | |
| (d) Other Non Current Liabilities | | | | |
| 2 Current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 16 | 2,868.44 | 2524.47 | 2202.64 |
| (ii) Trade Payables | 17 | 620.57 | 801.65 | 2064.39 |
| (iii) Other Financial Liabilities | | | | |
| (b) Other Current Liabilities | 18 | 585.86 | 710.48 | 786.87 |
| (c) Provisions | 19 | 11.85 | 38.06 | 68.57 |
| (d) Current Tax Liabilities (Net) | | | | |
| Total Equity and Liabilities | | 946.02 | 1,140.54 | 2,748.62 |

Significant accounting policies

1

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

As per our report attached

For and on behalf of Board of Directors

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

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

Rohit Vakharia
Proprietor
Membership No. 033728

Vijaykumar N. Nair
Director

Date: May 29, 2018
Mumbai

Karthikeyan Muthuswamy
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lacs)

| Particulars | Note No. | For the year ended 2018 | For the year ended 2017 |
|-----------------------------------------------------------------------------------|----------|----------------------------|----------------------------|
| I Revenue from Operations | 20 | 8.92 | 47.36 |
| II Other Income | 21 | 202.30 | 152.89 |
| III Total Income (I+II) | | 211.22 | 200.25 |
| IV Expenses | | | |
| Cost of Material Consumed | | | |
| Purchases of Stock in Trade | 22 | 5.15 | (81.33) |
| Changes in inventories of finished goods, Stock in Trade and Work in Progress | 23 | 33.60 | 235.36 |
| Employee Benefit Expenses | 24 | 90.23 | 243.36 |
| Finance Costs | 25 | 47.00 | 95.07 |
| Depreciation and Amortization Expense | 2 | 14.14 | 24.23 |
| Other Expenses - | 26 | 173.29 | 205.25 |
| Total Expenses (IV) | | 363.41 | 721.95 |
| V Profit/(Loss) before exceptional items and Tax (III-IV) | | (152.18) | (521.70) |
| VI Exceptional Items (Net) | | - | - |
| VII Profit/(Loss) before Tax (V-VI) | | (152.18) | (521.70) |
| VIII Tax Expenses | | | |
| (1) Current Tax | | - | - |
| (2) Deferred Tax | | - | - |
| IX Profit/(Loss) for the period from continuing operations (VII-VIII) | | (152.18) | (521.70) |
| X Profit/(Loss) from discontinued operations | | - | - |
| XI Tax Expenses of Discontinued operations | | - | - |
| XII Profit/(Loss) from discontinued operations (After Tax) (X-XII) | | - | - |
| XIII Profit/(Loss) for the period (IX+XII) | | (152.18) | (521.70) |
| XIV Other Comprehensive Income | 42 | | |
| A (i) Items that will not be reclassified to Profit or Loss | | 3.92 | (8.68) |
| (ii) Income tax relating to items that will not be reclassified to Profit or Loss | | | |
| B (i) Items that will be reclassified to Profit or Loss | | (20.88) | (5.22) |
| (ii) Income tax relating to items that will be reclassified to Profit or Loss | | | |
| XV Total Comprehensive Income for the period (XIII+XIV) | | (169.14) | (535.60) |
| XVI Earnings per Equity Share (For Continuing Operation): | | | |
| (1) Basic | | | |
| (2) Diluted | | | |
| XVII Earnings per Equity Share (For Discontinued Operation): | 27 | | |
| (1) Basic | | (1.46) | (5.01) |
| (2) Diluted | | (1.46) | (5.01) |
| XVIII Earnings per Equity Share (For Discontinued and Continuing Operations): | | | |
| (1) Basic | | (1.46) | (5.01) |
| (2) Diluted | | (1.46) | (5.01) |
| Significant accounting policies | 1 | | |
| The accompanying notes are an integral part of the financial statements. | | | |

As per our report attached

For and on behalf of Board of Directors

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

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

Rohit Vakharia
Proprietor
Membership No. 033728

Vijaykumar N. Nair
Director

Date: May 29, 2018
Mumbai

Karthikeyan Muthuswamy
Director

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

| Balance at the beginning of the reporting period | Changes in Equity Share Capital during the year | Balance at the beginning of the reporting period |
|--------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| 1041.96 | - | 1041.96 |

B : OTHER EQUITY

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | | | Total |
|-----------------------------------------|----------------------|----------------------------|----------------------------------|-------------------|---------------------|----------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------|------------|
| | Capital Reserves | Securities Premium Reserve | Other Reserves (General reserve) | Retained Earnings | Revaluation Surplus | Debt Instrument through other Comprehensive Income | Equity Instrument through other Comprehensive Income | Other items of other comprehensive Income (Employee Benefit Expenses) | |
| Balance as at April 1, 2016 | 0.09 | 531.22 | 941.14 | (6,172.89) | 346.86 | - | (11.03) | - | (4,364.61) |
| Adjustments during the year | | | | | (34.86) | | | | (34.86) |
| Profit for the year | | | | (530.38) | | | | | (530.38) |
| Other Comprehensive Income for the year | | | | 8.68 | | | (5.22) | (8.68) | (5.22) |
| Balance as at March 31, 2017 | 0.09 | 531.22 | 941.14 | (6,694.59) | 312.00 | - | (16.25) | (8.68) | (4,935.07) |
| Adjustments during the year | | | | | (17.50) | | | | (17.50) |
| Profit for the year | | | | (152.18) | | | | | (152.18) |
| Other Comprehensive Income for the year | | | | | | | (20.88) | 3.92 | (16.96) |
| Balance as at March 31, 2018 | 0.09 | 531.22 | 941.14 | (6,846.77) | 294.50 | - | (37.13) | (4.76) | (5,121.71) |

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lacs)

| Particulars | For the year ended March 31, 2018 | | For the year ended March 31, 2017 |
|---------------------------------------------------------------|--------------------------------------|--------------|--------------------------------------|
| (A) Cash Flow from operating activities | | | |
| Net Profit/(Loss) before tax | (152.18) | | (521.70) |
| Adjustments for : | | | |
| Depreciation and amortisation | 14.14 | 24.23 | |
| Finance cost | 47.00 | 95.07 | |
| Interest income | (1.51) | (19.51) | |
| Dividend income | (0.25) | (0.05) | |
| Bad Debts written off | 42.21 | - | |
| Inventory written off | 35.41 | - | |
| Loss on Shurjo Investement | 12.85 | - | |
| Previous year provision no longer required | (0.04) | (0.25) | |
| Sundry Debtors/ Creditors Written Back | (83.02) | (15.82) | |
| Warranty payable written back | (38.79) | - | |
| Profit/Loss on sale of fixed assets (Net) | (55.96) | (41.32) | |
| OCI effect | (16.96) | (13.90) | |
| | (44.92) | | 28.46 |
| Operating Profit before working capital changes | (197.11) | | (493.25) |
| Adjustments for : | | | |
| (Increase) / decrease in trade receivables | (0.21) | 1,209.45 | |
| (Increase) / decrease in loans and advances and other assets | 10.38 | (50.82) | |
| (Increase) / decrease in inventories (after write off) | 2.78 | 230.77 | |
| Increase / decrease in trade payables and other liabilities | (190.35) | (1,339.14) | |
| Increase / (decrease) in provisions | (46.15) | (20.08) | |
| (Increase) / decrease in margin money and other deposits | (0.23) | 6.18 | |
| | (223.78) | | 36.36 |
| Cash used in operations | (420.88) | | (456.89) |
| Income taxes (paid) / refund - (net) | 7.06 | | 126.24 |
| Net cash used in operating activities | (413.82) | | (330.65) |
| (B) Cash Flow from Investing Activities | | | |
| Purchase of property, plant & equipment | (0.35) | (0.36) | |
| Proceeds from sale of property, plant & equipment | 82.33 | 74.45 | |
| Increase/Decrease in investment(net) | 34.24 | 12.95 | |
| Interest received | 1.51 | 19.45 | |
| Dividend received | 0.25 | 0.05 | |
| Net cash inflow from investing activities | 117.98 | | 106.54 |
| (C) Cash Flow from Financing Activities | | | |
| Proceeds from short term borrowings (net) | 343.97 | 321.83 | |
| Finance cost | (47.00) | (114.13) | |
| Unpaid dividend bank balance | 6.47 | 4.29 | |
| Dividend paid | (6.47) | (4.29) | |
| Net cash inflow from financing activities | 296.97 | | 207.70 |
| Net increase in cash and cash equivalents | 1.13 | | (16.41) |
| Cash & cash equivalent as at beginning of the year | 12.27 | 28.68 | |
| Cash & cash equivalent as at end of the year | 13.40 | 12.27 | 16.41 |

Notes:

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

As per our report attached

For and on behalf of Board of Directors

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

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

Rohit Vakharia
Proprietor
Membership No. 033728

Vijaykumar N. Nair
Director

Date: May 29, 2018
Mumbai

Karthikeyan Muthuswamy
Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. Significant Accounting Policies:

a) Statement of Compliance:

The financial statements of the company have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

Up to the year ended March 31, 2017 the company prepared its financial statements in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013 (Previous GAAP). These financial statements for the year ended March 31, 2018 are the company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016.

b) Basis of preparation and presentation:

The financial statement have been prepared on the historical cost except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

The functional currency is Indian Rupee. These financial statements are presented in Indian rupee.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair Value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, 'Leases' and measurements that have some similarities to the fair value but are not fair value, such as net realizable value in Ind AS 2, 'Inventories' or value in use in Ind AS, 'Impairment of Assets', as applicable.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for the identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

c) Use of Estimates:

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

d) Property, Plant & Equipment

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

e) Depreciation on Property, plant and equipment:

- i. Depreciation is computed using the Written Down Value

Method ("WDV") as per the useful life of the asset as prescribed in part C of Schedule II of the Companies Act, 2013 leaving a residual value of 5% of original cost of the asset.

- ii. Depreciation on value written up on revaluation of Buildings and Ownership flats has been provided on straight line method on the basis of estimated life determined by the valuer and equivalent amount of depreciation has been transferred from Revaluation Reserve to statement of profit and loss.

f) Intangible assets:

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

g) Impairment of Assets:

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

h) Financial Instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities [other than financial assets and financial liabilities at Fair Value through Profit or Loss (FVTPL)] are added to or deducted from the fair value of the financial assets or financial liabilities as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

i) Financial assets at amortized cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on remeasurements are recognized in the statement of Profit or Loss. The net gain or loss recognized in the statement of Profit and Loss incorporates any dividend or interest earned on the financial assets and is included in the 'Other Income' line item.

Impairment of financial assets

The company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The company has used practical expedient by computing expected credit loss allowance for trade receivable by taking into consideration historical credit loss experience and adjusted for forward looking information. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized as an impairment gain or loss in the statement of profit or loss.

Derecognition of financial assets

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset to another party. On Derecognition of a financial assets in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in the statement of Profit or Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and Loss on disposal of that financial asset.

j) Financial Liabilities and Equity Instruments:

Classification as debt or equity

Debt and Equity instruments issued by a company are classified as either financial liabilities or as Equity in accordance with the

substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognized at the proceeds received, net of direct issue costs.

Financial Liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The company derecognizes financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. An exchange with a new lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial derecognized and the consideration paid and payable is recognized in the statement of Profit and Loss.

k) Inventories:

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

- Traded 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.

l) Revenue Recognition:

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

m) Operating cycle

Assets and liabilities other than those relating to long term contracts are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

n) Cash and Cash Equivalents (for the purpose of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

o) Cash Flow Statement

Cash flows are reported using indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

p) Foreign Currency Transactions:

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

q) Employee Benefits:

Retirement benefit costs:

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund and the Company's contribution towards provident fund are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with an actuarial valuation being carried out at the end of each annual reporting period.

Remeasurements, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurements recognized in other comprehensive income are reflected immediately in re-tained earnings and is not reclassified to statement of profit & loss. Past service cost is recognized in the statement of Profit & loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service Cost (including current service cost, past service cost as well as gains and losses on curtailment and settlements);
- Net interest expenses or income; and
- Remeasurements

The company presents the first two components of defined benefit costs in statement of profit & loss in the line item 'Employee Benefit Expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligations recognized in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plans or reductions in future contributions to the plans.

Short term and other long term employee benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by the employees up to the reporting date.

r) Leases:

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

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

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

s) Income Taxes:

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

t) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

u) Provisions, Contingent Liabilities and Contingent Assets:

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

ii. Warranty Provisions: Provisions for warranty related cost are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty cost is revised annually.

Note no. : 2 Property, plant and equipment

| Particulars | Building and Ownership Flats | *Other Plant and Machinery | Furniture and Fixtures | Office Equipments | Computers | Motor Vehicles (Del Van) | Total |
|---------------------------|------------------------------|----------------------------|------------------------|-------------------|-----------|--------------------------|----------|
| Gross Carrying amount | | | | | | | |
| As at April 1, 2016 | 781.90 | 19.83 | 187.02 | 90.98 | 171.43 | 70.79 | 1,321.95 |
| Additions | - | - | | 0.36 | | | 0.36 |
| Sale/Adjustment | 25.36 | 11.56 | 30.29 | 22.20 | 47.79 | 21.80 | 159.00 |
| As at March, 2017 | 756.54 | 8.27 | 156.73 | 69.14 | 123.64 | 48.99 | 1,163.31 |
| Additions | | | | 0.35 | | | 0.35 |
| Sale/Adjustment | 40.19 | 2.25 | 3.22 | 4.29 | 11.26 | - | 61.21 |
| As at March, 2018 | 716.35 | 6.02 | 153.51 | 65.20 | 112.38 | 48.99 | 1,102.45 |
| Accumulated Depreciation | | | | | | | |
| As at April 1, 2016 | 290.01 | 14.80 | 165.71 | 82.85 | 163.30 | 66.63 | 783.30 |
| Depreciation expenses | 13.97 | 0.73 | 5.99 | 1.65 | 1.18 | 0.15 | 23.67 |
| Adjustment on revlauation | 18.07 | - | - | - | - | - | 18.07 |
| Sale/Adjustment | 6.68 | 9.05 | 26.57 | 19.79 | 45.87 | 20.24 | 128.20 |
| As at March 31, 2017 | 315.37 | 6.48 | 145.13 | 64.71 | 118.61 | 46.54 | 696.84 |
| Depreciation expenses | 10.75 | 0.29 | 1.88 | 0.73 | 0.32 | | 13.98 |
| Adjustment on revlauation | 17.50 | - | - | - | - | - | 17.50 |
| Sale/Adjustment | 15.15 | 1.75 | 3.12 | 4.13 | 10.81 | - | 34.96 |
| As at March 31, 2018 | 328.47 | 5.02 | 143.89 | 61.31 | 108.12 | 46.54 | 693.36 |
| Net Carrying amount | | | | | | | |
| As at April 1, 2016 | 491.89 | 5.03 | 21.31 | 8.13 | 8.13 | 4.16 | 538.65 |
| As at March, 2017 | 441.17 | 1.79 | 11.60 | 4.43 | 5.03 | 2.45 | 466.47 |
| As at March, 2018 | 387.88 | 1.00 | 9.62 | 3.89 | 4.26 | 2.45 | 409.10 |

***Revaluation of assets**

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

| Particulars | Rupees in lacs |
|----------------------------------------------------------------|----------------|
| Original Cost as at 01.12.2007 | 139.10 |
| Fair Market Value as at 01.12.2007 | 765.50 |
| Amount written up as at 01.12.2007 | 626.40 |
| Reduction on sale of assets from 01.04.2014 to 31.03.2015 | 128.62 |
| Reduction on sale of assets from 01.04.2016 to 31.03.2017 | 16.79 |
| Depreciation on Revalued Portion from 01.04.2017 to 31.03.2018 | 17.50 |
| Accumulated depreciation on revalued portion as on 31.03.2018 | 186.49 |
| WDV as on 31.03.2018 | 294.50 |

