



PAE LIMITED

62nd Annual Report 2011-2012



PAE Brands



Chairman's Message

Dear Shareowners,

I wish to present to you the Sixty Second Annual Report and Accounts for the year ended March 2012.

The year under review has been a mixed experience, the effects of transformation and changes within the organization, new business coming our way and economic slowdown in Indian and overseas markets.

We have reverted back from a vertical product-focused management structure to a customer-focused regional system because the vertical system did not achieve good enough results to justify its extra costs. However, we gained much detailed insight into each vertical which will be particularly helpful in future as we increase our "own brand" sales and look for further margin improvement in merchant sales.

The overall slowdown of economy and higher finance costs have affected our business, like many others, we are responding on priority in order to reverse the loss-making trend in the coming months.

The path of economic recovery appears to be challenging from the way things have moved in India during last four months. But there is a silver lining!

Your company has had strong distribution and marketing background in the battery business for decades for our erstwhile supplier and, this is the first year that your company will be using its strengths and experience in the battery business to establish its long-term presence in the battery market. I am glad to inform you that we have launched our own brands of batteries: "AutoZen" for automotive and "Zenide" for automotive and industrial. During last four months of introduction, the market response has been encouraging. We are confident that our own range of products will considerably help the bottom line of your company.

Like PAE, its subsidiaries have also shown mixed results in 2011-12. Solar markets have become extremely competitive. The prices of PV panels have reduced by 50% over last two years and are expected to go down even further. Even the demand in international market is considerably reduced due to economic uncertainty in Europe and other parts of the world and become extremely competitive resulting into no export orders at present for Shurjo Energy Pvt. Ltd. However, the team is looking at alternative options for this subsidiary.

We got the opportunity to execute two solar power projects of 1MW each in Rajasthan and Punjab. I am happy to inform you that both the projects were commissioned in March 2012 and are regularly generating power. PAE Renewables is focused on installation of rooftop solar systems and power backup systems for commercial and residential premises. We hope to grow this business significantly in the current financial year.

Last year I had appealed to all our shareowners through this message to kindly co-operate in the initiative and efforts of the Ministry of Corporate Affairs (MCA), Government of India, to protect the environment by saving consumption of paper. I once again appeal to all of you to please consider this seriously and inform your email IDs to paegogreen@linkintime.co.in or investors@paelttd.com as well as ask for annual report in electronic form. Kindly give your folio number also.

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





Company Information

Board of Directors

Arvind R. Doshi - Executive Chairman

Dilip Thakkar - Director

Dr. Rajendra Nath Mehrotra - Director

John O. Band - Director

Karthikeyan Muthuswamy - Director

Pritam A. Doshi - Managing Director

Management Team

Arvind R. Doshi - Executive Chairman

Pritam A. Doshi - Managing Director

V. Suresh - Head, Finance & Accounts

C. S. Gopinath - General Manager, Solar

N. Vijaykumar - Business Head

Shashikumar Nair - Head, Human Resources & Administration

Prabhakar Posam - Head, Information System & Business Process

Raghav Taneja - Business Manager

T. Radhakrishnan - Business Manager

Ramnathan Iyer - Business Manager

G. Mahesh - Business Manager

R. V. Subbramanian - Business Manager

S. N. Patil - Service Head

Murli Menon - Head, Internal Audit

Sameer Chavan - Company Secretary & Head, Legal

Annual General Meeting

Day and Date: Friday, August 31, 2012

Venue: M. C. Ghia Hall, Bhogilal Hargovindas Building,
2nd Floor, 18/20, K. DubhashMarg,
Mumbai - 400001

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

Registered and Corporate office

69, Tardeo Road,
Mumbai - 400034, Maharashtra, India

Telephone: +91-22-6618 5799
Fax : +91-22-6618 5757

NOTICE

NOTICE is hereby given that the Sixty Second Annual General Meeting of the Members of PAE LIMITED will be held on Friday, the 31st day of August, 2012 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, 2012 and Profit & Loss Account for the year ended as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dilip J. Thakkar, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri John O. Band, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint M/s. K. S. Aiyar & Company, Chartered Accountants, Mumbai, having Firm Registration no. 100186W 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

5. 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 198, 269, 309, 310 read with schedule XIII and all other applicable provisions if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, and subject to the approval of the Central Government if required, approval of members be and is hereby accorded to the re-appointment of Shri Arvind R. Doshi as a Whole-Time Director designated as Executive Chairman of the Company for a period of 3 (Three) years with effect from April 1, 2013 on the terms and conditions including remuneration as recommended by Remuneration & Selection Committee and approved by Board of Directors on June 29, 2012, as detailed in the explanatory statement annexed hereto.

