



PAE LIMITED



TRANSFORMATION IS A JOURNEY

61st Annual Report 2010-2011

www.paeltd.com

Company Information

Board of Directors



(Left to Right)

1. Karthikeyan Muthuswamy - Director

2. John O. Band - Director

3. Arvind R. Doshi - Executive Chairman

4. Dilip J. Thakkar - Director

5. Dr. Rajendra Nath Mehrotra - Director

6. Pritam A. Doshi - Managing Director

Annual General Meeting

Day and Date: Saturday, the 30th day of July 2011

Venue: M.C. Ghia Hall, Bhogilal Hargovindas Building,
2nd Floor, 18/20, K. Dubhash Marg,
Mumbai - 400 001.

Time: 3.30 p.m.

Bankers

State Bank of India

Corporation Bank

Auditors

K. S. Aiyar & Co.

Registrar and Share Transfer Agent

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

C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai - 400 078.

Registered and Corporate office

69, Tardeo Road,
Mumbai- 400 034, Maharashtra, India

Telephone: +91-22-66185799

Fax : +91-22-66185757

Chairman's Message

Dear Share-Owners,

I am very happy and proud to present to you the Sixty-First Annual Report and Accounts for the year ended March 2011.

This year has been one of transformation and change within the organization. First, we moved from a regional management concept to a vertical business unit concept that focused on each business segment and achieved higher penetration. Since then, we have done minor changes in this structure from what we learned in 2010-11. Second, we increased our presence in Tier-II cities and opened 10 new branches bringing our total network to 39 locations in India. We strongly believe that growth for businesses such as that of PAE will come from smaller cities going forward as the populations in these areas prosper and create a demand for our products and services.



These changes are yet to generate growth and profits to their full potential and hence have contributed to the decline in profits in 2010-11 for the time being.

With these changes in place, we are confident that they will add to PAE's growth in 2011-12 and the future. In 2010-11 PAE generated business from 3,300+ new customers, and also explored new business opportunities with nationwide corporates for their power backup requirements. PAE also completed its first large order of solar panels to a Government education project in Rajasthan.

Shurjo has not fared to our expectations in 2010-11 primarily due to the lower prices offered by Chinese panels in India. With domestic content requirements imposed by the Government of India in various megawatt projects, we are hopeful that Shurjo will perform better in the current year.

Our subsidiary "PAE Renewables Pvt. Ltd.," formed to focus on high quality service and solutions to its customers looking for power back up systems, has shown satisfactory progress. It has started contributing to the bottom line in its first full year of operations.

Going forward, we are gearing up for expansion in the solar business on various fronts and addressing various segments of the solar market in India. Therefore, 2011-12 and possibly 2012-13 will truly be years of transformation for PAE to help achieve its Vision and Mission defined and adopted by the entire PAE community. To get their long-term reward, all stakeholders may have to experience the pain associated with transformation and change. Transformation is a journey and success the destination.

The Ministry of Corporate Affairs (MCA), Government of India has taken a "Green Initiative in Corporate Governance" allowing paperless compliances by companies through electronic mode in the interest of environment protection and saving consumption of paper to propagate paperless communication between the company and its shareholders. I welcome this positive initiative. We, from PAE have also immediately notified it to share-owners for their consideration and response. I would earnestly request all our share-owners to inform their respective email IDs to paegogreen@linkintime.co.in and co-operate in the national movement, to protect our environment.

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

Regards,

Arvind R. Doshi
Executive Chairman

Management Team



Left to Right - Sitting

- | | |
|--------------------------|--|
| 1. V. Suresh | Head - Finance & Accounts |
| 2. V. P. Chandrasekharan | Business Manager |
| 3. Arvind R. Doshi | Executive Chairman |
| 4. Pritam A. Doshi | Managing Director |
| 5. Shashi Nair | Sr. Manager - Administration & Human Resources |
| 6. N. Vijaykumar | Business Manager |

Left to Right - Standing

- | | |
|---------------------|---|
| 1. Ramnathan Iyer | Business Manager |
| 2. G. Mahesh | Business Manager |
| 3. Prabhakar Posam | Head - Information Systems & Business Process |
| 4. Raghav Taneja | Business Manager |
| 5. C. S. Gopinath | Business Manager |
| 6. T. Radhakrishnan | Business Manager |
| 7. K. S. Prasanna | Business Manager |