Note no. : 3 Other Intangible assets

| Particulars | Software | Total |
|---------------------------|----------|-------|
| Gross Carrying amount | | |
| As at April 1, 2016 | 34.61 | 34.61 |
| Additions | - | - |
| Disposal | - | - |
| As at March, 2017 | 34.61 | 34.61 |
| Additions | | - |
| Disposal | - | - |
| As at March, 2018 | 34.61 | 34.61 |
| Accumulated Depreciation | | |
| As at April 1, 2016 | 33.59 | 33.59 |
| Depreciation expenses | 0.56 | 0.56 |
| Adjustment on revlauation | - | - |
| Elimination on disposal | - | - |
| As at March 31, 2017 | 34.15 | 34.15 |
| Depreciation expenses | 0.16 | 0.16 |
| Adjustment on revlauation | | |
| Elimination on disposal | - | - |
| As at March 31, 2018 | 34.31 | 34.31 |
| Net Carrying amount | | - |
| As at April 1, 2016 | 1.02 | 1.02 |
| As at March, 2017 | 0.46 | 0.46 |
| As at March, 2018 | 0.30 | 0.30 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|----------|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| 4 | Non Current Investment | | | |
| | A) Investment in Equity Instruments | | | |
| | Investment in Subsidiary Companies (Unquoted) | | | |
| | A) Subsidiaries -wholly owned | | | |
| | PAE Infrastructure Pvt. Ltd. | 39.39 | 33.72 | 35.20 |
| | 3,52,000 (Previous Year: 3,52,000) Equity shares of Rs.10 each fully paid | | | |
| | Add : Fair value change as per Ind AS | 34.04 | 5.67 | (1.48) |
| | | <u>5.35</u> | <u>39.39</u> | <u>33.72</u> |
| | | - | - | - |
| | PAE Renewables Pvt. Ltd. | - | 1,176.00 | 1,176.00 |
| | Nil (Previous Year: 93,85,000) Equity shares of Rs.10 each fully paid | | | |
| | Less: Provision for diminution in value | - | 1,171.18 | 1,171.18 |
| | | <u>-</u> | <u>4.82</u> | <u>4.82</u> |
| | Less : Sold during the year | - | 4.82 | - |
| | | <u>-</u> | <u>-</u> | <u>4.82</u> |
| | Shurjo Energy Pvt Ltd. * | | | |
| | Nil (Previous Year: 45637673) Equity shares of Rs.1 each fully paid | 785.66 | 785.66 | 785.66 |
| | Less: Provision for diminution in value (Rs. 785.66 Less Rs. 760.66) | 760.66 | 760.66 | 760.66 |
| | | <u>25.00</u> | <u>25.00</u> | <u>25.00</u> |
| | Add : Fair value change as per Ind AS | (20.44) | (20.44) | (20.44) |
| | | <u>-</u> | <u>-</u> | <u>-</u> |
| | Less : Proportionate Reduction in cost on sale of 24,375,651 shares (53.40%) on net value after provision for diminution in value | 2.44 | - | - |
| | | <u>-</u> | <u>-</u> | <u>-</u> |
| | | - | - | - |
| | | <u>-</u> | <u>-</u> | <u>-</u> |
| | | <u>2.13</u> | <u>4.56</u> | <u>4.56</u> |
| | B) Associate | - | - | - |
| | Shurjo Energy Pvt. Ltd. | 2.13 | - | - |
| | 21262022 (Previous Year: Nil) Equity shares of Rs.1 each fully paid | - | - | - |
| | | <u>-</u> | <u>-</u> | <u>-</u> |
| | Add : Fair value change as per Ind AS | 2.24 | - | - |
| | | <u>4.37</u> | <u>-</u> | <u>-</u> |
| | | <u>9.72</u> | <u>43.95</u> | <u>43.10</u> |
| | Other Investments (Quoted) | | | |
| | Pal Credit & Capital Ltd. | 87.64 | 87.64 | 87.64 |
| | 8,53,305 (Previous Year: 8,53,305) Equity shares of Rs.10 each fully paid | | | |
| | Less: Provision for diminution in value | 85.34 | 85.34 | 85.34 |
| | | <u>2.30</u> | <u>2.30</u> | <u>2.30</u> |
| | South India Paper Mills Ltd. | - | 1.18 | 1.18 |
| | Nil (Previous Year: 8,000) Equity shares of Rs.10 each fully paid | | | |
| | Less : Sold during the year | - | 1.18 | - |
| | Add : Fair value change as per Ind AS | - | - | 6.66 |
| | | <u>-</u> | <u>-</u> | <u>7.84</u> |
| | Exide Industries Ltd. | - | 0.01 | 0.01 |
| | Nil (Previous Year: 216) Equity shares of Rs.1 each fully paid | | | |
| | Less : Sold during the year | - | 0.01 | - |
| | Add : Fair value change as per Ind AS | - | - | 0.29 |
| | | <u>-</u> | <u>-</u> | <u>-</u> |
| | Finolex Cables Ltd. | - | 0.01 | 0.01 |
| | Nil (Previous Year: 50) Equity shares of Rs. 2 each fully paid | | | |
| | Less : Sold during the year | - | 0.01 | - |
| | Add : Fair value change as per Ind AS | - | - | 0.13 |
| | | <u>-</u> | <u>-</u> | <u>0.44</u> |
| | Bosch Ltd. | - | 0.02 | 0.02 |
| | Nil (Previous Year: 10) Equity shares of Rs. 10 each fully paid (Formerly known as Mico Industries Company Ltd.) | | | |
| | Less : Sold during the year | - | 0.02 | - |
| | Add : Fair value change as per Ind AS | - | - | 2.06 |
| | | <u>-</u> | <u>-</u> | <u>2.08</u> |
| | Gabriel India Ltd. | - | 0.01 | 0.01 |
| | Nil (Previous Year: 1000) Equity shares of Rs. 1 each fully paid | | | |
| | Less : Sold during the year | - | 0.01 | - |
| | Add : Fair value change as per Ind AS | - | - | 0.89 |
| | | <u>-</u> | <u>-</u> | <u>0.90</u> |
| | | <u>2.30</u> | <u>2.30</u> | <u>13.57</u> |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Other Investments (Unquoted) | | | |
| | Jain Sahakari Bank Ltd. 40 (Previous Year: 40) Equity shares of Rs. 25 each fully paid | 0.01 | 0.01 | 0.01 |
| | Stiefel Und Shuh Ltd. 1,100 (Previous Year: 1,100) Equity shares of Rs. 10 each fully paid Less: Provision for diminution in value | 0.11 0.10 0.01 | 0.11 0.10 0.01 | 0.11 0.10 0.01 |
| | Kongarar Integrated Fibres Ltd. 1,200 (Previous Year: 1200) Equity shares of Rs. 10 each fully paid (Formerly known as Kongarar Textiles Ltd.) Less: Provision for diminution in value | 0.52 0.51 0.01 0.03 | 0.52 0.51 0.02 0.04 | 0.52 0.51 0.01 0.02 |
| | Investment in Mutual Funds Nil (Previous Year: 9543) Units of Unit Trust of India Balance Fund Less : Sold during the year Add : Fair value change as per Ind AS | - - - | 1.68 1.68 - | 1.68 0.85 2.53 |
| | | 12.05 | 46.28 | 59.22 |
| | Aggregate Book Value of Investments | | | |
| | Aggregate book value of Quoted Investments and market value thereof | 87.64 | 87.64 | 98.90 |
| | Aggregate book value of Unquoted Investments | 771.22 | 1,982.94 | 1,978.12 |
| | Sold during the year | - | 6.49 | - |
| | Aggregate amount of impairment in value of investments (Market value of quoted investments Rs. Nil as trading of PLCC is suspended (Previous Year: Rs. Nil)) | 846.62 12.05 | 2,017.80 46.28 | 2,017.80 59.22 |
| | Investment in subsidiary, Shurjo Energy Pvt. Ltd | | | |
| a) | IN the previous year the company has made a provision for diminution in the value of its investment of Rs.785.66 lacs in Shurjo Energy Private Limited ('SEPL') to the extent of Rs.760.66 lacs based on the realisable value of the assets on estimated basis. 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 till 31.03.2018. Further loss on sale of second/third tranches will be booked on realisation of consideration. Company ceases to be subsidiary w.e.f. 30.09.2017 and now it is associate of the company. Booked proportionate loss on base of fair valuation by independent valuer and fair value is based on unaudited Balance sheet. | | | |
| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
| 5 | Long-term Loans & Advances | | | |
| | Unsecured considered good | | | |
| | Capital Advances | 0.12 | 0.12 | 0.12 |
| | Sundry Deposits | 37.97 | 39.30 | 49.86 |
| | PAE Employees' Group Gratuity Fund | - | - | - |
| | Advance Income Tax | 13.87 | 20.93 | 147.17 |
| | Other advances | - | - | 0.73 |
| | | 51.95 | 60.35 | 197.88 |
| 6 | Other Non-current Assets | | | |
| | Non current bank balances | | | |
| | Margin money deposits with bank | 5.21 | 5.49 | 1.51 |
| | Other deposits with bank | - | - | - |
| | | 5.21 | 5.49 | 1.51 |
| 7 | Inventories | | | |
| | Traded Goods | 11.85 | 45.44 | 280.80 |
| | Goods-in-Transit(at cost) | - | 4.59 | - |
| | | 11.85 | 50.03 | 280.80 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|----------|---------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| 8 | Trade Receivables: (Unsecured, considered good unless otherwise stated) | | | |
| | Outstanding over six months | 92.78 | 92.57 | 1,185.03 |
| | Others | - | - | 132.37 |
| | Less :Expected credit loss (ECL) | 42.21 | - | 31.20 |
| | | <u>50.57</u> | <u>92.57</u> | <u>1,286.20</u> |
| 9 | Cash And Bank Balances | | | |
| | Cash and cash equivalents | | | |
| | Balances with Banks | | | |
| | On current account * | 10.41 | 11.44 | 16.72 |
| | Deposit with Maturity of less than/up to three months | - | - | 1.98 |
| | Cash in hand | 2.99 | 0.68 | 0.79 |
| | Cheques deposited in CMS facility | - | 0.11 | 3.21 |
| | Cheques/ Drafts in hand | - | 0.04 | 5.98 |
| | | <u>13.40</u> | <u>12.27</u> | <u>28.67</u> |
| | Unpaid dividend account | 4.57 | 11.04 | 15.33 |
| | Margin money deposit with maturity of more than 3 months and upto 12 months ** | 3.87 | 3.65 | 5.53 |
| | Deposits with maturity of more than 3 months and upto 12 months | - | - | - |
| | | <u>8.44</u> | <u>14.69</u> | <u>20.86</u> |
| | | <u>21.84</u> | <u>26.96</u> | <u>49.53</u> |

* Balances with bank on current account include and amount of Rs. 4.51 lacs, which has been earmarked by the VAT department towards unpaid VAT dues of Rs. 305.72 Lacs of Vizag, Ahemdabad & Vashi Branches as per bank statement

* Includes Rs. 2.59 Lac payable to unclaimed fixed deposit holder regrouped during the year.

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

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| 10 | Short-term Loans & Advances | | | |
| | Unsecured considered good | | | |
| a) | Loans and Advances to subsidiaries (a) | 645.21 | 645.09 | 645.09 |
| | Less: Provision for doubtful recovery | 645.09 | 645.09 | 645.09 |
| | (Associate with effect 30.09.2017) | 0.12 | (0.00) | (0.00) |
| | Others | - | - | - |
| b) | Sundry Deposits | 13.84 | 12.89 | 8.63 |
| | Advances receivable in cash or kind or for value to be received | 69.00 | 70.25 | 60.65 |
| | | <u>82.96</u> | <u>83.14</u> | <u>69.28</u> |
| (a) | Loans and advances to associate is for the purpose of meeting the working capital requirement of the associate. During the year, the company has not charged any interest on these loans and advances. | | | |
| 11 | Other Current Assets | | | |
| | Claims/Incentives receivables | 299.89 | 308.60 | 264.39 |
| | Interest accrued but not due on margin money & fixed deposit & Investment deposit scheme | 0.31 | 0.18 | 0.12 |
| | | <u>300.20</u> | <u>308.78</u> | <u>264.51</u> |
| 12 | Share Capital | | | |
| | Authorised | | | |
| | 1,50,00,000 Equity Shares of Rs.10 each | 1,500.00 | 1,500.00 | 1,500.00 |
| | (Previous Year: 1,50,00,000 Equity Shares of Rs. 10 each) | | | |
| | 100,00,000 Preference Shares of Rs. 10 each | 1,000.00 | 1,000.00 | 1,000.00 |
| | (Previous Year: 10,00,000 Preference Shares of Rs. 10 each) | <u>2,500.00</u> | <u>2,500.00</u> | <u>2,500.00</u> |
| | Issued, Subscribed and Fully Paid Up | | | |
| | 1,04,196,00 Equity Shares of Rs.10 each fully paid up | 1,041.96 | 1,041.96 | 1,041.96 |
| | (Previous Year: 1,04,196,00 Equity Shares of Rs.10 each) | <u>1,041.96</u> | <u>1,041.96</u> | <u>1,041.96</u> |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:**

| (i) Equity Shares: | March-18 | | March-17 | | March-16 | |
|------------------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| At the beginning of the year | 10,419,600 | 104,196,000 | 10,419,600 | 104,196,000 | 9,949,600 | 99,496,000 |
| Issued during the year | - | - | - | - | 470,000 | 4,700,000 |
| Redeemed during the year | - | - | - | - | - | - |
| Outstanding at the end of the year | 10,419,600 | 104,196,000 | 10,419,600 | 104,196,000 | 10,419,600 | 104,196,000 |

(b) Terms attached to Equity

- (i) The company has equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (ii) Out of the total number of equity shares held by the Promoters 4,70,000 no. of shares are under lock in period.

(c) Details of shareholders holding more than 5% shares in the company

| | March-18 | | March-17 | | March-16 | |
|--------------------------|------------------------|---------------|------------------------|---------------|------------------------|---------------|
| | % holding in the class | No. of Shares | % holding in the class | No. of Shares | % holding in the class | No. of Shares |
| i Arvind Raoji Doshi | 25.49% | 2,655,728 | 25.49% | 2,655,728 | 25.49% | 2,655,728 |
| ii Pratibha Arvind Doshi | 16.27% | 1,695,696 | 16.27% | 1,695,696 | 16.27% | 1,695,696 |
| iii Pritam Arvind Doshi | 13.39% | 1,395,199 | 13.39% | 1,395,199 | 13.39% | 1,395,199 |

NOTE NO 13 : OTHER EQUITY

| Particulars | Share application money pending allotment | Equity component of compound financial instrument | Reserves and Surplus | | | Revaluation Surplus | Other Comprehensive Income | | | Total |
|-----------------------------------------|-------------------------------------------|---------------------------------------------------|----------------------|----------------------------|----------------------------------|---------------------|----------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------|-------------------|
| | | | Capital Reserves | Securities Premium Reserve | Other Reserves (General reserve) | Retained Earnings | Debt Instrument through other Comprehensive Income | Equity Instrument through other Comprehensive Income | Other items of other comprehensive Income (Employee Benefit Expenses) | |
| Balance as at April 1, 2016 | - | - | 0.09 | 531.22 | 941.14 | (6,172.89) | - | (11.03) | - | (4,364.61) |
| Adjustments during the year | - | - | - | - | - | (34.86) | - | - | - | (34.86) |
| Profit for the year | - | - | - | - | - | (530.38) | - | - | - | (530.38) |
| Other Comprehensive Income for the year | - | - | - | - | - | 8.68 | - | (5.22) | (8.68) | (5.22) |
| Balance as at March 31, 2017 | - | - | 0.09 | 531.22 | 941.14 | (6,694.59) | - | (16.25) | (8.68) | (4,935.07) |
| Adjustments during the year | - | - | - | - | - | (17.50) | - | - | - | (17.50) |
| Profit for the year | - | - | - | - | - | (152.18) | - | - | - | (152.18) |
| Other Comprehensive Income for the year | - | - | - | - | - | - | - | (20.88) | 3.92 | (16.96) |
| Balance as at March 31, 2018 | - | - | 0.09 | 531.22 | 941.14 | (6,846.77) | - | (37.13) | (4.76) | (5,121.71) |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

14 Other Financial Liabilities :

Other Financial Liabilities

91,00,000 11% Non Convertible, Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up

| March-18 | March-17 | March-16 |
|----------|---------------|----------|
| Amount | No. of Shares | Amount |
| 910.00 | 910.00 | 910.00 |

- i During the year ended March 31, 2018, the Company issued Nil (previous year Nil) 11% Non-convertible, cumulative, redeemable preference shares(NCRPS) of Rs.10/- each fully paid up. The NCRPS holder shall have a right to vote on resolution placed before the Company which directly affect the rights attached to his preference share only, and any resolution for the winding up of the Company or repayment or reduction of its equity or preference share capital, provided that where the dividend is not paid for two or more years such class of NCRPS holders shall have right to vote on all resolutions placed before the Company. The NCRPS shall be redeemed by the Company at par on expiry of 13 years from the date of allotment, or on the request of NCRPS holders, which ever is earlier. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

| Preference Shareholders: | March-18 | | March-17 | | March-16 | |
|----------------------------------------------------------------------|------------------------|---------------|------------------------|---------------|------------------------|---------------|
| | % holding in the class | No. of Shares | % holding in the class | No. of Shares | % holding in the class | No. of Shares |
| 11% Non Convertible, Cumulative, Redeemable Preference Shares | | | | | | |
| i Arvind Raoji Doshi | 43.96% | 4,000,000 | 43.96% | 4,000,000 | 43.96% | 4,000,000 |
| ii Pritam Arvind Doshi | 22.31% | 2,030,000 | 22.31% | 2,030,000 | 22.31% | 2,030,000 |
| iii Pratibha Arvind Doshi | 19.01% | 1,730,000 | 19.01% | 1,730,000 | 19.01% | 1,730,000 |
| iv Rajubai Investments Pvt. Ltd. * | 14.73% | 1,340,000 | 14.73% | 1,340,000 | 14.73% | 1,340,000 |

* During the year holding was sold to non-promoters pending completion of procedure of transfer of Preference share shown in name of Rajubai Investment Pvt. Ltd. Due to this promoter holding in preference share capital will be reduced by 14.73% .

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|-----------|--------------------------------------------------|----------------------|----------------------|----------------------|
| 15 | Provisions | | | |
| | Provision for employee benefits | | | |
| | Leave Encashment | 7.65 | 7.59 | 19.88 |
| | Gratuity | 21.39 | 41.40 | 18.92 |
| | | 29.04 | 48.99 | 38.81 |
| 16 | Borrowings | | | |
| | Secured | | | |
| | Working capital loan from banks (book value) (a) | 2,026.13 | 2,026.68 | 2,027.64 |
| | | 2,026.13 | 2,026.68 | 2,027.64 |
| | Unsecured | | | |
| | Inter-Corporate Deposit from others (b) | 302.55 | 300.55 | 30.00 |
| | Inter-Corporate Deposit From related party (c) | 141.73 | 138.28 | 145.00 |
| | Loan from director {d} | 398.04 | 58.97 | - |
| | | 2,868.44 | 2,524.47 | 2,202.64 |

- (a) Working capital loan from consortium of banks is secured by hypothecation of current assets and all movables, both present and future and with a collateral charge on immovable and movable properties. In past the loan carries interest at 7% p.a. in State Bank of India and 5.10% p.a. in Corporation Bank above Bank Rate(BR). Consortium of banks has classified working capital loan as Non Performing Asset. No provision for bank interest has been made during year 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 have taken possession of the security charged to bank under SARFAESI Act 2002 and in parallel company have filed securitization application in DRT III Vashi.. The company is in process to negotiate with Bankers for settlement and representing again for settlement.

- a i) Balances as per bank statement and as per book subject to reconciliation pending stated as per book value.

- (b) The inter-corporate deposits carry interest @12% p.a to 15% p.a. Terms and conditons of repayment not stipulated.

- (c) Inter-corporate deposit from related party no interest charged during the year, previous year 12.50% on Rs. 10 Lac. Terms and conditons of repayment not stipulated.

- (d) Loan from director is interest free and during the previous year interest paid 12.50% p.a. Terms and conditons of repayment not stipulated.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|----------|---------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| 17 | Trade Payables | 620.57 | 801.65 | 2,064.39 |
| | (Net of written back) | 620.06 | 801.14 | 2,063.88 |
| 18 | Other Current Liabilities | | | |
| (a) | Current maturities of long term debts | | | |
| | Current maturity of fixed deposits from related parties | - | 137.25 | 137.25 |
| | Current maturity of fixed deposits from shareholders | - | - | 1.60 |
| | Current maturity of fixed deposits from public | - | 0.50 | 34.68 |
| (b) | Interest accrued but not due | - | - | 0.13 |
| (c) | Interest Payable on statutory payment | 10.81 | 26.81 | 18.93 |
| (d) | Unclaimed dividend * | 4.57 | 11.04 | 15.33 |
| (e) | Unclaimed matured fixed deposits ** | 4.45 | 1.90 | 5.99 |
| (f) | Other Payables | - | - | - |
| | Trade payable for expenses - | 424.54 | 353.27 | 335.08 |
| | Dealer Deposits | 47.90 | 53.52 | 106.05 |
| | Rent Deposit | 8.38 | 26.54 | 29.26 |
| | Advance from customers | 38.99 | 12.16 | 18.23 |
| | Statutory dues payable | 46.21 | 87.48 | 84.34 |
| | | 585.86 | 710.48 | 786.87 |

* There is no amount due & outstanding as at Balance Sheet date to be credited to Investor Education & Protection Fund.