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

to time or any amendments thereto as may be agreed to between the Board and Shri Arvind R. Doshi.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of the tenure of the Executive Chairman, the remuneration and perquisites and any other allowances as specified in the explanatory statement annexed hereto be paid to Shri Arvind R. Doshi as minimum remuneration, provided that the total remuneration by way of salary and perquisites shall not, unless approved by the Central Government, exceed the ceiling as provided in Section II of Part II of Schedule XIII to the Act or within such ceiling limits as may be prescribed under Schedule XIII from time to time or the Act as may be re-codified.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

“RESOLVED THAT in addition to special resolution passed at 60th Annual General Meeting of the Company and subject to the provisions of sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof and further subject to the approval of the Central Government if required, the approval of members be and is hereby accorded to the remuneration package as recommended by Remuneration & Selection Committee and approved by Board of Directors on June 29, 2012, as detailed in the explanatory statement annexed hereto for Shri Pritam A. Doshi, Managing Director, for a period of 3 (Three) years with effect from April 1, 2012.

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

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of the tenure of the Managing Director, the remuneration and perquisites and any other allowances as specified in the explanatory statement annexed hereto be paid to Shri Pritam A. Doshi as minimum remuneration, provided that the total remuneration by way of salary and

perquisites shall not, unless approved by the Central Government, exceed the ceiling as provided in Section II of Part II of Schedule XIII to the Act or within such ceiling limits as may be prescribed under Schedule XIII from time to time or the Act as may be re-codified.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By Order of the Board of Directors

Sameer Chavan
Company Secretary

Registered Office
69, Tardeo Road,
Mumbai- 400 034

Date: June 29, 2012

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 Friday, August 24, 2012 to Friday, August 31, 2012 (both days inclusive).
3. 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).
4. 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, 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.
5. 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.
6. 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 for consolidation of all such folios into one to facilitate better service on their email id : rnt.helpdesk@linkintime.co.in
7. 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.
8. 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.
9. 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 or from the Company and also through email id investors@paelttd.com
10. Members may refer Report on Corporate Governance for particulars of Directors' appointment/re-appointment at the Annual General Meeting.
11. 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 paegogreen@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@paeld.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 insist 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. 5:

At the 60th Annual General Meeting of the Company held on July 31, 2010, the members approved the appointment of Shri Arvind R. Doshi as the Executive Chairman of the Company with effect from April 1, 2010 for a period of 3 years.

Shri Arvind R. Doshi attained the age of 72 years on November 26, 2011. According to sub clause (ii) of clause (c) of Part I of Schedule XIII of the Companies Act, 1956 shareholders can approve the appointment of any managerial person who has already attained the age of 70 years without Central Government's approval.

The Board of Directors of the Company at it's meeting held on June 29, 2012 has, subject to approval of members and Central Government (if required) re-appointed Shri Arvind R. Doshi as Whole-time Director designated as Executive Chairman of the Company for the further period of 3 (three) years with effect from April 1, 2013. The term will expire on March 31, 2016. The Remuneration & Selection Committee agreed the same and recommended to the Board.

The details of the remuneration are as under, subject to the approval of shareholders:

- i) **Salary:** ₹ 24,24,000/- per annum payable monthly
- ii) **Commission:** Incentive or commission of 1% of the net profits of the Company in each financial year as may be determined by the Board of Directors at the end of financial year subject to the ceiling and provisions stipulated in Sections 198, 309 and 310, Schedule XIII & other applicable provisions of the Companies Act, 1956.

iii) **Perquisites:** The Executive Chairman will be entitled for

the following perquisites subject to a ceiling of ₹ 28,05,000/- per annum.

- a) Housing: Furnished accommodation/house rent allowance

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

Also entitled for Computer and internet connection at residence

- b) Medical re-imbursement.
- c) Car: Provision for Company car with driver.
- d) Club Fees: Fees of Clubs subject to a maximum of two clubs, this will not include admission and life membership fees.

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

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

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

- f) Leave Travel Concession: For self and family once in a year, as per the rules of the Company.
- g) Entertainment Allowance including Sodexo Meal Coupons.
- h) Newspaper Allowance.

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

- a) Company's contribution to the Provident Fund and Superannuation Fund or Annuity Fund to the extent these either single or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity: As per the rules of the Company.
- c) Leave: As per the rules of the Company.
- d) Leave Encashment: Leave accumulated but not availed during the tenure will be allowed to encash at the end of the tenure.
- e) Telephone: Re-imbursement of Mobile, Telephone and Fax expenses on submission of bills.