- | | |
|--------------------|----------------------------------|
| 1. Nimesh S. Nandu | Company Secretary & Head - Legal |
| 2. Murali Menon | Sr. Manager - Internal Audit |
| 3. S. N. Patil | Head - Service |

NOTICE

NOTICE is hereby given that the Sixty First Annual General Meeting of the Members of PAE LIMITED will be held on Saturday, the 30th day of July, 2011 at 3.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. Dubhash Marg, Mumbai 400 001 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2011 and Profit & Loss Account for the year ended as on that date together with the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares of the Company.
3. To appoint a Director in place of Shri Karthikeyan Muthuswamy, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Rajendra Nath Mehrotra, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To re-appoint M/s. K.S. Aiyar & Company, Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 81 and Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 including any amendment thereto or re-enactment thereof (“the Act”) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with the Stock Exchange(s) and subject to all requisite approvals, consents, permissions, sanctions, guidelines etc., of the Securities and Exchange Board of India (hereinafter referred to as “SEBI”) and of such other appropriate authorities, as may be required under any statutory provisions, Guidelines, Rules, Regulations, Notifications or otherwise or under any agreements entered into by the Company, and further subject to such terms and conditions and modifications as may be prescribed or imposed while granting such sanctions, approvals, consents, permissions etc., and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “The Board”) which term shall be deemed to include any Committee of Directors, for the time being authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this Resolution, consent and approval of the Company be and is hereby accorded to the Board to offer, issue and allot upto 50,00,000 8% Redeemable Non-cumulative

Preference shares (“the Said Shares”) of the face value of Rs.10/- each, for cash at par, to the Promoters, their nominees, in the manner set out below and in the Explanatory Statement annexed hereto:-

RESOLVED FURTHER THAT;

- a) the offer, issue and allotment of the Said Shares shall be made at such time or times as the Board may in its absolute discretion decide subject however, to the applicable statutory regulatory provisions and the Guidelines issued, if any;
- b) the Said Shares issued as stated aforesaid shall qualify for dividend that may be declared for the financial year in which the allotment is made, pro-rata for the period commencing from the date on which the allotment is made and proportionate to the amount paid up on the Said shares;
- c) the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Directors or any other officer or officers of the Company to give effect to the aforesaid resolutions;
- d) The Said Shares shall be Redeemable at par at the end of 13 (thirteen) years from the date of allotment or earlier on the terms and conditions as may be deemed fit by the Board of Directors of the Company, subject to the approval of the Regulatory Authorities wherever applicable;
- e) The Board be and is hereby authorized to vary, modify or alter any terms and conditions of issue including but not limited to, redemption period, rate of dividend, as it may deem expedient, subject however to compliance with the applicable laws, Guidelines Notifications, Rules and Regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid Resolutions, the Board acting on its own or through a Committee, be and is hereby authorized to do all acts, matters, deeds and things and to take all steps and do all things and give such directions as may be necessary, expedient or desirable and also to settle any question or difficulties that may arise, in such manner as the Board/Committee/such authorized person in its/his absolute discretion may deem fit and take all steps which are incidental and ancillary in this connection, without being required to seek any further consent or approval of the shareholders or otherwise with the intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