** Against which Rs. 2.59 Lac bank balance available and short by Rs. 1.86 Lac.

** Previous year pending reconciliation amount of Rs. 2.05 Lac shown as paid.

| | | | | |
|----|-----------------------------------------------------|--------------|--------------|--------------|
| 19 | Provisions | | | |
| | Provision for employee benefits (Refer Note No. 28) | | | |
| | Leave Encashment | 0.58 | 0.55 | 3.63 |
| | Gratuity (net of planned asset) | 6.76 | 5.56 | 12.46 |
| | | 7.33 | 6.11 | 16.09 |
| | Provision for warranties (refer note no. 35(d)) | 4.52 | 31.96 | 52.48 |
| | | 11.85 | 38.06 | 68.57 |

(₹ in lacs)

| Note No. | Particulars | For the year ended, 2018 | For the year ended, 2017 |
|----------|------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| 20 | Revenue From Operations | | |
| | Net Sale of Traded Goods less Returns | 2.72 | 41.23 |
| | Other Operating Revenues: | | |
| | Incentive/turnover discounts from suppliers | - | - |
| | Bad debts recovered | 6.20 | 6.13 |
| | Others | - | - |
| | | 6.20 | 6.13 |
| | Total | 8.92 | 47.36 |
| 21 | Other Income | | |
| | Interest | 1.51 | 0.62 |
| | Interest on income tax refund | 0.92 | 18.89 |
| | Rent Income | 21.71 | 32.21 |
| | Dividend Earned | 0.25 | 0.05 |
| | Profit on sale of assets(net) | 56.01 | 42.66 |
| | Others | - | 15.84 |
| | Other miscellaneous income | 121.89 | 42.61 |
| | (inclusive of sundry creditors written back (net) Rs. 38.79 Lac and Warranty payable written back Rs. 83.02 Lac) | 202.30 | 152.89 |
| 22 | Purchases of Stock in Trade | 5.15 | (81.33) |
| | | 5.15 | (81.33) |
| 23 | Changes in inventories Stock-in-Trade | | |
| | Closing Stock | 11.85 | 45.44 |
| | Opening Stock | 45.44 | 280.80 |
| | (Increase)/decrease in stock | 33.60 | 235.36 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Note No. | Particulars | For the year ended, 2018 | For the year ended, 2017 |
|-----------|--------------------------------------------------------------------|--------------------------|--------------------------|
| 24 | Employee Benefits Expense | | |
| | Salaries and Wages * | 71.96 | 204.19 |
| | Contribution to Provident & Other Funds | 13.96 | 25.43 |
| | Staff Welfare Expenses | 4.31 | 13.74 |
| * | Inclusive of MD's remuneration Rs. 43.66 Lac | <u>90.23</u> | <u>243.36</u> |
| 25 | Finance Costs | | |
| | Interest Expense | 46.50 | 93.73 |
| | Bank Charges | 0.50 | 1.35 |
| | | <u>47.00</u> | <u>95.07</u> |
| 26 | Other Expenses | | |
| | Stationery, Postage, Advertisement, Telephone, Electricity, etc. - | 56.61 | 110.05 |
| | Clearing and Forwarding Agency Charges | - | - |
| | Packing and Forwarding (Inward & Outward) | 0.04 | 7.86 |
| | Rent | 5.71 | 21.61 |
| | Rates & Taxes | 14.57 | 7.86 |
| | Cash Discount | 0.00 | 0.19 |
| | Incentive/Turnover Discounts | - | 0.00 |
| | Repairs to | | |
| (i) | Buildings | 2.50 | 9.94 |
| (ii) | Others | <u>8.27</u> | <u>14.36</u> |
| | | 10.77 | 24.30 |
| | Insurance | 1.21 | 2.60 |
| | Payment to auditors | | |
| | As Auditors: | | |
| (i) | Audit Fees | 3.32 | 3.22 |
| (ii) | Tax Audit Fees | - | 0.17 |
| (iii) | Limited Review | 1.80 | 2.07 |
| | In other capacity: | | |
| (iv) | Other services(certification fee) | 0.27 | 0.46 |
| | For reimbursement of expenses | <u>0.20</u> | <u>0.10</u> |
| | | 5.60 | 6.02 |
| | Miscellaneous Expenses | 23.68 | 19.49 |
| | Directors' Fees | - | - |
| | Loss on assets sold/discarded | 0.05 | 5.26 |
| | Sale of Investment of Subsidiary | 12.85 | - |
| | Foreign Exchange Fluctuation (net) | - | - |
| | Expected credit loss (Debtors) | <u>42.21</u> | <u>-</u> |
| | | <u>173.29</u> | <u>205.25</u> |
| 27 | Earnings Per Share (EPS) | | |
| | Profit/(loss) after tax | (152.18) | (521.70) |
| | Paid up Equity Share Capital (face value of Rs.10/- each) | 1,041.96 | 1,041.96 |
| | Basic and diluted earnings per share (in Rupees) | (1.46) | (5.01) |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

28 Details of defined benefit plan- As per Actuarial Valuation :

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| I | Components of defined benefit cost | | |
| 1 | Current service cost | 0.73 | 4.42 |
| 2 | Interest cost on benefit obligation (Net) | 3.52 | 6.21 |
| 3 | Total expenses included in Statement of Profit and Loss (P&L) | 4.34 | 6.94 |
| 4 | Actuarial changes arising from changes in demographic assumptions | - | - |
| 5 | Actuarial changes arising from changes in financial assumptions | (0.08) | 0.88 |
| 6 | Actuarial changes arising from changes in experience assumptions | (3.72) | 5.68 |
| 7 | Return on Plan Assets (excluding interest income) | 0.11 | (2.10) |
| 8 | Total recognized in Other Comprehensive income (OCI) | (3.92) | 8.67 |
| 9 | Total defined benefit cost recognized in P&L and OCI | 0.42 | 15.61 |
| II | Actual contribution and Benefits payment for the year | | |
| 1 | Actual Benefits Payments | (19.53) | (47.48) |
| 2 | Actual Contributions | 20.5 | 2.35 |
| III | Net asset/(liability) recognised in the Balance Sheet | | |
| 1 | Present Value of Defined Benefit Obligations | (28.14) | (46.95) |
| 2 | Fair Value of Plan Assets | 3.57 | 2.30 |
| 3 | Net asset/(liability) recognized in the Balance Sheet | (24.57) | (44.65) |
| IV | Change in present Value of Defined Benefit obligation during the year | | |
| 1 | Present Value of Defined Benefit obligation as at the beginning of the year | 46.95 | 77.23 |
| 2 | Current Service Cost | 0.73 | 4.42 |
| 3 | Interest Cost | 3.52 | 6.20 |
| 4 | Benefits paid | (19.53) | (47.48) |
| 5 | Actuarial changes arising from changes in demographic assumptions | - | - |
| 6 | Actuarial changes arising from changes in financial assumptions | (0.08) | 0.88 |
| 7 | Actuarial changes arising from changes in experience assumptions | (3.72) | 5.68 |
| 8 | Present Value of Defined Benefit obligation as at the beginning of the year | 28.14 | 46.95 |
| V | Change in Fair Value of Plan Assets during the year | | |
| 1 | Plan Assets as at the beginning of the year | 2.30 | 45.85 |
| 2 | Interest Income | 0.17 | 3.68 |
| 3 | Actuarial Gains/(Losses) | | |
| 4 | Actual Company Contributions | 20.50 | 2.35 |
| 5 | Benefits paid | (19.53) | (47.48) |
| 6 | Expected return on Plan Assets (excluding interest income) | 0.11 | (2.10) |
| 7 | Plan Assets as at the end of the year | 3.57 | 2.30 |
| VI-A | Actuarial Assumptions | | |
| 1 | Discount Rate | 7.56% | 7.51% |
| 2 | Expected return on Plan Assets | 7.56% | 7.51% |
| 3 | Salary escalation Rate | 5.00% | 5.00% |
| 4 | Mortality Table | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |
| VII | The assumption of the future salary increases, considered in actuarial valuation , takes into account the inflation, seniority ,promotion and other relevant factors. | | |
| VIII | Category of assets | As at March 31, 2018 | As at March 31, 2017 |
| | Insurance fund | 3.57 | 2.30 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|-----------|-----------------------------------------------------------------|----------------------|----------------------|
| IX | Maturity Analysis of the Benefit payment from the Fund : | | |
| 1 | Year 1 | 0.90 | 20.82 |
| 2 | Year 2 | 0.93 | 0.85 |
| 3 | Year 3 | 13.06 | 0.89 |
| 4 | Year 4 | 3.49 | 12.91 |
| 5 | Year 5 | 0.54 | 3.30 |
| 6 | Sum of Years 6 to 10 | 6.94 | 3.21 |
| 7 | Sum of Years 11 and above | 22.16 | 25.68 |

Quantitative sensitivity analysis for significant assumption is as below:

| | | |
|---------------------------------------------------------------------|--------|--------|
| Delta effect of +One percentage change in Rate of discounting | (1.53) | (1.62) |
| Delta effect of +One percentage change in Rate of discounting | 1.71 | 1.81 |
| Delta effect of + One percentage increase in salary rate | 0.96 | 1.84 |
| Delta effect of + One percentage decrease in salary rate | (0.93) | (1.68) |
| Delta effect of +One percentage change in rate of employee turnover | 0.44 | 0.27 |
| Delta effect of +One percentage change in rate of employee turnover | (0.48) | (0.29) |

Sensitivity analysis method

The sensitivity analysis presented above may not be representative of the actual in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumption may be correlated. There was no changes in the methods and assumptions used in sensitivity analysis from prior years.

29 Segment information

The Company has only one reportable segment, namely "Power Products", hence segment disclosure under Accounting Standard Ind AS 108 is not required.

30 (a) Related party Disclosure

Related party disclosures as required by Ind AS 24 "Related Party Disclosures" are given below :

Associate

Shurjo Energy Pvt Ltd. (w.e.f. 01.10.2017)

| Contry of Incorporation | % age of ownership interest either directly or through subsidiaries | | |
|-------------------------|---------------------------------------------------------------------|----------------------|----------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
| India | 46.58% | 0.00% | 0.00% |

30 (b) Related party disclosure as per Ind AS 24**B Particulars of Subsidiary Companies**

PAE Infrastructure Pvt. Ltd.
Shurjo Energy Pvt Ltd Till 30th Sept' 2017
Particulars of Associate Companies
Shurjo Energy Pvt Ltd w.e.f. 01.10.2017

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

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

D Key Management Personnel:

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

E Relatives of Key Management Personnel:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

F Details of transactions with related parties:

| Particulars | Year | Subsidiary Companies | Associate Companies | Enterprises mentioned in 'B' above | Key Management Personnel | Relatives of Key Management Personnel |
|-----------------------------------------|------|----------------------|---------------------|------------------------------------|--------------------------|---------------------------------------|
| Remuneration: | | | | | | |
| Mr. Arvind R. Doshi | 2018 | | | | - | |
| | 2017 | | | | - | |
| | 2016 | | | | - | |
| Mr. Pritam A. Doshi | 2018 | | | | 43.66 | |
| | 2017 | | | | (43.66) | |
| | 2016 | | | | (43.66) | |
| Sitting Fees : | | | | | | |
| Mr. Arvind R. Doshi | 2018 | | | | - | |
| | 2017 | | | | - | |
| | 2016 | | | | (0.20) | |
| Mrs. Pratibha A. Doshi | 2018 | | | | - | |
| | 2017 | | | | - | |
| | 2016 | | | | (0.20) | |
| Rent Paid: | | | | | | |
| PAE Infrastructure Pvt. Ltd | 2018 | - | | | | |
| | 2017 | (0.31) | | | | |
| | 2016 | (1.40) | | | | |
| Other receipts/payments(net): | | | | | | |
| PAE Infrastructure Pvt. Ltd. | 2018 | 0.89 | | | | |
| | 2017 | (1.93) | | | | |
| | 2016 | - | | | | |
| Shurjo Energy Pvt. Ltd | 2018 | 1.97 | 0.43 | | | |
| | | (2.27) | - | | | |
| | | (10.38) | | | | |
| Interest paid on fixed deposits: | | | | | | |
| Arvind R Doshi HUF | 2018 | | | 7.82 | | |
| | 2017 | | | (3.91) | | |
| | 2016 | | | (8.70) | | |
| Pritam A Doshi HUF | 2018 | | | 2.64 | | |
| | 2017 | | | (1.32) | | |
| | 2016 | | | (2.94) | | |
| Mrs. Pratibha A. Doshi | 2018 | | | 3.70 | | |
| | 2017 | | | (1.80) | | |
| | 2016 | | | (4.11) | | |
| Mrs. Priyadarshani A. Doshi | 2018 | | | | | 0.25 |
| | 2017 | | | | | (0.25) |
| | 2016 | | | | | (0.38) |
| ICD taken: | | | | | | |
| Rajubai Investment Private Limited | 2018 | | | 21.32 | | |
| | 2017 | | | (10.00) | | |
| | 2016 | | | (177.00) | | |
| Loan from director | | | | | | |
| Mr. Pritam A Doshi | 2018 | | | | 513.57 | |
| | 2017 | | | | (74.50) | |
| | 2016 | | | | - | |
| Mrs. Pratibha A. Doshi | 2018 | | | | - | |
| | 2017 | | | | (10.00) | |
| | 2016 | | | | - | |
| ICD Paid back: | | | | | | |
| Rajubai Investment Private Limited | 2018 | | | 17.87 | | |
| | 2017 | | | (16.01) | | |
| | 2016 | | | (239.99) | | |
| Loan from director paid Back | | | | | | |
| Mr. Pritam A Doshi | 2018 | | | | 174.50 | |
| | 2017 | | | | (27.50) | |
| | 2016 | | | | - | |
| Mrs. Pratibha A. Doshi | 2018 | | | | - | |
| | 2017 | | | | - | |
| | 2016 | | | | - | |
| Interest paid on ICD: | | | | | | |
| Rajubai Investment Private Limited | 2018 | | | - | | |
| | 2017 | | | (0.08) | | |
| | 2016 | | | - | | |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

F Details of transactions with related parties:

| Particulars | Year | Subsidiary Companies | Associate Companies | Enterprises mentioned in 'B' above | Key Management Personnel | Relatives of Key Management Personnel |
|------------------------------------------------------------|------|----------------------|---------------------|------------------------------------|--------------------------|---------------------------------------|
| Interest paid on Loan from director | | | | | | |
| Mr. Pritam A Doshi | 2018 | | | | - | |
| | 2017 | | | | 0.79) | |
| | 2016 | | | | - | |
| Mrs. Pratibha A. Doshi | 2018 | | | | - | |
| | 2017 | | | | - | |
| | 2016 | | | | - | |
| Amount outstanding on balance sheet date | | | | | | |
| Fixed deposits outstanding: | | | | | | |
| Arvind R Doshi HUF | 2018 | | | - | | |
| | 2017 | | | (74.00) | | |
| | 2016 | | | (74.00) | | |
| Pritam A Doshi HUF | 2018 | | | - | | |
| | 2017 | | | (25.00) | | |
| | 2016 | | | (25.00) | | |
| Mrs. Pratibha A. Doshi | 2018 | | | | - | |
| | 2017 | | | | (35.00) | |
| | 2016 | | | | (35.00) | |
| Mrs. Priyadarshani A. Doshi | 2018 | | | | | - |
| | 2017 | | | | | (3.25) |
| | 2016 | | | | | (3.25) |
| Interest payable(net of TDS): | | | | | | |
| Rajubai Investment Private Limited | 2018 | | | 0.63 | | |
| | 2017 | | | (0.63) | | |
| | 2016 | | | - | | |
| Arvind R Doshi HUF | 2018 | | | - | | |
| | 2017 | | | (5.32) | | |
| | 2016 | | | (3.91) | | |
| Pritam A Doshi HUF | 2018 | | | - | | |
| | 2017 | | | (1.80) | | |
| | 2016 | | | (1.32) | | |
| Mrs. Pratibha A. Doshi | 2018 | | | - | | |
| | 2017 | | | (2.52) | | |
| | 2016 | | | (1.85) | | |
| Mrs. Priyadarshani A. Doshi | 2018 | | | | | - |
| | 2017 | | | | | (0.23) |
| | 2016 | | | | | (0.17) |
| Mr. Pritam A Doshi | 2018 | | | | 1.62 | |
| | 2017 | | | | (1.62) | |
| | 2016 | | | | - | |
| Mrs. Pratibha A. Doshi | 2018 | | | | 0.34 | |
| | 2017 | | | | (0.34) | |
| | 2016 | | | | - | |
| Remuneration payable: | | | | | | |
| Mr. Pritam A. Doshi | 2018 | | | | 43.66 | |
| | 2017 | | | | (25.01) | |
| | 2016 | | | | (9.07) | |
| Outstanding debit/(credit): | | | | | | |
| Shurjo Energy Pvt. Ltd | 2018 | | 0.12 | | | |
| | 2017 | | (-2.28) | | | |
| | 2016 | | - | | | |
| Pae Infrastructure Pvt. Ltd | 2018 | (-5.35) | | | | |
| | 2017 | (-6.24) | | | | |
| | 2016 | (-3.99) | | | | |
| ICD outstanding : | | | | | | |
| Rajubai Investment Private Limited | 2018 | | | 141.73 | | |
| | 2017 | | | (138.28) | | |
| | 2016 | | | (145.00) | | |
| Loan outstanding to Directors | | | | | | |
| Mr. Pritam A Doshi | 2018 | | | | 387.69 | |
| | 2017 | | | | (48.62) | |
| | 2016 | | | | - | |
| Mrs. Pratibha A. Doshi | 2018 | | | | 10.34 | |
| | 2017 | | | | (10.34) | |
| | 2016 | | | | - | |
| Figures for the previous year have been given in brackets. | | | | | | |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

- 31 Non provision for interest on ICD of promoters, loans & advances, unclaimed matured deposits, o/s supplier balances and settlement of left employees liability is unascertainable.
- 32 Trade Receivables, Trade Payables, Loans and Advances are subject to confirmation of balance. Trade Payables include an amount of Rs. 189.53 lacs payable to a supplier, which is secured by the personal guarantee of the Managing Director.
- 33 During the year, the company has not recognised Deferred tax asset as per Ind AS 12 as a matter of prudence.
- 34 During the quarter ended December, 2017 company has provided interest of Rs. 23.29 Lacs and provision for doubtful debts of Rs. 23.00 Lacs which has been reversed in year end.
- 35 **Contingent liabilities**
- a Accrued dividend on 11% Non Convertible Redeemable Preference Shares for the year is Rs.100.10 lacs (previous year Rs.100.10 lacs) and accumulated till date Rs. 374.81 (Previous year Rs. 274.71 Lac)
- b Disputed sales tax demand of Rs. 1326.25 lacs (previous year Rs.1048.23 lacs) and Disputed disallowance under section 14A of Income Tax of Rs. 386.77 lacs (previous year Rs. 265.17 Lacs) . The management has been advised that there will be no liability arising on this account. Details not available for our verification. Amount as certified by the management.
- c Counter indemnities given by the company in respect of guarantees issued by the bank Rs.0.87 lacs (previous year Rs.0.87 lacs).
- d **Provision for Warranties :**