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

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

He shall not be liable to retire by rotation

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

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

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

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

Item No. 6:

At the 60th Annual General Meeting of the Company held on July 31, 2010, the members approved the appointment of Shri Pritam A. Doshi as the Managing Director of the Company with effect from April 1, 2010 for a period of 5 years. Accordingly, the term of Shri Pritam A. Doshi as a Managing Director will get expire on March 31, 2015.

Due to inadequacy of profit for the year 2010-11 and 2011-12 the Company could not pay full remuneration to Shri Pritam A. Doshi as agreed between the Company and Shri Pritam A. Doshi.

Where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company can pay the certain remuneration by way of salary, perquisites and benefits to the Managing Director in accordance with the provisions of Schedule XIII of the Companies Act, 1956 and with the approval of Central Government provided necessary resolution has been passed at the general meeting of the Company for payment of remuneration for period not exceeding three years.

In the view of above, the Board of Directors of the Company at its meeting held on June 29, 2012 has, subject to approval of members and Central Government (if required) approved the remuneration package of Shri Pritam A. Doshi for the period of 3 (three) years with effect from April 1, 2012. The Remuneration & Selection Committee agreed the same and recommended to the Board.

The details of the remuneration are as under, subject to the approval of shareholders

- i) **Basic Salary:** ₹ 20,40,000/-per annum payable monthly.
- ii) **Incentive:** Incentive as a percentage of the annual salary be paid based on the target slabs set and approved by the Board.
- iii) **Commission:** Commission of 1% of the net profits of the Company in each financial year as may be determined by the Board of Directors at the end of financial year subject to the ceiling and provisions stipulated in Sections 198, 309 and 310, Schedule XIII & other applicable provisions of the Companies Act, 1956.
- iv) **Perquisites:** The Managing Director will be entitled for the following perquisites subject to a ceiling of ₹ 18,11,000/-per annum.
 - a) **Housing:** Furnished accommodation/house rent allowance

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

Also entitled for Computer and internet connection at residence
 - b) Medical re-imbursement.
 - c) Car: Provision for Company car with driver.
 - d) Club Fees: Fees of Clubs subject to a maximum of two clubs, this will not include admission and life membership fees.
 - e) Medical and Accident Insurance: Hospitalisation and Domiciliary Hospitalisation Benefit Policy for self and family and Personal Accident Insurance for self.

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

"Family means the spouse, dependent children and dependent parents."
 - f) Leave Travel Concession: For self and family once in a year, as per the rules of the Company.
 - g) Entertainment Allowance including Sodexo Meal

Coupons.

h) Newspaper Allowance.

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

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

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

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

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

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

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

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

He shall not be liable to retire by rotation.

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

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

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

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

By Order of the Board of Directors

Sameer Chavan
Company Secretary

Registered Office
69, Tardeo Road,
Mumbai- 400 034

Date: June 29, 2012

REPORT OF THE DIRECTORS' AND MANAGEMENT DISCUSSION & ANALYSIS

To the Members,

Your Directors have pleasure in presenting their Sixty Second Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2012.

1. Financial Results

	Current Year ended 31.03.2012 (₹ in lacs)	Previous Year ended 31.03.2011 (₹ in lacs)
Total Revenue	24,569.94	26,220.88
Total Expenses	24,554.48	25,382.56
Less Interest	507.69	313.46
Less: Depreciation	90.22	102.52
Profit before tax	(582.45)	422.34
Less: Provision for tax	14.90	133.54
Profit after taxes	(567.55)	288.80
Profit brought forward from previous year	1,465.00	1,321.72
Balance Available for Appropriation	897.45	1,610.52
APPROPRIATION:		
Transfer to General Reserve	-	7.22
Proposed Dividend	-	119.00
Tax on Dividend	-	19.30
Balance carried forward	897.45	1,465.00

2. Dividend

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

3. Management Discussion and Analysis

Although during the year 2010-11, PAE had restructured the business operations in to verticals which were followed during 2011-12, the results targets in terms of higher volume of business were not achieved in all verticals. Due to competition and market trends in the batteries business, 2011-12 business was flat or slightly on a decline in the batteries business. As a result, the management has decided to reorganize the structure to a branch management model to optimize marketing and operations resources.

However, one can broadly break up PAE's business in to two segments based on risks and rewards: Auto Parts and Power. The Power segment consists of all batteries and power backup systems.

SWOT Analysis of Strategic Business Units:

1) 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 a comprehensive warranty service to its customers that is backed by manufacturers' warranty.

Strengths and Opportunities:

- Replacement aftermarket, including OES, has grown by 45% 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, three 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
- Vendors are losing market, due to OES aggressive marketing and competitive price
- After market demand is decreasing due to better quality of Vehicles & parts

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%

2) Power

Although Government is making efforts to ensure "power for all", demand for backup power devices is