By Order of the Board of Directors

Pritam A. Doshi
Managing Director

Registered Office
69, Tardeo Road,
Mumbai- 400 034

Dated: June 18, 2011.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THIS ANNUAL GENERAL MEETING.
2. The Register of Members and Share Transfer books of the Company will remain closed from Thursday, July 21, 2011 to Saturday, July 30, 2011 (both days inclusive).
3. The dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid on or after August 6, 2011, to those persons or their mandates:
 - a) whose names appear as Beneficial Owners as at the end of the business hours on July 20, 2011 in the list of Beneficial Owners to be furnished to the Company by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form; and
 - b) whose names appear as Members in the Register of Members of the Company as on July 20, 2011.
4. The facility of electronic credit of dividend directly to the respective bank accounts of our shareholders, through Electronic Clearing Service (ECS) is arranged by the Company. This facility is currently available at the locations specified by RBI/SBI. This facility is in addition to the Bank Mandate Facility that already exists whereby bank account details are printed on the dividend warrants. Shareholders who would like to avail of the ECS Mandate Facility or the Bank Mandate Facility (if not done earlier) are requested to complete and submit the Mandate Form, available on request with our Share Transfer Agents or on our Company's website www.paeltd.com, to Company's Share Transfer Agents (for shares held in physical form) or their Depository Participants (for shares held in electronic form) latest by July 20, 2011.
5. Members are requested to
 - (a) intimate any change in their addresses to the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078
 - (b) quote client ID and DP ID numbers in respect of shares held in dematerialised form and ledger folio number in respect of shares held in physical form in all the correspondence
 - (c) to bring their Annual Report to the Meeting and attendance slip duly filled in. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
6. Corporate Members are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
7. Members who have multiple folios in identical names or joint names in the same order are requested to send all the Share Certificates to the Registrar and Transfer Agents, M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) for consolidation of all such folios into one to facilitate better service on their email id : rnt.helpdesk@linkintime.co.in
8. Queries on accounts and operations of the Company, if any, may please be sent to the Company 10 days in advance of the meeting so that the information required can be made readily available at the meeting to the extent possible.
9. Consequent upon the introduction of Section 205C by the Companies (Amendment) Act, 1999, unclaimed /unpaid dividend amount, fixed deposits, unclaimed interest and unclaimed matured fixed deposits for a period of 7 years will be transferred to the Investor Education & Protection Fund (IEPF) and no claim thereto will be entertained by the said Fund and also by the Company.
10. The facility for making nominations is available for shareholders and fixed deposit-holders in respect of the shares and fixed deposits held by them. Nomination forms can be obtained from the Company's Registrars & Transfer Agents, M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) or from the Company and also through email id investors@paeltd.com
11. Members may refer Report on Corporate Governance for particulars of Directors' appointment/re-appointment at the Annual General Meeting.
12. According to the Circular nos.17/2011 dated 21.4.2011 and no.18/2011 dated 29.4.2011 on "Green Initiative in Corporate Governance" issued by the Ministry of Corporate Affairs introducing paperless compliances allowing service of documents through electronic mode and for giving an opportunity to every member to register their email address and changes if any from time to time through Depository Participant. 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, the Company proposes to send henceforth all documents to the shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors Report, etc., by email to those members who have registered their email ID. If any member who has not registered email address is requested to send the same to rnt.helpdesk@linkintime.co.in our Registrars & Transfer Agents, M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400078 or to the Company at 69, Tardeo Road, Mumbai 400034 on investors@paeltd.com for service of documents as aforesaid. To those who have not registered their email address for service of documents as aforesaid, such documents will continue to be sent by other modes of services as provided under Section 53 of the Companies

Act, 1956 including physical copies at the address recorded in the Register of Members. In case any member insists for physical copies of above documents, the same will be sent to him physically, by post, free of cost.

ANNEXURE TO NOTICE

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

Item No. 6:

Your Company wants to expand its area of operations by expanding its existing line of business and adding new ventures.

The promoters of the Company therefore agreed to financially support the Company by subscribing upto 50,00,000 8% - 13 (thirteen) years, Redeemable Non-cumulative Preference shares of Rs.10/- each, for cash at par, to be issued on preferential basis. The funds received would be utilized *inter alia* for the above purposes.

The Board at its meeting held on June 18, 2011, has approved in principle the raising of funds by the Company to issue the Preference Shares to the promoters, subject to the approval of the shareholders and such other approvals as may be required.

Section 81 of the Companies Act, 1956 *inter alia* provides that whenever it is proposed to increase the subscribed capital of the Company by further issue of shares, such shares shall be offered to the existing shareholders of the Company, unless the shareholders decide otherwise by a special resolution.

Accordingly, the consent of the shareholders is being sought

pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the Listing Agreements executed by the Company with the Stock Exchanges, authorizing Board to issue Preference Shares, as stated in the Resolution, in one or more tranches, to persons who may not be shareholders of the Company.

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

None of the Directors of the Company are interested in the above Special Resolution, except Shri Arvind R. Doshi and Shri Pritam A. Doshi who are deemed to be concerned in the resolution as the shares are proposed to be issued to them or their relatives and /or nominees.

By Order of the Board of Directors

Pritam A. Doshi
Managing Director

Registered Office

69, Tardeo Road,
Mumbai- 400 034

Dated: June 18, 2011

REPORT OF THE DIRECTORS' AND MANAGEMENT DISCUSSION & ANALYSIS

To the Members,

Your Directors have pleasure in presenting their Sixty First Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2011.