As per Ind AS 37, 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:

(₹ in lacs)

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|----------------------------------------------------------|--------------------|--------------------|--------------------|
| At the beginning of the year | 31.96 | 52.48 | 113.67 |
| Provision for warranty made during the year | - | - | 30.32 |
| Utilised during the year | 0.28 | (20.52) | (59.43) |
| Written back during the year | 1.49 | - | (32.08) |
| Closing provision for warranty as at the end of the year | 33.17 | 31.96 | 52.48 |

Auditors have qualified the followings :

- 36 The management and Board of Directors of the company have initiated various steps like cost reduction, identifying non core assets for monetisation, which will improve the cash flows. Further, steps are also being taken to evaluate various alternatives for raising funds and resolution of debts. The Board of Directors expects improvement in the business results in the forthcoming years. Accordingly, the financial statements have been prepared on going concern basis.
- 37 The balance of sundry debtors, sundry creditors, warranty receivable, warranty payables and warranty stock are subject to reconciliation. The closing stock is subject to physical verification. The management is in process of reconciling the same.
- 38 The company has pending litigation with various vendors against which counter claims have been raised which may not significantly impact the financial position of the company. Bankers have taken possession of the security charged to bank under SARFAESI Act 2002 and in parallel company have filed securitization application in DRT III Vashi.. The company is in process to negotiate with Bankers for settlement and representing again for settlement. The cases filed under negotiable instrument Act for cheque bouncing amount involved Rs. 40.50 Lac and order for winding up issued by High Court order amounting Rs. 1.32 Cr against which the company has counter claimed for warranty of Rs. 1.33 Cr. Company has preferred appeal to High Court against the winding up order. It is optimistic of order getting quashed by the Hon'ble High Court
- 39 **Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 :**
- There is no creditor under MSME Development Act, 2006 as certified by Management
- 40 **Derivative Instruments and Un-hedged foreign currency exposure :**
- a There is no unhedged foreign currency exposure and derivative instruments as at year end.
- 41 **Other foreign currency includes membership & subscription Rs. 2.22 Lac.**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

42 Reconciliation of Equity and Total Comprehensive Income**(a) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017**

| Particulars | Note | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|-------------------------------------------------------------------------------------------|---------|--------------------------------------|--------------------------------------|
| Profit as per Indian GAAP | | (530.38) | 134.00 |
| Actuarial Gain on Employees Defined benefit plan recognized in Other Comprehensive Income | 42 (i) | 8.68 | 9.33 |
| Net profit under Ind AS | | (521.70) | 143.33 |
| Other Comprehensive Income (Net of tax) | 42 (ii) | (13.90) | (1.82) |
| Total Comprehensive Income | | (535.60) | 145.15 |

(b) Reconciliation of Equity as at March 31, 2017 and April 1, 2016:

| Reconciliation of Equity | Note | As at 31.03.2017 | As at 01.04.2016 (Date of Transition) |
|-----------------------------------------------------------------|----------|------------------|------------------------------------------|
| Equity as per GAAP | | (3876.85) | (3311.63) |
| Impact of Defined Employee Benefit Expense recognized in OCI | 42 (i) | (8.68) | - |
| Impact of Defined Employee Benefit Expense classified under OCI | 42 (i) | 8.68 | - |
| Impact of measuring financial instruments at fair value | 42 (iii) | (16.25) | (11.03) |
| Adjusted equity under Ind AS | | (3893.10) | (3322.66) |

42 (i) Under previous GAAP remeasurement of defined benefit plans (gratuity) arising primarily due to change in actuarial assumption was recognised as employee benefit expenses in the statement of profit and loss. Under IndAS such remeasurement changes relating defined benefit plan is recognised in the OCI. This change does not affect equity but there is decrease in loss for the year ended 31.03.2017 by Rs. 8.68 Lac and corresponding increase in OCI by Rs. 8.68 Lac

42 (ii) This includes impact of fair value change on financial instruments. This has resulted decrease in carrying value of investment as at 31.03.2017 by Rs. 5.22 Lac and corresponding decrease in equity by Rs. 5.22 Lac. This also includes Rs. 8.68 Lac on account of Actuarial Gain/Loss

42 (iii) Under Ind AS impact of measuring the financial instruments at fair value is recognised through OCI. Hence Rs. 11.03 Lakhs has been recognised for F.Y. 2015-16 and Rs. 5.22 Lakhs has been recognised for 2016-17 under OCI on account of remeasurement of financial instrument at fair value.

43 As required by Ind AS company has measured the financial instruments at fair value as on the balance sheet date. Shares of Shurjo Energy Private Limited has been valued as under (holding 45,637,673 shares):

- 9,261,076 shares have been valued as per sale agreement where consideration is fixed.
- 4,691,585 shares have been sold after the balance sheet date. However consideration has been realized on 22.05.2018. Hence shares have been valued at realized value.
- Balance 7,309,361 have been valued at Book Value of Rs. 0.002 as on 31.03.2018 as per the valuation done by Independent Valuer.
- 24,375,651 shares have already been sold for Rs. 50,001 and resultant loss of Rs. 12,85,266 has been booked during the year.

44 Shares of PAE Infrastructure Private Limited has been valued as per the book value of the share as on the respective balance sheet date.

45 Other quoted investments has been valued as per the prevailing market rate as on the respective balance sheet date.

46 Other income includes sundry creditors written back (net) Rs. 38.79 Lac and Warranty payable written back Rs. 83.02 Lac no supportings available for verification.

47 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. Company ceases to be subsidiary w.e.f. 30.09.2017 and now it is associate of the company.

48 Other Income includes Rs. 56.33 Lacs representing profit on sale of property and other expenses includes Rs. 12.85 lacs representing loss on sale of investment In subsidiaries.

49 Company has to reconcile GST receivable with GST return filed pending balance of Rs. 1.99 Lac shown as GST receivable and subject to reversal of input tax credit for non payment of dues within 180 days amount is unascertainable.

50 Subsequent to the year end following events have taken place:

- Bankers have taken possession of the property at Vashi/Gold coin Property, Plant & Equipment not able to physically verified and inventory lying inside the premises the value is unascertainable.
- Company has sold 46,91,585 shares (10.28% holding) in Shurjo Energy Private Limited for Rs. 1.40 Lacs.

51 Previous year figures are regrouped wherever necessary.

As per our report attached

For and on behalf of Board of Directors

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

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

Rohit Vakharia
Proprietor
Membership No. 033728

Vijaykumar N. Nair
Director

Date: May 29, 2018
Mumbai

Karthikeyan Muthuswamy
Director

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAE LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of PAE Limited (hereinafter referred to as "the parent") and its subsidiaries (the parent and its subsidiaries together referred to as "the group") and its associate, which comprise Consolidated the Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained by us and the audit evidence obtained by the other auditors of the subsidiaries in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Ind AS financial statement.

Basis for Qualified Opinion

- a) We draw your attention that balance of Retained Earning (Profit & loss A/c) of the group is negative as on 31st March, 2018. It has incurred accumulated losses of Rs. 6586.48lacs till March 31, 2017 and loss of Rs. 291.82 (excluding other comprehensive income) Lakhs for the year ended making total accumulated loss of Rs. 6878.30 Lakhs as of March 31, 2018. Despite this, for the reasons mentioned in Note No. 36 of Notes to the accounts, the accounts have been prepared on going concern basis. This condition indicates existence of a material uncertainty that may cast significant doubt about the Company's ability to continue on a going concern basis. We don't have the appropriate audit evidence to consider the Company to continue as going concern.
- b) The balance of sundry debtors, sundry creditors, warranty receivables, warranty payables and warranty stock are subject to reconciliation and confirmation. Closing stock is subject to physical verification. We draw attention to Note No. 37 of Notes to the accounts.

- c) Various legal cases are pending against the company and by the company, the amount is unascertainable. We draw attention to Note No. 38 of Notes to the accounts.
- d) (i) We have not been provided with audited financial statement/ financial information in respect of subsidiary Shurjo Energy Private Limited. Consolidation has been done upto 30.09.2017 based on unaudited financial statements. Further comparative financial information for the year ended 31.03.2017 and transition date 01.04.2016 is not provided as required by Ind AS. Unable to comment on possible effect on total asset, total revenue, other equity and cash flows of the group. (Also refer Note no. 43 (a), 46, 47 and 48 of Notes to the accounts)
- (ii) We have not been provided with the financial statement of Associate Shurjo Energy Private Limited for the year ended 31.03.2018. Hence proportionate share of profit/loss in associate is not available for consolidation purpose. (Also Refer Note No 43 (b) of Notes to the Accounts)

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraph and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its loss, total comprehensive income, its Cash Flows and changes in equity for the year ended on that date.

Other Matters

- a) We did not audit the financial statements /financial information of one subsidiary, whose financial statements/financial information reflect total assets of Rs.6.19 Lacs As at March 31, 2018, total revenues of Rs. Nil and net cash outflows amounting to Rs. 0.18 Lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/financial information have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amount and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
 - b) The comparative financial information for the year ended march 31, 2017 and the transition date opening balance sheet as at April 1, 2016 in respect of one subsidiary included in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.
- Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of Company and subsidiary companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and reports from other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) Except for the effects of the matter described in the Basis of Qualified Opinion paragraph above which may have an adverse effect on the functioning of the Company, in our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
- e) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- f) On the basis of the written representations received from the directors of the parent, as on March 31, 2018 and taken on record by the Board of Directors of the parent and the reports of the statutory auditors of its

subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2018 from being appointed as a director, in terms of Section 164(2) of the Act. We have not received representation from directors as on 31.03.2018 of one associate company incorporated in India. Unable to comment on disqualification of Directors of associate company.

g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Parent company has pending litigation which would impact its financial position regarding non payment of dues as cases filed under Negotiable Instrument Act for cheque bouncing amount involve Rs. 40.50` lacs , possession of property of the company mortgaged to the bank under SARFAESI Act by the Banker where amount outstanding is Rs. 20.26 crores as per books of accounts

and order for winding up issued by High Court, Mumbai amounting to Rs. 1.32 Crores and Refer Note No. 35 to the Notes to the accounts-contingent liability)

- (ii) The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Rohit Vakharia
Proprietor

Place: Mumbai
Date: June 16, 2018

Membership No. 033728

Annexure A to the Auditor's Report

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the consolidated Ind AS financial statements for the year ended March 31, 2018 of PAE LIMITED)

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

We have audited the internal financial controls over financial reporting of PAE Limited (hereinafter referred to as "the Parent") and its subsidiary companies which are companies incorporated in India as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on the date.

Management's responsibility for Internal Financial Controls

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

Auditors Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of subsidiary companies, which are company incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its associate, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal

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

Inherent Limitations of Internal financial Controls over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31st, 2018:

- a) The company did not have an appropriate internal control system in respect of warranty claim receivable/payable, sundry debtors, sundry creditors, Inventory, statutory compliances and legal cases.
- b) The company does not have Internal Auditor, Company Secretary and Qualified Accountant.
- c) Report on Internal financial control over financial reporting is not available for our verification in respect of associate company Shurjo Energy Private Limited (subsidiary upto 30.09.2017). Unable to comment on the possible effect on internal control.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018. However it is required to be strengthened.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 consolidated Ind AS financial statements of the Company, and these material weaknesses do not affect our opinion on the consolidated Ind AS financial statements of the Company.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 1 subsidiary company, which is a company incorporated in India, is based solely on the corresponding reports of the auditors.

Our opinion is not modified in respect of the above matter.
For R.C. Vakharia & Co.
Chartered Accountants
Firm Reg. No. 111237W

Rohit Vakharia
Proprietor
Membership No. 033728

Place: Mumbai
Date: June 16, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(₹ in Lacs)

| Particulars | Note No. | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|------------------------------------------------|----------|-------------------------|-------------------------|-------------------------|
| ASSETS | | | | |
| 1 Non Current Assets | | | | |
| (a) Property, Plant and Equipment | 2 | 410.87 | 510.97 | 565.97 |
| (b) Capital Work in Progress | | | | |
| (c) Investment Property | | | | |
| (d) Goodwill | | | | |
| (e) Other Intangible Assets | 2.1 | 0.30 | 15.69 | 21.55 |
| (f) Intangible Assets under Development | | | | |
| (g) Biological Assets other than bearer plants | | | | |
| (h) Financial Assets | | | | |
| (i) Investments | 3 | 6.71 | 2.34 | 19.28 |
| (ii) Trade Receivables | | | | |
| (iii) Loans | 4 | 62.29 | 70.57 | 213.63 |
| (iv) Others | | | | |
| (i) Deferred Tax Assets (Net) | 5 | - | - | 21.53 |
| (j) Other Non Current Assets | 6 | 8.23 | 8.14 | 27.25 |
| 2 Current Assets | | | | |
| (a) Inventories | 7 | 15.16 | 161.83 | 402.06 |
| (b) Financial Assets | | | | |
| (i) Investments | | | | |
| (ii) Trade Receivables | 8 | 51.10 | 85.78 | 1324.28 |
| (iii) Cash and Cash Equivalents | | | | |
| (iv) Bank Balance other than above | 9 | 22.82 | 28.02 | 73.17 |
| (v) Loans | 10 | 83.34 | 85.46 | 72.44 |
| (vi) Others | | - | - | - |
| (c) Current Tax Assets (Net) | | | | |
| (d) Other Current Assets | 11 | 300.20 | 308.78 | 352.67 |
| Total Assets | | 961.02 | 1,277.58 | 3,093.83 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity Share Capital | 12 | 1,041.96 | 1041.96 | 1041.96 |
| (b) Other Equity | 13 | (5,123.39) | -4810.70 | -4868.07 |
| LIABILITIES | | | | |
| 1 Non Current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 14 | - | - | 65.32 |
| (ii) Trade Payables | | | | |
| (iii) Other Financial Liabilities | 15 | 910.00 | 910.00 | 910.00 |
| (b) Provisions | 16 | 29.05 | 48.99 | 40.07 |
| (c) Deferred Tax Liabilities (Net) | | | | |
| (d) Other Non Current Liabilities | | | | |
| 2 Current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 17 | 2,868.44 | 2524.47 | 2353.85 |
| (ii) Trade Payables | 18 | 636.35 | 816.22 | 2078.72 |
| (iii) Other Financial Liabilities | | | | |
| (b) Other Current Liabilities | 19 | 586.76 | 707.78 | 1399.27 |
| (c) Provisions | 20 | 11.85 | 38.86 | 72.71 |
| (d) Current Tax Liabilities (Net) | | | | |
| Total Equity and Liabilities | | 961.02 | 1,277.58 | 3,093.83 |

Significant accounting policies

1

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

As per our report attached

For and on behalf of Board of Directors

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

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

Rohit Vakharia
Proprietor
Membership No. 033728

Vijaykumar N. Nair
Director

Date: June, 16 2018
Mumbai

Karthikeyan Muthuswamy
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lacs)

| Particulars | Note No. | For the year ended 2018 | For the year ended 2017 |
|--------------------------------------------------------------------------------------|----------|----------------------------|----------------------------|
| I Revenue from Operations | 21 | 9.51 | 63.20 |
| II Other Income | 22 | 202.30 | 147.14 |
| III Total Income (I+II) | | 211.81 | 210.34 |
| IV Expenses | | | |
| Cost of Material Consumed | | | |
| Purchases of Stock in Trade | 23 | 5.15 | (81.33) |
| Changes in inventories of finished goods, Stock in Trade and Work in Progress | 24 | 34.19 | 235.36 |
| Employee Benefit Expenses | 25 | 90.68 | 248.76 |
| Finance Costs | 26 | 47.02 | 95.16 |
| Depreciation and Amortization Expense | 2 | 17.94 | 37.41 |
| Other Expenses | 27 | 176.90 | 212.98 |
| Total Expenses (IV) | | 371.89 | 748.35 |
| V Profit/(Loss) before exceptional items and Tax (III-IV) | | (160.07) | (538.01) |
| VI Exceptional Items | 28 | (131.72) | (650.58) |
| VII Profit/(Loss) before Tax (V-VI) | | (291.80) | 112.57 |
| VIII Tax Expenses | | | |
| (1) Current Tax | | - | 0.95 |
| (2) Current Tax | | | (0.16) |
| (3) Deferred Tax | | - | - |
| (4) Tax for earlier year | | 0.03 | - |
| IX Profit/(Loss) for the period from continuing operations (VII-VIII) | | (291.82) | 111.78 |
| X Profit/(Loss) from discontinued operations | | - | - |
| XI Tax Expenses of Discontinued operations | | - | - |
| XII Profit/(Loss) from discontinued operations (After Tax) (X-XII) | | - | - |
| XIII Profit/(Loss) for the period (IX+XII) | | (291.82) | 111.78 |
| XIV Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to Profit or Loss | 42 | 3.92 | (8.68) |
| (ii) Income tax relating to items that will not be reclassified to Profit or Loss | | | |
| B (i) Items that will be reclassified to Profit or Loss | | (7.28) | - |
| (ii) Income tax relating to items that will be reclassified to Profit or Loss | | | |
| XV Total Comprehensive Income for the period (XIII+XIV) | | (295.18) | 103.10 |
| XVI Earnings per Equity Share (For Continuing Operation): | | | |
| (1) Basic | | | |
| (2) Diluted | | | |
| XVII Earnings per Equity Share (For Discontinued Operation): | | | |
| (1) Basic | | | |
| (2) Diluted | | | |
| XVIII Earnings per Equity Share (For Discontinued and Continuing Operations): | | | |
| (1) Basic | 29 | (2.80) | 1.07 |
| (2) Diluted | | (2.80) | 1.07 |
| Significant accounting policies | 1 | | |

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

As per our report attached

For and on behalf of Board of Directors

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

Rohit Vakharia
Proprietor
Membership No. 033728

Date: June, 16 2018
Mumbai

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

Vijaykumar N. Nair
Director

Karthikeyan Muthuswamy
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lacs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|
| (A) Cash Flow from operating activities | | |
| Net Profit/(Loss) before tax | (291.80) | 112.57 |
| Adjustments for : | | |
| Depreciation and amortisation | 17.94 | 37.41 |
| Finance cost | 47.02 | 95.16 |
| Interest income | (2.43) | (21.19) |
| Dividend income | (0.25) | (0.05) |
| Exceptional Items | 131.72 | (645.08) |
| Prior period adjustment | - | 1.38 |
| Loss on sale of long term Investments/subsidiaries | - | (6.87) |
| Bad Debts written off | 42.21 | - |
| Inventory written off | 35.41 | - |
| Loss on Shurjo Investment | 12.85 | - |
| Previous year provision no longer required | (0.04) | (0.25) |
| Sundry Creditors Written Back | (83.02) | (15.82) |
| Warranty payable written back | (38.79) | - |
| Profit/Loss on sale of fixed assets (Net) | (55.96) | (50.06) |
| Fair Value through Other Comprehensive Income | (3.36) | (8.68) |
| | 103.30 | (614.05) |
| Operating Profit before working capital changes | (188.50) | (501.47) |
| Adjustments for : | | |
| (Increase) / decrease in trade receivables | (7.53) | 1,212.45 |
| (Increase) / decrease in loans and advances and other assets | 18.89 | (82.38) |
| (Increase) / decrease in inventories (after write off) | 3.37 | 230.77 |
| Increase / decrease in trade payables and other liabilities | (162.32) | (1,336.40) |
| Increase / (decrease) in provisions | (46.95) | (20.08) |
| (Increase) / decrease in margin money and other deposits | (0.23) | 6.17 |
| | (194.77) | 10.51 |
| Cash used in operations | (383.27) | (490.96) |
| Income taxes (paid) / refund - (net) | 7.06 | 126.24 |
| Net cash used in operating activities | (376.20) | (364.71) |
| (B) Cash Flow from Investing Activities | | |
| Purchase of property, plant & equipment | (0.35) | (0.36) |
| Proceeds from sale of property, plant & equipment | 82.33 | 106.59 |
| Increase/Decrease in investment(net) | (4.37) | 7.73 |
| Interest received | 2.43 | 21.13 |
| Dividend received | 0.25 | 0.05 |
| Net cash inflow from investing activities | 80.29 | 135.14 |
| (C) Cash Flow from Financing Activities | | |
| Proceeds from short term borrowings (net) | 343.97 | 321.83 |
| Finance cost | (47.02) | (114.22) |
| Unpaid dividend bank balance | 6.47 | 4.29 |
| Dividend paid | (6.47) | (4.29) |
| Net cash inflow from financing activities | 296.95 | 207.61 |
| Net increase in cash and cash equivalents | 1.04 | (21.96) |
| Cash & cash equivalent as at beginning of the year | 13.34 | 35.30 |
| Cash & cash equivalent as at end of the year | 14.38 | 13.34 |

Notes:

1. Previous year figures have been regrouped/reclassified wherever necessary.
2. The above Cash Flow Statement has been prepared under the "Indirect Method".