1. Financial Results

	Current Year ended 31.03.2011 (Rs. in lacs)	Previous Year ended 31.03.2010 (Rs. in lacs)
Total Revenue	26,212.76	21,918.57
Total Expenses	25,440.22	20,986.56
Less: Interest	247.68	125.91
Less: Depreciation	102.52	81.50
Profit before Tax	422.34	724.60
Less: Provision for tax	133.54	249.24
Profit after tax	288.80	475.36
Profit brought forward from previous year	1,321.72	1,088.05
Balance available for appropriation	1,610.52	1,563.41
APPROPRIATION:		
Transfer to General Reserves	7.22	35.65
Proposed Dividend	119.00	176.11
Tax on Dividend	19.30	29.93
Balance carried forward	1,465.00	1,321.72

2. Dividend

Your Directors are pleased to recommend final dividend of Rs. 1.25 (Rupee One and twenty five paise only) i.e. 12.50% per Equity Share of Rs.10/-, subject to the approval of shareholders at their Annual General Meeting.

3. Management discussion and Analysis

During the financial year 2010-2011, PAE restructured operations and transitioned from a horizontal organization structure to a more defined, vertical structure. Under the revised organization layout, PAE's business will be divided into 5 business verticals for better internal monitoring:

- Auto Batteries
- Auto Parts
- Industrial Batteries
- Power Backup Systems
- Solar

Each vertical will perform as an independent Strategic Business Unit (SBU), focused on growing sales and optimizing operations. Each SBU is supported by one or two national heads, a dedicated regional management team and a dedicated sales team.

SWOT Analysis of Strategic Business Units:

1) Auto Batteries:

PAE has been in the marketing and distribution business of automotive and motorcycle batteries for

the last 41 years. PAE sells batteries in the aftermarket and caters to requirements for all vehicle types ranging from heavy commercial vehicles to passenger cars and two-wheelers.

Strengths and Opportunities:

- Automobile industry has grown by 20%
- Extensive network of 39 sales and service offices throughout the country
- Superior product quality
- Experienced marketing team
- Strategic tie-ups with suppliers

Threats and Weaknesses:

- Low market share in light commercial and two-wheeler segment
- Two-wheeler market dominated by local brands with low price and warranty same as that offered by the organised sector.
- Continuous increase in raw material prices
- Poor penetration in rural areas due to competition from cheaper products
- High market credit risk

2) Auto Parts

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

Strengths and Opportunities:

- Replacement aftermarket, including OES, has grown by 60% YOY
- Centralized price controlling system
- Pioneer in establishing brands as proven historically
- Extensive network of sales and service offices across the country
- Experienced marketing team

Threats and Weaknesses:

- Low market share in light commercial and two-wheeler segment
- Fewer number of product lines as compared to other nationwide distributors.

- Large presence of unorganized players and mom-and-pop shops
- Replacement market demand is decreasing due to better quality of product

AUTO COMPONENT INDUSTRY: PRODUCT RANGE			
Product Range	2009	2015 (E)	2020 (E)
Body & Structural	40%	35%	31%
Transmission Steering	10%	13%	16%
Suspension & Braking	10%	13%	11%
Engine & Exhaust	20%	17%	18%
Electronics & Electrical	10%	13%	16%
Interior	10%	9%	8%

SEGMENT WISE MARKET SHARE			
SEGMENTS	2009	2015 (E)	2020 (E)
Two & Three Wheelers	76%	76%	72%
Passenger Vehicles	17%	17%	21%
M & HCV	2%	1%	1%
LCVs	1%	1%	1%
SCVs	1%	2%	3%
Tractors	3%	2%	2%

3) **Industrial Batteries**

PAE has been in the marketing and distribution business of industrial batteries for almost a decade. These batteries are used for various applications at home, in the office and at various industrial locations including telecom sites, ATMs, telephone exchanges, etc.