As per our report attached

For and on behalf of Board of Directors

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

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

Rohit Vakharia
Proprietor
Membership No. 033728

Vijaykumar N. Nair
Director

Date: June, 16 2018
Mumbai

Karthikeyan Muthuswamy
Director

Significant accounting policies

Statement of compliance

The Consolidated financial statements of the Group have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

Up to the year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013, (Previous GAAP). These consolidated financial statements for the year ended March 31, 2018 are the Group's first Ind AS consolidated financial statements. The date of transition to Ind AS is April 1, 2016.

Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period and Defined Benefit Plan's - Plan Assets, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The functional currency of the Company is Indian rupee. These consolidated financial statements are presented in Indian rupees. For each entity (Subsidiaries), the group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, 'Leases' and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 'Inventories' or value in use in Ind AS 36 'Impairment of Assets', as applicable.

In addition, for financial reporting purposes, fair value measurement are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly and;
- Level 3 inputs are unobservable inputs for the assets or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- The size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and

Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary begins when the company obtains control over the subsidiary and

ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The Carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

The following subsidiaries and an associate have been considered in preparation of the consolidated financial statements:

| Entity | Incorporated in | Proportion of Groups interest (%) | Date of acquisition/control |
|------------------------------------------------------------|-----------------|-----------------------------------|-----------------------------|
| Held Directly: | | | |
| Shurjo Energy Private Limited (subsidiary upto 30.09.2017) | India | 99.98% | 27-01-2010 |
| PAE Infrastructure Private Limited | India | 100% | 19-04-2011 |
| Shurjo Energy Private Limited (Associate from 01.10.2017) | India | 46.58% | 01.10.2017 |

Investments in Associate:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate is initially recognized in the consolidated balance sheet at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment. When the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as result of one or more events that occurred after the initial recognition of the net investment is an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment loss with respect to the Group's investment in an associate.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate when the investment is classified as held for sale.

Non-current assets held for sale:

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed

to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Use of Estimates:

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

Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowance, rebates, and amount collected on behalf of third parties. The Group recognizes revenue when the amount of revenue can be measured reliably, it is probable that the economic benefit will flow to the Group and specific criteria's have been met for each of the Group's activities as described below:

Sale of goods:

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied.

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and;
- The costs incurred or to be incurred in respect in respect of the transaction can be measured reliably.

Rendering of services:

Sale of services is recognized in the accounting period in which the services are rendered.

Dividend and interest income:

Dividend income is recognized when the right to receive payment has been established.

Interest income is recognized when there is certainty of receipt.

Leasing:

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

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

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

Employee benefits:

Retirement benefit costs:

The Group's contribution towards provident fund, superannuation fund and other retirement benefits for certain eligible employees are considered to be defined contribution plans as the Group does not carry any further obligations, apart from the periodical contributions are charged as an expense to the consolidated statement of Profit and Loss when services are rendered by the employees.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the consolidated balance sheet with a charge or credit recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the consolidated statement of Profit and Loss. Past service cost is recognized in the consolidated statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Group presents first two components of defined benefit costs in the consolidated statement of Profit and Loss in the line item 'employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short – term employee benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Income Taxes:

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

Property, Plant and equipment:

Tangible Fixed assets acquired by the Group are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any. All other tangible fixed assets of the project company as well as holding and other Indian subsidiary companies are depreciated using the Written Down Value Method ("WDV") as per the useful life of the asset as prescribed in part C of Schedule II of the Companies Act, 2013 leaving a residual value of 5% of original cost of the asset.

Intangible assets are valued at cost less amortization as under:

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

Impairment of Assets:

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

Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities [other than financial assets and financial liabilities at Fair Value through Profit or Loss (FVTPL)] are added to or deducted from the fair value of the financial assets or financial liabilities as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

Financial assets at amortized cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on remeasurements are recognized in the statement of Profit or Loss. The net gain or loss recognized in the statement

of Profit and Loss incorporates any dividend or interest earned on the financial assets and is included in the 'Other Income' line item.

Impairment of financial assets

The company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The company has used practical expedient by computing expected credit loss allowance for trade receivable by taking into consideration historical credit loss experience and adjusted for forward looking information. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized as an impairment gain or loss in the statement of profit or loss.'

Derecognition of financial assets

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset to another party. On Derecognition of a financial assets in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in the statement of Profit or Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and Loss on disposal of that financial asset.

Financial Liabilities and Equity Instruments:

Classification as debt or equity

Debt and Equity instruments issued by a company are classified as either financial liabilities or as Equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognized at the proceeds received, net of direct issue costs.

Financial Liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The company derecognizes financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. An exchange with a new lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantially modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial derecognized and the consideration paid and payable is recognized in the statement of Profit and Loss.

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.

Revenue Recognition:

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

Operating cycle

Assets and liabilities other than those relating to long term contracts are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

Cash and Cash Equivalents (for the purpose of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash Flow Statement

Cash flows are reported using indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

Foreign Currency Transactions:

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

Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Provisions, Contingent Liabilities and Contingent Assets:

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

Note No.2 - Property, plant and equipment

| Particulars | Freehold Land | Building and Ownership Flats | *Other Plant and Machinery | Electrical Installations | Furniture And Fixtures | Office Equipments | Computers | Motor Vehicles (del Van) | Total |
|------------------------------|---------------|------------------------------|----------------------------|--------------------------|------------------------|-------------------|---------------|--------------------------|-----------------|
| Gross Carrying amount | | | | | | | | | |
| As at April 1, 2016 | 6.75 | 810.32 | 158.73 | 6.67 | 201.20 | 104.05 | 182.86 | 70.79 | 1,541.37 |
| Additions | | - | | | | 0.36 | | | 0.36 |
| Disposal | 6.75 | 59.42 | 11.56 | | 30.29 | 22.20 | 47.79 | 21.80 | 199.81 |
| As at March, 2017 | - | 750.90 | 147.17 | 6.67 | 170.91 | 82.21 | 135.07 | 48.99 | 1,341.92 |
| Additions | | - | - | - | - | 0.35 | - | - | 0.35 |
| Disposal | | 40.19 | 137.15 | 6.67 | 7.22 | 10.89 | 11.71 | - | 213.83 |
| As at March, 2018 | - | 710.71 | 10.02 | (0.00) | 163.69 | 71.67 | 123.36 | 48.99 | 1,128.44 |
| Accumulated Depreciation | | | | | | | | | - |
| As at April 1, 2016 | | 296.24 | 112.67 | 3.37 | 176.86 | 91.74 | 174.30 | 66.63 | 921.81 |
| Depreciation expenses | | 14.38 | 6.44 | 0.46 | 6.54 | 2.23 | 1.35 | 0.15 | 31.55 |
| Adjustment on revaluation | | 18.07 | | | | - | | | 18.07 |
| Elimination on disposal | | 18.95 | 9.05 | | 26.57 | 19.79 | 45.87 | 20.24 | 140.47 |
| As at March 31, 2017 | - | 309.74 | 110.06 | 3.83 | 156.83 | 74.18 | 129.78 | 46.54 | 830.96 |
| Depreciation expenses | - | 10.75 | 2.75 | 0.10 | 1.99 | 0.86 | 0.34 | - | 16.81 |
| Adjustment on revaluation | - | 17.50 | | | | | | - | 17.50 |
| Elimination on disposal | - | 15.15 | 105.57 | 3.93 | 4.75 | 7.26 | 11.03 | - | 147.68 |
| As at March 31, 2018 | - | 322.84 | 7.25 | 0.00 | 154.08 | 67.78 | 119.08 | 46.54 | 717.57 |
| Net Carrying amount | | | | | | | | | - |
| As at April 1, 2016 | 6.75 | 514.08 | 46.06 | 3.30 | 24.34 | 12.31 | 8.56 | 4.16 | 619.56 |
| As at March, 2017 | - | 441.16 | 37.11 | 2.84 | 14.08 | 8.03 | 5.29 | 2.45 | 510.96 |
| As at March, 2018 | - | 387.87 | 2.78 | (0.00) | 9.61 | 3.89 | 4.28 | 2.45 | 410.87 |

***Revaluation of assets**

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

Particulars

| | Rupees in lacs |
|----------------------------------------------------------------|----------------|
| Original Cost as at 01.12.2007 | 139.10 |
| Fair Market Value as at 01.12.2007 | 765.50 |
| Amount written up as at 01.12.2007 | 626.40 |
| Reduction on sale of assets from 01.04.2014 to 31.03.2015 | 128.62 |
| Reduction on sale of assets from 01.04.2016 to 31.03.2017 | 16.79 |
| Depreciation on Revalued Portion from 01.04.2017 to 31.03.2018 | 17.50 |
| Accumulated depreciation on revalued portion as on 31.03.2018 | 186.49 |
| WDV as on 31.03.2018 | 294.50 |

Note no. : 2.1 Other Intangible assets

| Particulars | Technical know how | IEC Certification | Software | Total |
|------------------------------|--------------------|-------------------|--------------|---------------|
| Gross Carrying amount | | | | |
| As at April 1, 2016 | 79.46 | 35.52 | 70.94 | 185.92 |
| Additions | | - | - | - |
| Disposal | | - | - | - |
| As at March, 2017 | 79.46 | 35.52 | 70.94 | 185.92 |
| Additions | | | - | - |
| Disposal | 79.46 | 35.52 | 36.33 | 151.32 |
| As at March, 2018 | (0.00) | (0.00) | 34.61 | 34.60 |
| Accumulated Depreciation | | | | |
| As at April 1, 2016 | 63.03 | 33.49 | 67.86 | 164.38 |
| Depreciation expenses | 3.70 | 0.78 | 1.38 | 5.86 |
| Adjustment on revaluation | | - | - | - |
| Elimination on disposal | | - | - | - |
| As at March 31, 2017 | 66.73 | 34.27 | 69.24 | 170.24 |
| Depreciation expenses | 0.71 | 0.12 | 0.28 | 1.13 |
| Adjustment on revaluation | | | | - |
| Elimination on disposal | 67.45 | 34.39 | 35.22 | 137.06 |
| As at March 31, 2018 | (0.00) | (0.00) | 34.31 | 34.30 |
| Net Carrying amount | | | - | - |
| As at April 1, 2016 | 16.43 | 2.03 | 3.08 | 21.54 |
| As at March, 2017 | 12.73 | 1.25 | 1.70 | 15.68 |
| As at March, 2018 | 0.00 | (0.00) | 0.30 | 0.30 |

Statement of changes in Equity

A. EQUITY SHARE CAPITAL

| Balance at the beginning of the reporting period | Changes in Equity Share Capital during the year | Balance at the beginning of the reporting period |
|--------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| 1041.96 | - | 1041.96 |

B : OTHER EQUITY

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | | Other Comprehensive Income | | | | Total | |
|-----------------------------------------|-------------------------------------------|----------------------------------------------------|----------------------|----------------------------|----------------------------------|-------------------|----------------------------|----------------------------------------------------|------------------------------------------------------|---------------------------------------|--------|---------------------------------------------------------------------------------|
| | | | Capital Reserves | Securities Premium Reserve | Other Reserves (General reserve) | Retained Earnings | Revaluation Surplus | Debt Instrument through other Comprehensive Income | Equity Instrument through other Comprehensive Income | Effective portion of Cash Flow Hedges | | Exchange difference on translating the financial statement of foreign operation |
| Balance as at April 1, 2016 | - | - | 0.09 | 531.22 | 941.14 | (6,698.26) | 346.86 | - | 10.88 | - | - | (4,868.07) |
| Adjustments during the year | | | | | | | (34.86) | | | | | (34.86) |
| Profit for the year | | | | | | 103.10 | | | | | | 103.10 |
| Other Comprehensive Income for the year | | | | | | 8.68 | | | (10.88) | | (8.68) | (10.88) |
| Balance as at March 31, 2017 | - | - | 0.09 | 531.22 | 941.14 | (6,586.48) | 312.00 | - | - | - | (8.68) | (4,810.71) |
| Adjustments during the year | | | | | | | (17.50) | | | | | (17.50) |
| Profit for the year | | | | | | (291.82) | | | | | | (291.82) |
| Other Comprehensive Income for the year | | | | | | | | | (7.28) | | 3.92 | (3.36) |
| Balance as at March 31, 2018 | - | - | 0.09 | 531.22 | 941.14 | (6,878.30) | 294.50 | - | (7.28) | - | (4.76) | (5,123.39) |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|----------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| 3 | Non Current Investment | | | |
| | A) Investment in Equity Instruments | | | |
| | Investment in Subsidiary Companies (Unquoted) | | | |
| | A) Subsidiaries -wholly owned | | | |
| | PAE Infrastructure Pvt. Ltd. | - | - | - |
| | 3,52,000 (Previous Year: 3,52,000) Equity shares of Rs.10 each fully paid | - | - | - |
| | Add : Fair value gain as per Ind | - | - | - |
| | | - | - | - |
| | PAE Renewables Pvt. Ltd. | | | |
| | Nil (Previous Year: 93,85,000) Equity shares of Rs.10 each fully paid | - | - | - |
| | Less: Provision for diminution in value | - | - | - |
| | | - | - | - |
| | Less : Sold during the year | - | - | - |
| | | - | - | - |
| | Shurjo Energy Pvt Ltd. * | | | |
| | Nil (Previous Year: 45637673) | - | - | - |
| | Less: Provision for diminution in value (Rs. 785.66 Less Rs. 760.66) | - | - | - |
| | Add : Fair value change as per Ind AS | - | - | - |
| | | - | - | - |
| | B) Associate | | | |
| | Shurjo Energy Pvt. Ltd. | 2.13 | - | - |
| | 21262022 (Previous Year: Nil) | - | - | - |
| | | 2.13 | - | - |
| | Less : Proportionate Reduction in cost on sale of 24,375,651 shares (53.40%) on net value after provision for diminution in value | - | - | - |
| | Add : Fair value change as per Ind AS | 2.24 | - | - |
| | | 4.37 | - | - |
| | | 4.37 | - | - |
| | Other Investments (Quoted) | | | |
| | Pal Credit & Capital Ltd. | 87.64 | 87.64 | 87.64 |
| | 8,53,305 (Previous Year: 8,53,305) Equity shares of Rs.10 each fully paid | - | - | - |
| | Less: Provision for diminution in value | 85.34 | 85.34 | 85.34 |
| | | 2.30 | 2.30 | 2.30 |
| | South India Paper Mills Ltd. | - | 1.18 | 1.18 |
| | Nil (Previous Year: 8,000) Equity shares of Rs.10 each fully paid | - | - | - |
| | Less : Sold during the year | - | 1.18 | - |
| | Add : Fair value change as per Ind AS | - | - | 6.66 |
| | | - | - | 7.84 |
| | Exide Industries Ltd. | - | 0.01 | 0.01 |
| | Nil (Previous Year: 216) Equity shares of Rs.1 each fully paid | - | - | - |
| | Less : Sold during the year | - | 0.01 | - |
| | Add : Fair value change as per Ind AS | - | - | 0.29 |
| | Finolex Cables Ltd. | - | 0.01 | 0.01 |
| | Nil (Previous Year: 50) Equity shares of Rs. 2 each fully paid | - | - | - |
| | Less : Sold during the year | - | 0.01 | - |
| | Add : Fair value change as per Ind AS | - | - | 0.13 |
| | | - | - | 0.44 |
| | Bosch Ltd. | - | 0.02 | 0.02 |
| | Nil (Previous Year: 10) Equity shares of Rs. 10 each fully paid (Formerly known as Mico Industries Company Ltd.) | - | - | - |
| | Less : Sold during the year | - | 0.02 | - |
| | Add : Fair value change as per Ind AS | - | - | 2.06 |
| | | - | - | 2.08 |
| | Gabriel India Ltd. | - | 0.01 | 0.01 |
| | Nil (Previous Year: 1000) Equity shares of Rs. 1 each fully paid | - | - | - |
| | Less : Sold during the year | - | 0.01 | - |
| | Add : Fair value change as per Ind AS | - | - | 0.89 |
| | | - | - | 0.90 |
| | | 2.30 | 2.30 | 13.57 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| | Other Investments (Unquoted) | | | |
| | Jain Sahakari Bank Ltd. 40 (Previous Year: 40) Equity shares of Rs. 25 each fully paid | 0.02 | 0.02 | 3.16 |
| | Stiefel Und Shuh Ltd. 1,100 (Previous Year: 1,100) Equity shares of Rs. 10 each fully paid | 0.11 | 0.11 | 0.11 |
| | Less: Provision for diminution in value | 0.10 | 0.10 | 0.10 |
| | | 0.01 | 0.01 | 0.01 |
| | Kongarar Integrated Fibres Ltd. 1,200 (Previous Year: 1200) Equity shares of Rs. 10 each fully paid (Formerly known as Kongarar Textiles Ltd.) | 0.52 | 0.52 | 0.52 |
| | Less: Provision for diminution in value | 0.51 | 0.52 | 0.51 |
| | | 0.01 | 0.01 | 0.01 |
| | | 0.04 | 0.04 | 3.18 |
| | Investment in Mutual Funds Nil (Previous Year: 9543) Units of Unit Trust of India Balance Fund | - | 1.68 | 1.68 |
| | Less : Sold during the year | - | 1.68 | - |
| | Add : Fair value change as per Ind AS | - | - | 0.85 |
| | | 6.71 | 2.34 | 2.53 |
| | | | | 19.28 |
| | Aggregate Book Value of Investments | | | |
| | Aggregate book value of Quoted Investments and market value thereof | 87.64 | 87.64 | 98.91 |
| | Aggregate book value of Unquoted Investments | 5.02 | 0.65 | 6.31 |
| | Sold during the year | - | - | - |
| | Aggregate amount of impairment in value of investments | 85.96 | 85.96 | 85.95 |
| | (Market value of quoted investments Rs. Nil as trading of PLCC is suspended (Previous Year: Rs. 24.98 lacs) | 6.71 | 2.34 | 19.28 |

Investment in subsidiary, Shurjo Energy Pvt. Ltd

- a) The company has made a provision for diminution in the value of its investment of Rs.785.66 lacs in Shurjo Energy Private Limited ('SEPL') to the extent of Rs.760.66 lacs based on the realisable value of the assets on estimated basis. Company entered an agreement on 29.09.2017 to sale its holding in subsidiary company Shurjo Energy Pvt Ltd. (73.69%) in three different tranches. Company accounted sale of first tranche (53.40%) for consideration of Rs. 0.50 Lac till 31.03.2018. Further loss on sale of second/third tranches will be booked on realisation of consideration. Company ceases to be subsidiary w.e.f. 30.09.2017 and now it is associate of the company. Booked proportionate loss on base of fair valuation by independent valuer. Fair value is based on unaudited Balance sheet.

Investment in subsidiary, PAE Renewables Pvt. Ltd

- b) During the previous year the company has made a provision for diminution in the value of its investment of Rs.1176.00 lacs in PAE Renewables Private Limited ('PAER') to the extent of Rs.1171.18 lacs based on the valuation done by an independent valuer. In current year the Company has sold its investment for Rs. 4.85 Lacs and difference shown as profit on sale of investment resulting that company is no longer subsidiary with effect from 31st December, 2016.

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|----------|----------------------------------------------------|-------------------------|-------------------------|-------------------------|
| 4 | Long-term Loans & Advances | | | |
| | Unsecured considered good | | | |
| | Capital Advances | 4.45 | 4.45 | 4.56 |
| | Sundry Deposits | 4.10 | 43.29 | 56.45 |
| | PAE Employees' Group Gratuity Fund | 37.97 | 22.83 | 151.88 |
| | Advance Income Tax | 1.91 | - | - |
| | Other advances | 13.87 | 0.00 | 0.73 |
| | | 62.29 | 70.57 | 213.63 |
| 5 | Deferred tax asset/liability (net): | | | |
| | Deferred tax asset: | | | |
| | Provision for employee benefits | - | - | 1.10 |
| | Unabsorbed depreciation | - | 1.67 | 2.34 |
| | Depreciation | - | - | - |
| | Unabsorbed losses | - | - | - |
| | Gross deferred tax asset | - | 1.67 | 23.20 |
| | Deferred tax liability: | | | |
| | Depreciation | - | 1.67 | 1.67 |
| | Gross deferred tax liability | - | 1.67 | 1.67 |
| | Net deferred tax asset/(liability) at the year end | - | - | 21.53 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|----------|---------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| 6 | Other Non-current Assets | | | |
| | Non current bank balances | | | |
| | Margin money deposits with bank | - | 5.49 | 1.51 |
| | Other deposits with bank | 5.21 | - | 16.00 |
| | VAT and Service tax receivable | 2.65 | 2.65 | 2.65 |
| | Interest accrued but not due | - | - | 7.09 |
| | MAT credit/TDS | 0.37 | - | - |
| | | 8.23 | 8.14 | 27.25 |
| 7 | Inventories | | | |
| | Traded Goods | 11.85 | - | - |
| | Raw Material | - | 70.31 | 70.31 |
| | Packing Material | - | 3.33 | 3.33 |
| | Work-in-progress | - | - | - |
| | Solar photovoltaic panel | - | 14.49 | 14.49 |
| | Finished / Traded Goods | - | 45.44 | 291.02 |
| | Solar photovoltaic panel stores and spares | 3.31 | 19.59 | 19.59 |
| | Goods-in-Transit(at cost) | - | 4.08 | 4.08 |
| | | 15.16 | 161.83 | 402.06 |
| 8 | Trade Receivables: (Unsecured, considered good unless otherwise stated) | | | |
| | Outstanding over six months | 93.32 | 1,272.21 | 2,312.58 |
| | | - | - | - |
| | Others | - | (1,186.43) | (1,019.51) |
| | Less :Expected credit loss (ECL) | 42.21 | - | 31.20 |
| | | 51.10 | 85.78 | 1,324.28 |
| 9 | Cash And Bank Balances | | | |
| | Cash and cash equivalents | | | |
| | Balances with Banks | | | |
| | On current account * | 11.36 | 12.49 | 20.00 |
| | Deposit with Maturity of less than/upto three months | - | - | 1.98 |
| | Cash in hand | 3.02 | 0.70 | 4.14 |
| | Cheques deposited in CMS facility | - | 0.11 | 3.21 |
| | Cheques/ Drafts in hand | - | 0.04 | 5.98 |
| | | 14.38 | 13.34 | 35.30 |
| | Unpaid dividend account | 4.57 | 11.04 | 15.33 |
| | Margin money deposit with maturity of more than 3 months and upto 12 months ** | 3.86 | 3.64 | 5.53 |
| | Deposits with maturity of more than 3 months and upto 12 months | - | - | 17.02 |
| | | 8.44 | 14.68 | 37.87 |
| | | 22.82 | 28.02 | 73.17 |

* Balances with bank on current account include and amount of Rs. 4.51 lacs, which has been earmarked by the VAT department towards unpaid VAT dues of Rs. 305.72 Lacs of Vizag, Ahemdabad & Vashi Branches as per bank statement

* Includes Rs. 2.59 Lac payable to unclaimed fixed deposit holder regrouped during the year.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|-----------|-----------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| 10 | Short-term Loans & Advances | | | |
| | Unsecured considered good | | | |
| | Loans and Advances to subsidiaries (a) | 0.12 | 645.09 | 645.09 |
| | Less: Provision for doubtful recovery | - | 645.09 | 645.09 |
| | | 0.12 | - | - |
| | Others | | | |
| | Sundry Deposits | 13.84 | 13.00 | 8.99 |
| | | | | 0.25 |
| | Advances receivable in cash or kind or for value to be received | 69.38 | 72.45 | 63.19 |
| | | 83.34 | 85.46 | 72.18 |

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

11 Other Current Assets

| | | | |
|------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| Claims/Incentives receivables | 299.89 | 308.60 | 264.39 |
| Interest accrued but not due on margin money & fixed deposit & Investment deposit scheme | 0.31 | 0.18 | 0.12 |
| Subsidy receivable | - | - | 88.16 |
| Dividend receivable | - | - | - |
| Receivable towards sale of immovable property | - | - | - |
| | 300.20 | 308.78 | 352.67 |

12 Share Capital

| | | | |
|-------------------------------------------------------------|-----------------|-----------------|-----------------|
| Authorised | | | |
| 1,50,00,000 Equity Shares of Rs.10 each | 1,500.00 | 1,000.00 | 1,500.00 |
| (Previous Year: 1,50,00,000 Equity Shares of Rs. 10 each) | | | |
| 100,00,000 Preference Shares of Rs. 10 each | 1,000.00 | 1,000.00 | 1,000.00 |
| (Previous Year: 10,00,000 Preference Shares of Rs. 10 each) | 2,500.00 | 2,000.00 | 2,500.00 |
| Issued, Subscribed and Fully Paid Up | | | |
| 1,04,196,00 Equity Shares of Rs.10 each fully paid up | 1,041.96 | 1,041.96 | 1,041.96 |
| (Previous Year: 1,04,196,00 Equity Shares of Rs.10 each) | - | - | - |
| | 1,041.96 | 1,041.96 | 1,041.96 |

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

| (i) Equity Shares: | March-18 | | March-17 | | March-16 | |
|------------------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| At the beginning of the year | 10,419,600 | 104,196,000 | 10,419,600 | 104,196,000 | 9,949,600 | 99,496,000 |
| Issued during the year | - | - | - | - | 470,000 | 4,700,000 |
| Redeemed during the year | - | - | - | - | - | - |
| Outstanding at the end of the year | 10,419,600 | 104,196,000 | 10,419,600 | 104,196,000 | 10,419,600 | 104,196,000 |

(b) Terms attached to Equity

- (i) The company has equity shares having a face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

- (ii) Out of the total number of equity shares held by the Promoters 4,70,000 no. of shares are under lock in period.

(c) Details of shareholders holding more than 5% shares in the company

| | March-18 | | March-17 | | March-16 | |
|--------------------------|------------------------|---------------|------------------------|---------------|------------------------|---------------|
| | % holding in the class | No. of Shares | % holding in the class | No. of Shares | % holding in the class | No. of Shares |
| i Arvind Raoji Doshi | 25.49% | 2,655,728 | 25.49% | 2,655,728 | 25.49% | 2,655,728 |
| ii Pratibha Arvind Doshi | 16.27% | 1,695,696 | 16.27% | 1,695,696 | 16.27% | 1,695,696 |
| iii Pritam Arvind Doshi | 13.39% | 1,395,199 | 13.39% | 1,395,199 | 13.39% | 1,395,199 |

Note No. 13 : OTHER EQUITY

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | | | Other Comprehensive Income | | | | | Total |
|-----------------------------------------|-------------------------------------------|----------------------------------------------------|----------------------|----------------------------|----------------------------------|-------------------|---------------------|----------------------------------------------------|------------------------------------------------------|---------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------|
| | | | Capital Reserves | Securities Premium Reserve | Other Reserves (General reserve) | Retained Earnings | Revaluation Surplus | Debt Instrument through other Comprehensive Income | Equity Instrument through other Comprehensive Income | Effective portion of Cash Flow Hedges | Exchange difference on translating the financial statement of foreign operation | Other items of other comprehensive Income (Employee Benefit Expenses) | |
| Balance as at April 1, 2016 | - | - | 0.09 | 531.22 | 941.14 | (6,693.26) | 346.86 | - | 10.88 | - | - | (4,868.07) | |
| Adjustments during the year | | | | | | | (34.86) | | | | | (34.86) | |
| Profit for the year | | | | | | 103.10 | | | | | | 103.10 | |
| Other Comprehensive Income for the year | | | | | | 8.68 | | | (10.88) | | | (8.68) | |
| Balance as at March 31, 2017 | - | - | 0.09 | 531.22 | 941.14 | (6,586.48) | 312.00 | - | - | - | - | (4,810.71) | |
| Adjustments during the year | | | | | | | (17.50) | | | | | (17.50) | |
| Profit for the year | | | | | | (291.82) | | | | | | (291.82) | |
| Other Comprehensive Income for the year | | | | | | | | | (7.28) | | | 3.92 | |
| Balance as at March 31, 2018 | - | - | 0.09 | 531.22 | 941.14 | (6,878.30) | 294.50 | - | (7.28) | - | - | (4.76) | |
| | | | | | | | | | | | | (5,123.39) | |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| 14 | Long term borrowings : | | | |
| | From related party (d) | - | - | 65.32 |
| 15 | 91,00,000 11% Non Convertible, Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up (Previous year 91,00,000 11% Non Convertible Cumulative, Redeemable Preference Shares of Rs. 10 each fully paid up) | 910.00 | 910.00 | 910.00 |

Terms attached Preference Shares

- (ii) During the year ended March 31, 2018, the Company issued Nil (previous year Nil) 11% Non-convertible, cumulative, redeemable preference shares(NCRPS) of Rs.10/- each fully paid up. The NCRPS holder shall have a right to vote on resolution placed before the Company which directly affect the rights attached to his preference share only, and any resolution for the winding up of the Company or repayment or reduction of its equity or preference share capital, provided that where the dividend is not paid for two or more years such class of NCRPS holders shall have right to vote on all resolutions placed before the Company. The NCRPS shall be redeemed by the Company at par on expiry of 13 years from the date of allotment, or on the request of NCRPS holders, which ever is earlier. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

| Preference Shareholders: | March-18 | | March-17 | | March-16 | |
|----------------------------------------------------------------------|------------------------|---------------|------------------------|---------------|------------------------|---------------|
| | % holding in the class | No. of Shares | % holding in the class | No. of Shares | % holding in the class | No. of Shares |
| 11% Non Convertible, Cumulative, Redeemable Preference Shares | | | | | | |
| i Arvind Raoji Doshi | 43.96% | 4,000,000 | 43.96% | 4,000,000 | 43.96% | 4,000,000 |
| ii Pritam Arvind Doshi | 22.31% | 2,030,000 | 22.31% | 2,030,000 | 22.31% | 2,030,000 |
| iii Pratibha Arvind Doshi | 19.01% | 1,730,000 | 19.01% | 1,730,000 | 19.01% | 1,730,000 |
| iv Rajubai Investments Pvt. Ltd. * | 14.73% | 1,340,000 | 14.73% | 1,340,000 | 14.73% | 1,340,000 |

* During the year holding was sold to non-promoters pending completion of procedure of transfer of Preference share shown in name of Rajubai Investment Pvt. Ltd. Due to this promoter holding in preference share capital will be reduced by 14.73% .

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|-----------|---------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| 16 | Long-term Provisions | | | |
| | Provision for employee benefits | | | |
| | Leave Encashment | 7.65 | 7.58 | 21.14 |
| | Gratuity | 21.39 | 41.40 | 18.94 |
| | | 29.04 | 38.80 | 40.07 |
| 17 | Short Term Borrowings | | | |
| | Working capital loan from banks (a) | 2,026.13 | 2,026.68 | 2,074.65 |
| | Interest payable on working capital loan from banks (b) | - | - | - |
| | | 2,026.13 | 2,026.68 | 2,074.65 |
| | Inter-Corporate Deposit from others (c) | 302.55 | 300.55 | 30.00 |
| | Inter-Corporate Deposit From related party (d) | 141.73 | 138.28 | 243.14 |
| | Loan from director {e} | 398.04 | 58.97 | 6.06 |
| | | 2,868.44 | 2,524.47 | 2,353.85 |

- (a) Working capital loan from consortium of banks is secured by hypothecation of current assets and all movables, both present and future and with a collateral charge on immovable and movable properties. In past the loan carries interest at 7% p.a. in State Bank of India and 5.10% p.a. in Corporation Bank above Bank Rate(BR). Consortium of banks has classified working capital loan as Non Performing Asset. No provision for bank interest has been made during year 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 have taken possession of the security charged to bank under SARFAESI Act 2002 and in parallel company have filed securitization application in DRT III Vashi.. The company is in process to negotiate with Bankers for settlement and representing again for settlement.
- (b) The inter-corporate deposits carry interest @12% p.a to 15% p.a. Terms and conditons of repayment not stipulated.
- (c) Inter-corporate deposit from related party no interest charged during the year, previous year 12.50% on Rs. 10 Lac. Terms and conditons of repayment not stipulated.
- (d) Loan from director is interest free and during the previous year interest paid 12.50% p.a. Terms and conditons of repayment not stipulated.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|-----------|---------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| 18 | Trade Payables | 636.35 | 816.22 | 2,078.72 |
| | (Net of written back) | 636.35 | 816.22 | 2,078.72 |
| 19 | Other Current Liabilities | | | |
| (a) | Current maturities of long term debts | - | - | - |
| | Current maturity of motor vehicle loan | - | - | - |
| | Current maturity of fixed deposits from related parties | - | 137.25 | 137.25 |
| | Current maturity of fixed deposits from shareholders | - | - | 1.60 |
| | Current maturity of fixed deposits from public | - | 0.50 | 34.68 |
| (b) | Interest accrued but not due | - | - | 0.13 |
| (c) | Interest Payable | 10.81 | 26.81 | 18.93 |
| (d) | Unclaimed dividend * | 4.57 | 11.04 | 15.33 |
| (e) | Unclaimed matured fixed deposits ** | 4.45 | 1.90 | 5.99 |
| (f) | Other Payables | - | - | - |
| | Trade payable for expenses | 419.33 | 349.27 | 364.41 |
| | Dealer Deposits | 47.90 | 53.52 | 137.71 |
| | Rent Deposit | 8.38 | 26.54 | 29.26 |
| | Advance from customers | 38.99 | 12.16 | 18.23 |
| | Advance from subsidiary for goods | - | (0.00) | 547.10 |
| | Statutory dues payable | 47.69 | 88.78 | 88.64 |
| | Other Payables | 4.64 | - | - |
| | | - | - | - |
| | | 586.76 | 707.78 | 1,399.27 |

* There is no amount due & outstanding as at Balance Sheet date to be credited to Investor Education & Protection Fund.
Against which Rs. 2.59 Lac bank balance available and short by Rs. 1.86 Lac.