Strengths and Opportunities:

- Large market potential in rural areas, which experience long power cuts daily
- As proliferation of computers increases across India, including rural areas, this will lead to increased requirement of UPS and UPS batteries
- Extensive network of sales and battery service locations throughout the country
- Superior product quality and competitive pricing
- Experienced marketing team

Threats and Weaknesses:

- Heavily dependent on a few number of suppliers

- Inverter batteries have seasonality in business and is unpredictable
- Prices dependent on lead price resulting in volatility
- Shortage of supply during peak seasons
- New power plants coming online are increasing reliability of power thereby reducing the need for inverters

4) **Solar**

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

Strengths and Opportunities:

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

Threats and Weaknesses:

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

5) **Power Back-up systems**

PAE markets and distributes power back-up devices and systems under its own brand - PowerZen. Depending on the type of application, PAE/PAER designs the system custom made or standard, sells it to channel partners and end users. PAER also provides a comprehensive range of installation, commissioning and annual maintenance services to the end customers.

PAE has a very definite expansion plan by creating a distribution channel of 100 distributors for its own branded products with best after sales service facilities. Focus on brand building is on top priority with increase in service facilities by outsourcing the activity.

Strengths and Opportunities:

- Large market potential of urban and semi-urban areas where usage of computers is high and increasing progressively
- Large power deficit and frequent power cuts will help increase sales
- Extensive network of 39 sales and service offices throughout the country
- Sound network of dealers and end customers will support the cause in least time
- Superior product quality and competitive pricing
- Experienced marketing team

Threats and Weaknesses:

- Change in duties, taxes, import regulations and government policies might affect future demand
- Laptops are a threat to UPS business
- Power-savers as well energy-efficient products might reduce the gap in demand and supply of electricity in future thereby affecting sale of inverters
- Heavily dependent on a few number of suppliers

Internal control systems

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

4. Subsidiary Companies and Consolidated Financial Statements

- During the year under review, the Company has further acquired stake in Shurjo Energy Private Limited and is presently holding 70% of total stake.
- During the year under review the Company has further invested in PAE Renewables Private Limited which is already a 100% subsidiary of the Company.

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its approval dated 28.01.2011 has granted exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2011 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company seeking such information at any point of time and are also available for inspection by

any member of the Company at the registered office of the Company. The company shall furnish a copy of annual accounts of subsidiaries to any member on demand.

Discussion on financial performance with respect to operational performance

(Rs. in lacs)			
Particulars		2010-2011	2009-2010
1	Sales & Operating Income	28,958.23	24,074.45
2	Less: Value Added Tax	2,822.19	2,221.86
3	Net Sales & Operating Income	26,136.04	21,852.59
4	Other Income	76.72	65.98
5	Total Income (3 + 4)	26,212.76	21,918.57
6	Total Expenditure:		
a.	Cost of Sales	22,897.12	19,200.74
b.	Employees' Remuneration and Benefits	1,068.67	659.81
c.	Establishment & Other Expenses	1,474.43	1,126.01
		25,440.22	20,986.56
7	Interest	247.68	125.91
8	Profit after interest but before depreciation & tax	524.86	806.10
9	Depreciation	102.52	81.50
10	Profit before tax	422.34	724.60
11	Provision for Tax:		
a.	Previous year taxes	(9.21)	5.25
b.	Current Tax	148.00	245.00
c.	Deferred Tax (Asset)/Liability	(5.25)	(1.01)
12	Net Profit/(Loss) after tax	288.80	475.36
13	Expenses as a % to Net Sales & Operating Income:		
a.	Employee Cost	4.09%	3.02%
b.	Establishment & Other Expenses	5.64%	5.15%
c.	Interest	0.95%	0.58%

Sales and Operating Income for the year has increased by 20.29% from Rs.24,074.45 lacs in the previous year to Rs.28,958.23 lacs on account of higher volume of sales in Auto Components and Lead Acid storage battery segment.

During the year, the Company has made a profit before tax of Rs.422.34 lacs as against Rs.724.60 lacs in the previous year.

Interest for the year is Rs.247.68 lacs which is 0.95% of the net sales & operating income as compared to Rs.125.91 lacs and was 0.58% of the net sales & operating income in the previous year, an increase of 0.37% due to higher inventory holding position and tight money market conditions.

The Company has made a provision for tax of Rs.148 lacs. In accordance with AS-22, Accounting for Taxes on Income, the Deferred Tax Asset stands at Rs.11.97 lacs as on the Balance Sheet date.

The Company has a Net Profit available for appropriation amounting to Rs.1,610.52 lacs as on March 31, 2011 and has proposed a dividend of Rs. 1.25 per Equity Share of Rs.10/- each, for the year ended March 31, 2011.