*** Previous year pending reconciliation amount of Rs. 2.05 Lac shown as paid.

| | | | | |
|-----------|-----------------------------------------------------|--------------|--------------|--------------|
| 20 | Short-term Provisions | | | |
| | Provision for employee benefits (Refer Note No. 30) | | | |
| | Leave Encashment | 0.57 | 0.55 | 3.84 |
| | Gratuity (net of planned asset) | 6.76 | 5.56 | 13.51 |
| | | 7.33 | 6.11 | 17.34 |
| | Provision for tax net of MAT credit | - | 0.79 | - |
| | | 7.33 | 6.90 | 17.34 |
| | | - | - | - |
| | Provision for warranties (refer note no. 35(e)) | 4.52 | 31.96 | 55.36 |
| | | 11.85 | 38.86 | 72.71 |

(₹ in lacs)

| Note No. | Particulars | For the year ended, 2018 | For the year ended, 2017 |
|-----------|------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| 21 | Revenue From Operations | | |
| | Net Sale of Traded Goods less Returns | 3.31 | 41.23 |
| | Other Operating Revenues: | | |
| | Incentive/turnover discounts from suppliers | - | - |
| | Bad debts recovered | 6.20 | 6.13 |
| | Subsidy on solar projects | - | 15.84 |
| | Others | 6.20 | 21.98 |
| | | 9.51 | 63.20 |
| 22 | Other Income | | |
| | Interest | 1.51 | 2.30 |
| | Interest on income tax refund | 0.92 | 18.90 |
| | Rent Income | 21.71 | 32.21 |
| | Dividend Earned | 0.25 | 0.05 |
| | Foreign Exchange Fluctuation | - | - |
| | Profit on sale of assets(net) | 56.01 | 46.13 |
| | (inclusive of sundry creditors written back (net) Rs. 38.79 Lac and Warranty payable written back Rs. 83.02 Lac) | - | - |
| | Others | 0.00 | - |
| | Other miscellaneous income | 121.89 | 47.54 |
| | | 202.30 | 147.14 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Note No. | Particulars | For the year ended, 2018 | For the year ended, 2017 |
|-----------|------------------------------------------------------------------|--------------------------|--------------------------|
| 23 | Details of purchase of traded goods | 5.15 | (81.33) |
| | | <u>5.15</u> | <u>(81.33)</u> |
| 24 | Changes in inventories Stock-in-Trade | | |
| | Closing Stock of Stock in Trade | 30.84 | 65.03 |
| | Closing Stock of Work in Progress | - | - |
| | Opening Stock | 65.03 | 300.39 |
| | Opening Stock of Work in Progress | - | - |
| | (Increase)/decrease in stock | <u>34.19</u> | <u>235.36</u> |
| 25 | Employee Benefits Expense | | |
| | Salaries and Wages | 72.41 | 209.59 |
| | Contribution to Provident & Other Funds | 13.96 | 25.43 |
| | Staff Welfare Expenses | 4.31 | 13.74 |
| * | Inclusive of MD's remuneration Rs. 43.66 Lac | <u>90.68</u> | <u>248.76</u> |
| 26 | Finance Costs | | |
| | Interest Expense | 46.50 | 93.79 |
| | Bank Charges | 0.53 | 1.37 |
| | | <u>47.02</u> | <u>95.16</u> |
| 27 | Other Expenses | | |
| | Stationery, Postage, Advertisement, Telephone, Electricity, etc. | 56.95 | 111.58 |
| | Clearing and Forwarding Agency Charges | - | - |
| | Packing and Forwarding (Inward & Outward) | 0.04 | 7.86 |
| | Rent | 8.51 | 26.82 |
| | Rates & Taxes | 14.59 | 7.92 |
| | Cash Discount | 0.00 | 0.19 |
| | Incentive/Turnover Discounts | - | 0.00 |
| | Repairs to | | |
| (i) | Buildings | 2.50 | 9.94 |
| (ii) | Others | 8.27 | 14.36 |
| | | 10.77 | 24.30 |
| | Insurance | 1.21 | 2.60 |
| | Payment to auditors | | |
| | As Auditors: | | |
| (i) | Audit Fees | 3.70 | 3.85 |
| (ii) | Tax Audit Fees | - | 0.17 |
| (iii) | Limited Review | 1.80 | 2.07 |
| | In other capacity: | - | - |
| (iv) | Other services(certification fee) | 0.33 | 0.46 |
| | For reimbursement of expenses | <u>0.20</u> | <u>0.10</u> |
| | | 6.03 | 6.65 |
| | Miscellaneous Expenses | 23.69 | 19.79 |
| | Commission Paid | - | - |
| | Directors' Fees | - | - |
| | Loss on assets sold/discarded(Net) | 0.05 | 5.26 |
| | Sale of Investment of Subsidiary | 12.85 | - |
| | Foreign Exchange Fluctuation (net) | - | - |
| | impairment loss on other receivable | - | - |
| | Expected credit loss (Debtors) | <u>42.21</u> | <u>-</u> |
| | | <u>176.90</u> | <u>212.98</u> |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Note No. | Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|-----------|----------------------------------|-----------------------------------|-----------------------------------|
| 28 | Exceptional items | | |
| | Sale of Investment of Subsidiary | (134.25) | (650.58) |
| | Prior period adjustment | 2.53 | - |
| | | <u>(131.72)</u> | <u>(650.58)</u> |

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

| | | | |
|-----------|-----------------------------------------------------------|----------|----------|
| 29 | Earnings Per Share (EPS) | | |
| | Profit/(loss) after tax | (291.82) | 111.78 |
| | Paid up Equity Share Capital (face value of Rs.10/- each) | 1,041.96 | 1,041.96 |
| | Basic and diluted earnings per share (in Rupees) | (2.80) | 1.07 |

30 Details of defined benefit plan- As per Acturial Valuation :

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|-------------|------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| I | Components of defined benefit cost | | |
| 1 | Current service cost | 0.73 | 4.42 |
| 2 | Interest cost on benefit obligation (Net) | 3.52 | 6.21 |
| 3 | Total expenses included in Statement of Profit and Loss (P&L) | 4.34 | 6.94 |
| 4 | Actuarial changes arising from changes in demographic assumptions | - | - |
| 5 | Actuarial changes arising from changes in financial assumptions | (0.08) | 0.88 |
| 6 | Actuarial changes arising from changes in experience assumptions | (3.72) | 5.68 |
| 7 | Return on Plan Assets (excluding interest income) | 0.11 | (2.10) |
| 8 | Total reconized in Other Comprehensive income (OCI) | (3.92) | 8.67 |
| 9 | Total defined benefit cost reconized in P&L and OCI | 0.42 | 15.61 |
| II | Actual contribution and Benefits payment for the year | | |
| 1 | Actual Benefits Payments | -19.53 | -47.48 |
| 2 | Actual Contributions | 20.5 | 2.35 |
| III | Net asset/(liability) recognised in the Balance Sheet | | |
| 1 | Present Value of Defined Benefit Obligations | (28.14) | (46.95) |
| 2 | Fair Value of Plan Assets | 3.57 | 2.30 |
| 3 | Net asset/(liability) recognized in the Balance Sheet | (24.57) | (44.65) |
| IV | Change in present Value of Defined Benefit obligation during the year | | |
| 1 | Present Value of Defined Benefit obligation as at the beginning of the year | 46.95 | 77.23 |
| 2 | Current Service Cost | 0.73 | 4.42 |
| 3 | Interest Cost | 3.52 | 6.20 |
| 4 | Benefits paid | (19.53) | (47.48) |
| 5 | Actuarial changes arising from changes in demographic assumptions | - | - |
| 6 | Actuarial changes arising from changes in financial assumptions | (0.08) | 0.88 |
| 7 | Actuarial changes arising from changes in experience assumptions | (3.72) | 5.68 |
| 8 | Present Value of Defined Benefit obligation as at the beginning of the year | 28.14 | 46.95 |
| V | Change in Fair Value of Plan Assets during the year | | |
| 1 | Plan Assets as at the beginning of the year | 2.30 | 45.85 |
| 2 | Interest Income | 0.17 | 3.68 |
| 3 | Actuarial Gains/(Losses) | | |
| 4 | Actual Company Contributions | 20.50 | 2.35 |
| 5 | Benefits paid | (19.53) | (47.48) |
| 6 | Expected return on Plan Assets (excluding interest income) | 0.11 | (2.10) |
| 7 | Plan Assets as at the end of the year | 3.57 | 2.30 |
| VI-A | Actuarial Assumptions | | |
| 1 | Discount Rate | 7.56% | 7.51% |
| 2 | Expected return on Plan Assets | 7.56% | 7.51% |
| 3 | Salary escalation Rate | 5.00% | 5.00% |
| 4 | Mortality Table | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

| Note No. | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| VII | The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors. | | |
| VIII | Category of assets Insurance fund | 3.57 | 2.30 |
| IX | Maturity Analysis of the Benefit payment from the Fund : | | |
| 1 | Year 1 | 0.90 | 20.82 |
| 2 | Year 2 | 0.93 | 0.85 |
| 3 | Year 3 | 13.06 | 0.89 |
| 4 | Year 4 | 3.49 | 12.91 |
| 5 | Year 5 | 0.54 | 3.30 |
| 6 | Sum of Years 6 to 10 | 6.94 | 3.21 |
| 7 | Sum of Years 11 and above | 22.16 | 25.68 |
| | Quantitative sensitivity analysis for significant assumption is as below: | | |
| | Delta effect of +One percentage change in Rate of discounting | (1.53) | (1.62) |
| | Delta effect of +One percentage change in Rate of discounting | 1.71 | 1.81 |
| | Delta effect of + One percentage increase in salary rate | 0.96 | 1.84 |
| | Delta effect of + One percentage decrease in salary rate | (0.93) | (1.68) |
| | Delta effect of +One percentage change in rate of employee turnover | 0.44 | 0.27 |
| | Delta effect of +One percentage change in rate of employee turnover | (0.48) | (0.29) |

Sensitivity analysis method

The sensitivity analysis presented above may not be representative of the actual in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumption may be correlated. There was no changes in the methods and assumptions used in sensitivity analysis from prior years.

31 Segment information

The Company has only one reportable segment, namely "Power Products", hence segment disclosure under Accounting Standard Ind AS 108 is not required.

32 (a) Related party Disclosure

Related party disclosures as required by Ind AS 24 "Related Party Disclosures" are given below :

| Associate | Contry of Incorporation | % age of ownership interest either directly or through subsidiaries | | |
|--------------------------------------------|-------------------------|---------------------------------------------------------------------|----------------------|----------------------|
| | | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
| Shurjo Energy Pvt Ltd. (w.e.f. 01.10.2017) | India | 46.58% | 0.00% | 0.00% |

30 (b) Related party disclosure as per Ind AS 24**B Particulars of Subsidiary Companies**

PAE Infrastructure Pvt. Ltd.

Shurjo Energy Pvt Ltd Till 30th Sept' 2017

Particulars of Associate Companies

Shurjo Energy Pvt Ltd w.e.f. 01.10.2017

C 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.
Arvind R. Doshi HUF
Pritam A. Doshi HUF

Nature of relationship

Controlled through key management personnel
Controlled through key management personnel
Controlled through key management personnel
Controlled through key management personnel

D Key Management Personnel:**Name of related party**

Mr. Arvind R. Doshi
Mr. Pritam A. Doshi
Mrs. Pratibha A. Doshi

Nature of relationship

Chairman
Managing Director
Director

E Relatives of Key Management Personnel:**Name of relatives**

Ms. Priyadarshani A. Doshi
Mrs. Sohini P. Doshi
Master Viraj P. Doshi
Baby Nitya P. Doshi

Nature of relationship

Daughter of Mr. Arvind R. Doshi
Wife of Mr. Pritam A. Doshi
Son of Mr. Pritam A. Doshi
Daughter of Mr. Pritam A. Doshi

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

F Details of transactions with related parties:

| Particulars | Year | Subsidiary Companies | Associate Companies | Enterprises mentioned in 'B' above | Key Management Personnel | Relatives of Key Management Personnel |
|-------------------------------------------------|------|----------------------|---------------------|------------------------------------|--------------------------|---------------------------------------|
| Remuneration: | | | | | | |
| Mr. Arvind R. Doshi | 2018 | | | | - | |
| | 2017 | | | | - | |
| | 2016 | | | | - | |
| Mr. Pritam A. Doshi | 2018 | | | | 43.66 | |
| | 2017 | | | | (43.66) | |
| | 2016 | | | | (43.66) | |
| Sitting Fees : | | | | | | |
| Mr. Arvind R. Doshi | 2018 | | | | - | |
| | 2017 | | | | - | |
| | 2016 | | | | (0.20) | |
| Mrs. Pratibha A. Doshi | 2018 | | | | - | |
| | 2017 | | | | - | |
| | 2016 | | | | (0.20) | |
| Interest paid on fixed deposits: | | | | | | |
| Arvind R Doshi HUF | 2018 | | | 7.82 | | |
| | 2017 | | | (3.91) | | |
| | 2016 | | | (8.70) | | |
| Pritam A Doshi HUF | 2018 | | | 2.64 | | |
| | 2017 | | | (1.32) | | |
| | 2016 | | | (2.94) | | |
| Mrs. Pratibha A. Doshi | 2018 | | | 3.70 | | |
| | 2017 | | | (1.80) | | |
| | 2016 | | | (4.11) | | |
| Mrs. Priyadarshani A. Doshi | 2018 | | | | | 0.25 |
| | 2017 | | | | | (0.25) |
| | 2016 | | | | | (0.38) |
| ICD taken: | | | | | | |
| Rajubai Investment Private Limited | 2018 | | | 21.32 | | |
| | 2017 | | | (10.00) | | |
| | 2016 | | | (208.00) | | |
| Loan from director | | | | | | |
| Mr. Pritam A Doshi | 2018 | | | | 513.57 | |
| | 2017 | | | | (74.50) | |
| | 2016 | | | | (15.00) | |
| Mrs. Pratibha A. Doshi | 2018 | | | | - | |
| | 2017 | | | | (10.00) | |
| | 2016 | | | | - | |
| ICD Paid back: | | | | | | |
| Rajubai Investment Private Limited | 2018 | | | 17.87 | | |
| | 2017 | | | (16.01) | | |
| | 2016 | | | (239.99) | | |
| Amount outstanding on balance sheet date | | | | | | |
| Loan from director paid Back | | | | | | |
| Mr. Pritam A Doshi | 2018 | | | | 174.50 | |
| | 2017 | | | | (27.50) | |
| | 2016 | | | | (10.00) | |
| Mrs. Pratibha A. Doshi | 2018 | | | | - | |
| | 2017 | | | | - | |
| | 2016 | | | | - | |
| Interest paid on ICD: | | | | | | |
| Rajubai Investment Private Limited | 2018 | | | - | | |
| | 2017 | | | (0.08) | | |
| | 2016 | | | (4.06) | | |
| Interest paid on Loan from director | | | | | | |
| Mr. Pritam A Doshi | 2018 | | | | - | |
| | 2017 | | | | (0.79) | |
| | 2016 | | | | - | |
| Mrs. Pratibha A. Doshi | 2018 | | | | - | |
| | 2017 | | | | - | |
| | 2016 | | | | - | |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

F Details of transactions with related parties:

| Particulars | Year | Subsidiary Companies | Associate Companies | Enterprises mentioned in 'B above | Key Management Personnel | Relatives of Key Management Personnel |
|----------------------------------------------------------------------------------------------------|------|----------------------|---------------------|-----------------------------------|--------------------------|---------------------------------------|
| Fixed deposits outstanding: | | | | | | |
| Arvind R Doshi HUF | 2018 | | | - | | |
| | 2017 | | | (74.00) | | |
| | 2016 | | | (74.00) | | |
| Pritam A Doshi HUF | 2018 | | | - | | |
| | 2017 | | | (25.00) | | |
| | 2016 | | | (25.00) | | |
| Mrs. Pratibha A. Doshi | 2018 | | | - | - | |
| | 2017 | | | | (35.00) | |
| | 2016 | | | | (35.00) | |
| Mrs. Priyadarshani A. Doshi | 2018 | | | | | - |
| | 2017 | | | | | (3.25) |
| | 2016 | | | | | (3.25) |
| Interest payable(net of TDS): | | | | | | |
| Rajubai Investment Private Limited | 2018 | | | 0.63 | | |
| | 2017 | | | (0.63) | | |
| | 2016 | | | (14.33) | | |
| Arvind R Doshi HUF | 2018 | | | - | | |
| | 2017 | | | (5.32) | | |
| | 2016 | | | (3.91) | | |
| Pritam A Doshi HUF | 2018 | | | - | | |
| | 2017 | | | (1.80) | | |
| | 2016 | | | (1.32) | | |
| Mrs. Pratibha A. Doshi | 2018 | | | - | | |
| | 2017 | | | (2.86) | | |
| | 2016 | | | (1.85) | | |
| Mrs. Priyadarshani A. Doshi | 2018 | | | | | - |
| | 2017 | | | | | (0.23) |
| | 2016 | | | | | (0.17) |
| Mr. Pritam A Doshi | 2018 | | | | 1.62 | |
| | 2017 | | | | (1.62) | |
| | 2016 | | | | (1.06) | |
| Mrs. Pratibha A. Doshi | 2018 | | | | 0.34 | |
| | 2017 | | | | (0.34) | |
| | 2016 | | | | - | |
| Remuneration payable: | | | | | | |
| Mr Arvind R Doshi | 2018 | | | | - | |
| | 2017 | | | | - | |
| | 2016 | | | | (27.14) | |
| Mr. Pritam A. Doshi | 2018 | | | | 43.66 | |
| | 2017 | | | | (25.01) | |
| | 2016 | | | | (9.07) | |
| ICD outstanding : | | | | | | |
| Rajubai Investment Private Limited | 2018 | | | 141.73 | | |
| | 2017 | | | (138.28) | | |
| | 2016 | | | (196.00) | | |
| Loan outstanding to Directors | | | | | | |
| Mr. Pritam A Doshi | 2018 | | | | 387.69 | |
| | 2017 | | | | (48.62) | |
| | 2016 | | | | (5.00) | |
| Mrs. Pratibha A. Doshi | 2018 | | | | 10.34 | |
| | 2017 | | | | (10.34) | |
| | 2016 | | | | - | |
| Preference Shares issued (11% non -convertible, cumulative redeemable preference shares) | | | | | | |
| Rajubai Investment Private Limited | 2018 | | | - | | |
| | 2017 | | | - | | |
| | 2016 | | | (110.00) | | |
| Conversion of shares | | | | | | |
| Pritam A Doshi | 2018 | | | | - | |
| | 2017 | | | | - | |
| | 2016 | | | | (23.50) | |
| Mrs. Pratibha A. Doshi | 2018 | | | | - | |
| | 2017 | | | | - | |
| | 2016 | | | | (23.50) | |
| Figures for the previous year have been given in brackets. | | | | | | |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

33 Trade Receivables, Trade Payables, Loans and Advances are subject to confirmation of balance. Trade Payables include an amount of Rs. 189.53 lacs payable to a supplier, which is secured by the personal guarantee of the Managing Director.

34 During the quarter ended December, 2017 company has provided interest of Rs. 23.29 Lacs and provision for doubtful debts of Rs. 23.00 Lacs which has been reversed in current quarter.

35 Contingent liabilities

a Accrued dividend on 11% Non Convertible Redeemable Preference Shares for the year is Rs.100.10 lacs (previous year Rs.100.10 lacs) and accumulated till date Rs. 374.81 (Previous year Rs. 274.71 Lac)

b Disputed sales tax demand of Rs. 1326.25 lacs (previous year Rs.1048.23 lacs) and Disputed disallowance under section 14A of Income Tax of Rs. 386.77 lacs (previous year Rs. 265.17 Lacs). The management has been advised that there will be no liability arising on this account. Details not available for our verification. Amount as certified by the management.

c No contingent liability has been disclosed in respect of audited balance sheet of Shurjo Energy Private Ltd. (Subsidiary/Associate) not available year end March 2018.

d Counter indemnities given by the company in respect of guarantees issued by the bank Rs.0.87 lacs (previous year Rs.0.87 lacs).

e Provision for Warranties :

As per Ind AS 37, 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:

(₹ in lacs)

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 |
|----------------------------------------------------------|--------------------|--------------------|--------------------|
| At the beginning of the year | 31.96 | 52.48 | 113.67 |
| Provision for warranty made during the year | - | - | 30.32 |
| Utilised during the year | 0.28 | (20.52) | (59.43) |
| Written back during the year | 1.49 | - | (32.08) |
| Closing provision for warranty as at the end of the year | 33.17 | 31.96 | 52.48 |

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

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

38 The company has pending litigation with various vendors against which counter claims have been raised which may not significantly impact the financial position of the company. Bankers have taken possession of the security charged to bank under SARFAESI Act 2002 and in parallel company have filed securitization application in DRT III Vashi.. The company is in process to negotiate with Bankers for settlement and representing again for settlement. The cases filed under negotiable instrument Act for cheque bouncing amount involved Rs. 40.50 Lac and order for winding up issued by High Court order amounting Rs. 1.32 Cr against which the company has counter claimed for warranty of Rs. 1.33 Cr. Company has preferred appeal to High Court against the winding up order. It is optimistic of order getting quashed by the Hon'ble High Court

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

There is no creditor under MSME Development Act, 2006 as certified by Management

40 Derivative Instruments and Un-hedged foreign currency exposure :

a There is no unhedged foreign currency exposure and derivative instruments as at year end.

41 Other foreign currency includes membership and subscription Rs. 2.22 Lac

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lacs)

42 Reconciliation of Equity and Total Comprehensive Income

(a) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

| Particulars | Note | For the year ended March 31, 2017 |
|-------------------------------------------------------------------------------------------|--------|--------------------------------------|
| Profit as per Indian GAAP | | 103.10 |
| Actuarial Gain on Employees Defined benefit plan recognized in Other Comprehensive Income | 42 (i) | 8.68 |
| Net profit under Ind AS | | 111.78 |
| Other Comprehensive Income (Net of tax) | 42 (i) | (8.68) |
| Total Comprehensive Income | | 103.10 |

(b) Reconciliation of Equity as at March 31, 2017 and April 1, 2016:

| Reconciliation of Equity | Note | As at 31.03.2017 | As at 01.04.2016 (Date of Transition) |
|-----------------------------------------------------------------|---------|------------------|------------------------------------------|
| Equity as per GAAP | | (3768.74) | (3836.99) |
| Impact of Defined Employee Benefit Expense recognized in OCI | 42 (i) | (8.68) | - |
| Impact of Defined Employee Benefit Expense classified under OCI | 42 (i) | 8.68 | - |
| Impact of measuring financial instruments at fair value | 42 (ii) | 0.00 | 10.88 |
| Adjusted equity under Ind AS | | (3768.74) | (3826.11) |

42 (i) Under previous GAAP remeasurement of defined benefit plans (gratuity) arising primarily due to change in actuarial assumption was recognised as employee benefit expenses in the statement of profit and loss. Under IndAS such remeasurement changes relating defined benefit plan is recognised in the OCI. This change does not affect equity but there is decrease in loss for the year ended 31.03.2017 by Rs. 8.68 Lac and corresponding increase in OCI by Rs. 8.68 Lac

42 (ii) Under Ind AS impact of measuring the financial instruments at fair value is recognised through OCI. Hence Rs. 10.88 Lakhs has been recognised for F.Y. 2015-16 under OCI on account of remeasurement of financial instrument at fair value.

43 (a) Consolidation of Shurjo Energy Pvt Ltd. has been done upto 30.09.2017 based on unaudited financial statements. Further comparative financial information for the year ended 31.03.2017 and transition date 01.04.2016 is not provided as required by Ind AS. Management of Shurjo Energy Pvt. Ltd. has been changed. PAE Management is following up for audited financial statements. As per Management there will be no major impact on consolidated financial statement.

43 (b) Associate Shurjo Energy Private Limited for the year ended 31.03.2018 has not been consolidated due to non availability of audited financial statement, hence proportionate share of profit/loss in associate is not available for consolidation purpose. Management is following up for audited financial statements. As per Management there will be no major impact on consolidated financial statement.

44 As reported in financial year 2016-17 in respect of Shurjo Energy Private Ltd. as a matter of prudence in consolidated financial statement a sum of Rs. 645.09 Lac has been reversed which was written off in financial year 2015-16. Now in financial year 2017-18 till 30th Sept 2017 as per unaudited balance sheet of subsidiary has written back the said amount showing as income which is been eliminated in consolidated financial statement.

45 Exceptional items represent : (Income)/ Expenses

| | 2017-18 | 2016-17 | 2015-16 |
|------------------------------------------------|---------|----------|---------|
| 1 Provision for advance receivable from Shurjo | | (645.09) | 645.09 |
| 2 Profit on sale of assets (Net) | | (6.88) | 930.52 |
| 3 Prior period adjustment | (2.53) | 1.38 | |
| 4 Adjustment in respect of subsidiaries * | 134.25 | | |
| Total | 131.72 | (650.59) | 1575.61 |

* (includes write off Rs. 32.82 Lac, Rs. 162.04 Lac and Rs. 60.61 Lac profit on sale of subsidiary in respect of PAE Infrastructure Pvt. Ltd. and Shurjo Energy Pvt. Ltd.

Qualification by Auditors of Shurjo Energy Private Ltd. as at 31.03.2017 (Note no. 46,47 and 48):

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- 46 In the case of Shurjo Energy Pvt. Ltd. the accumulated losses for Rs. 1172.32 lacs for the year ended 31.03.2017 exceed the net worth. Despite this, Company has prepared the accounts on going concern basis. Further, the Holding Company has provided the necessary funds for the operations. Accordingly, the company has considered that it will be able to continue as a going concern entity.
- 47 In the case of Shurjo Energy Pvt. Ltd. the impairment of fixed assets as the manufacturing activity of the company has been discontinued, the carrying amount of fixed assets needs to be impaired, however the company is carrying the fixed assets at historical cost and no impairment loss has provided in books of accounts as required by Ind AS 36. The quantum of impairment loss is not ascertained. Impairment loss arising out of the same will be accounted as and when the same is realised on sale of assets.
- 48 In case of Shurjo Energy Private Limited, in the absence of availability of details, depreciation has been provided at the rates prescribed in the erstwhile Schedule XIV to the Companies Act, 1956 instead of providing depreciation based on the useful life of the assets, as prescribed in Schedule II to the Companies Act, 2013. The impact of the above, on the loss for the year and the balance reported in the Balance sheet as at the end of the year could not be ascertained.
- 49 As required by Ind AS company has measured the financial instruments at fair value as on the balance sheet date. Shares of Shurjo Energy Private Limited has been valued as under (holding 45,637,673 shares):
- 9,261,076 shares have been valued as per sale agreement where consideration is fixed.
 - 4,691,585 shares have been sold after the balance sheet date. However consideration has been realized on 22.05.2018. Hence shares have been valued at realized value.
 - Balance 7,309,361 have been valued at Book Value of Rs. 0.002 as on 31.03.2018 as per the valuation done by Independent Valuer.
 - 24,375,651 shares have already been sold for Rs. 50,001 and resultant loss of Rs. 12,85,266 has been booked during the year.
- 50 Shares of PAE Infrastructure Private Limited has been valued as per the book value of the share as on the respective balance sheet date.
- 51 Other quoted investments has been valued as per the prevailing market rate as on the respective balance sheet date.
Other income includes sundry creditors written back (net) Rs. 38.79 Lac and Warranty payable written back Rs. 83.02 Lac no supportings available for verification.
- 52 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. Company ceases to be subsidiary w.e.f. 30.09.2017 and now it is associate of the company.
- 53 Other Income includes Rs. 56.33 Lacs representing profit on sale of property and other expenses includes Rs. 12.85 lacs representing loss on sale of investment In subsidiaries.
- 54 During the year, the company has not recognised Deferred tax asset as per Ind AS 12 as a matter of prudence.
- 55 Company has to reconcile GST receivable with GST return filed pending balance of Rs. 1.99 Lac shown as GST receivable and subject to reversal of input tax credit for non payment of dues within 180 days amount is unascertainable.
- 56 Subsequent to the year end following events have taken place:
- Bankers have taken possession of the property at Vashi. Property, Plant & Equipment and Inventory is not physically verified and hence value is unascertainable.
 - Company has sold 46,91,585 shares (10.28% holding) in Shurjo Energy Private Limited for Rs. 1.40 Lacs.

As per our report attached

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

Rohit Vakharia
Proprietor
Membership No. 033728

Date: June, 16 2018
Mumbai

For and on behalf of Board of Directors

Arvind R. Doshi
Chairman

Pritam A. Doshi
Managing Director

Vijaykumar N. Nair
Director

Karthikeyan Muthuswamy
Director

Form AOC-I

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

(Rupees in lacs)

| Sr. No. | Name of the Subsidiary Company | Reporting Period | Reporting Currency | Capital | Other Equity | Total Assets | Total Liabilities | Investment other than investment in subsidiary | Turnover | Profit/ (Loss) before Taxation | Provision for Taxation | Deferred Tax | Profit/ (Loss) after Taxation | Proposed Dividend |
|---------|------------------------------------|--------------------------------------|--------------------|---------|--------------|--------------|-------------------|------------------------------------------------|----------|--------------------------------|------------------------|--------------|-------------------------------|-------------------|
| 1 | Shurjo Energy Private Limited | 01/04/2017-30/09/2017 (Unaudited) | INR | 456.47 | (458.53) | 19.50 | 21.56 | - | 0.59 | 475.49 | - | - | 475.49 | - |
| 2 | PAE Infrastructure Private Limited | 01/04/2017-31/03/2018 | INR | 35.20 | (29.48) | 6.18 | 0.46 | 0.01 | 0.00 | (33.15) | 0.03 | - | (33.18) | - |

No such subsidiary which are yet to commence operations

Part B Associates and Joint Ventures

| | | |
|----|----------------------------------------------------------------------------|--------------------------------------------|
| 1 | Name of associates and Joint Ventures | Shurjo Energy Pvt Ltd. (w.e.f. 01.10.2017) |
| 2 | Latest audited Balance sheet date | Not available |
| 3 | Share of associates held by Company on the year end | - |
| 4 | No. | - |
| 5 | Amount of investment in associates | - |
| 6 | Extent of Holding % | 46.58% |
| 7 | Description of how there is significant influence | By virtue of shareholding |
| 8 | Reason why associates is not consolidated | Audited balance sheet is not available |
| 9 | Net worth attributable to shareholding as per latest audited balance sheet | - |
| 10 | Profit /loss for the year | - |

Mumbai, Dated June 16, 2018

Arvind R. Doshi
Chairman**Pritam A. Doshi**
Managing Director**Vijaykumar N. Nair**
Director**Karthikeyan Muthuswamy**
Director

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

The share of subsidiaries, joint venture and associates in the consolidated net assets and consolidated profit and loss account is as follows:

| Sr. no. | Name of the Entity | Net Assets (Total assets - Total liabilities) | | Share in profit or loss (after tax) | | Share in Other comprehensive Income (OCI) | | Share in Total comprehensive Income (OCI) | |
|---------|--------------------------------------------------------------|--------------------------------------------------|-------------------------|-------------------------------------------|-------------------------|----------------------------------------------|-------------------------|----------------------------------------------|-------------------------|
| | | As % of consolidated Net Asset | Amount (Rs. in lacs) | As % of consolidated Profit or Loss | Amount (Rs. in lacs) | As % of consolidated OCI | Amount (Rs. in lacs) | As % of consolidated OCI | Amount (Rs. in lacs) |
| | Consolidated | | -4081.44 | | -291.82 | | -3.36 | | -295.18 |
| | Parent Company | | | | | | | | |
| | PAE Limited | 99.95% | -4079.42 | 30.51% | -89.03 | 100.00% | -3.36 | 31.30% | -92.39 |
| | Subsidiary Companies | | | | | | | | |
| 1 | Shurjo Energy Private Limited till 30.09.2017 (Unaudited) | 0.06% | -2.39 | 58.12% | -169.60 | 0.00% | 0.00 | 57.46% | -169.6 |
| 2 | PAE Infrastructure Private Limited | -0.01% | 0.37 | 11.37% | -33.18 | 0.00% | 0.00 | 11.24% | -33.18 |

Note : Shurjo Energy private Ltd. (Associate with effect from 01.10.2017) has not been consolidated due to nonavailability of audited financial statement for the year 31.03.2018



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

ATTENDANCE SLIP

(To be presented at the entrance)

68th Annual General Meeting of the Members of **PAE Limited** on Saturday, September 29, 2018 at 11:00A.M. at The Victoria Memorial School for the Blind73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai-400034.

Folio No. _____ DP ID No. _____ Client ID No. _____
Name of the Member: _____ Signature: _____
Name of the Proxyholder: _____ Signature: _____

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the AGM Notice for reference at the Meeting.

PAE LIMITED

Regd. Off.: 69, Tardeo Road, Mumbai 400034. CIN - L99999MH1950PLC008152
Tel. No. – 022 66185799, Fax: 022 66185757, www.paeltd.com

PROXY FORM

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

68th Annual General Meeting of the Members of **PAE Limited** on Saturday, September 29, 2018 at 11:00A.M. at The Victoria Memorial School for the Blind73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai-400034.

Name of the Member(s) : _____

Registered address: _____ E-mail ID : _____

Folio No./Client ID No.: _____ DP ID No.: _____

I/We, being the member(s) holding _____ of Shares of Cachet Pharmaceuticals Private Limited, hereby appoint

1. Name: _____ E-mail Id: _____
Address: _____ Signature: _____
or failing him
2. Name: _____ E-mail Id: _____
Address: _____ Signature: _____
or failing him
3. Name: _____ E-mail Id: _____
Address: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 68th Annual General Meeting of the Members of PAE Limited to be held on Saturday, September 29, 2018 at 11:00 A.M. at The Victoria Memorial School for the Blind73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai-400034 and at any adjournment thereof in respect of Ordinary / Special Resolutions as indicated below:

1. Adoption of the Audited Financial Statements (including audited consolidated financial statements) for the financial year ended 31st March, 2018, the Reports of the Board of Directors' and Auditors' thereon.
2. Re-appointment of Mr. Arvind R. Doshi, Chairman who retiring by rotation.
3. Ratification of appointment of M/s. R. C. Vakharia & Company, Chartered Accountants, Mumbai as Statutory Auditors of the Company.
4. Appointment of Mr. Vijaykumar Nanappan Nair (DIN: 08089578), as an Independent Director of the Company.
5. Appointment of Mr. Pritam A. Doshi (DIN:00015302) as Managing Director and fixation of his remuneration pursuant to Section 196, 197, 198 read with Schedule V of the Companies Act, 2013.
6. To Dispose-off PAE Infrastructure Pvt. Ltd., Wholly Owned Subsidiary pursuant to Section 180(1)(a) of the Companies Act, 2013.

Signed _____ day of _____ 2018

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp of
Re.1/-

NOTES: This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at 69, Tardeo Road, Mumbai 400034, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP TO THE AGM VENUE





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

68th Annual General Meeting held on 29th September, 2018 at 11.00 a.m.
at The Victoria Memorial School for the Blind, 73, Tardeo Road, Next to H.P. Petrol Pump, Mumbai - 400034

BALLOT FORM

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

| | | |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 1. | Name(s) & Registered Address of the Sole / First named Member | |
| 2. | Name(s) of the Joint holder(s), if any | |
| 3. | Registered Folio Number / DP ID No. / Client ID No. * (*Applicable to investors holding shares in dematerialised form) | |
| 4. | Number of Ordinary Share(s) held | |
| 5. | EVEN (E-voting Event Number) | |
| 6. | User-ID | |
| 7. | Password | |
| 8. | I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the Sixty Eighth Annual General Meeting (AGM) of the Company to be held on Saturday, September 29, 2018 by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below: | |

| Item No. | Description of Resolution | No. of Ordinary Shares for which votes cast | (FOR) | (AGAINST) |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------|--------------------------------|
| | | | I/We dissent to the Resolutions | I/We assent to the Resolutions |
| 1. | Adoption of the Audited Financial Statements (including audited consolidated financial statements) for the financial year ended 31st March, 2018, the Reports of the Board of Directors' and Auditors' thereon. | | | |
| 2. | Re- appointment of Mr. Arvind R. Doshi, Chairman who retires by rotation. | | | |
| 3. | Ratification of appointment of M/s. R. C. Vakharia & Company, Chartered Accountants, Mumbai as Statutory Auditors of the Company. | | | |
| 4. | Appointment of Mr. Vijaykumar Nanappan Nair (DIN: 08089578), as an Independent Director of the Company. | | | |
| 5. | Appointment of Mr. Pritam A. Doshi (DIN:00015302) as Managing Director and fixation of his remuneration pursuant to Section 196, 197, 198 read with Schedule V of the Companies Act, 2013. | | | |
| 6. | To Dispose-off PAE Infrastructure Pvt. Ltd., Wholly Owned Subsidiary pursuant to Section 180(1)(a) of the Companies Act, 2013. | | | |

Place :

Date :

Signature of the Member

Notes: Please read the instructions printed below carefully before exercising your vote.

INSTRUCTIONS

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

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

1. Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, **M/s. Leena Agrawal & Co., Practicing Company Secretary**, (Membership No.: FCS 6607) 204, Mhatre Pen Building, Senapati Bapat Marg, Dadar (West), Mumbai 400028.
- 1) The Form should be signed by the Member as per the specimen signature registered with the Company/ Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
- 2) In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorization.
- 3) Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot.
- 4) The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on Friday, 31st August, 2018 as per the Register of Members of the Company.
- 5) Duly completed Ballot Form should reach the Scrutinizer not later than Friday 28th September, 2018 (5:00 p.m. IST). Ballot Form received after 28th September, 2018 (5:00 p.m. IST) will be strictly treated as if the reply from the Members has not been received.
- 6) A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no. 6 above.
- 7) Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- 8) The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
- 9) The results declared along with Scrutinizer's Report, shall be placed on the Company's website www.paelttd.com and on the website of the Central Securities Depository Limited within two days of the passing of the Resolutions at the AGM of the Company on Saturday, September 29, 2018, and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.



If undelivered please return to:

PAE LIMITED

69, Tardeo Road, Mumbai- 400 034.

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

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