

PAE LIMITED
65th Annual Report 2014-2015



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CHAIRMAN'S MESSAGE

Dear Shareowners,

I wish to present to you the Sixty fifth Annual Report and Accounts for the year ended March, 2015.

The year under review has been challenging one, more on the finance front. The growth in our own branded products seen in earlier years could not continue due to constraint of finance, which is still creating the bottleneck.

The streamlining of operation started two years ago is still continuing and has helped to reduce the expenses substantially.

In the pursuit of raising our own money we had to sell some assets and were attempting to sell our two Solar Plants of 1 MW each in Rajasthan & Punjab from our subsidiary Company, Sovox Renewables Private Limited. The process was completed in June, 2015. Further, in order to meet working capital finance, the Promoters also have contributed by way of Preference Capital of Rs.390 Lacs during the year.

I had cautioned in my statement last year that "The Financial Year ending March, 2015 is not necessarily expected to be great" unfortunately it has come true. The current year is also passing through difficult time and does not indicate recovery for sometime to come however the "Management is striving to come out from the current situation and hopeful of finding a solution."

Finally, I sincerely thank all our shareholders, business partners, employees and the last, but not the least, our customers for the continued support and faith reposed in your Company.

Regards

Arvind R. Doshi
Chairman

Company Information

Board of Directors

Mr. Arvind R. Doshi - Chairman

Mr. Pritam A. Doshi - Managing Director & Head Finance

Dr. Mrs. Pratibha A. Doshi - Non-Executive Director

Dr. Rajendra Nath Mehrotra - Independent Director

Mr. John O. Band - Independent Director

Mr. Karthikeyan Muthuswamy - Independent Director

Management Team and Key Managerial Personnel (KMP)

Mr. Arvind R. Doshi - Chairman

Mr. Pritam A. Doshi - Managing Director and Head Finance

Mr. G. Mahesh - Business Manager

Mr. Kumar Koluttumani - Head-Finance & Accounts

(Resigned w.e.f. 29.05.2015)

Mr. Shashikumar Nair - Head - Human Resources & Administration

Mr. Prabhakar Posam - Head - Information System & Business Process

Mr. Ramnathan Iyer - Business Manager

Mr. N. Vijaykumar - Head Operations

Mr. Vishal Totla - Company Secretary &

Head – Legal and KMP

(Resigned on 30.03.2015)

Mr. Ramanujam - Head, Internal Audit

Mr. Pranay Nandgaonkar - Compliance

Officer & Legal Head

Annual General Meeting	Bankers
<p>Day : Thursday</p> <p>Date : August 13, 2015</p> <p>Venue : The Victoria Memorial School for the Blind, 73, Tardeo Road, Opp. Tardeo A/c Market, Mumbai - 400 034.</p> <p>Time : 11.00 a.m.</p>	<p>State Bank of India</p> <p>Corporation Bank</p>
	<p>Auditors</p> <p>M/s. K.S. Aiyar & Co., Chartered Accountants (Statutory Auditors)</p> <p>M/s. Shravan Gupta & Associates, Practicing Company Secretary (Secretarial Auditors)</p>
Registrar and Share Transfer Agent	Registered and Corporate Office
<p>M/s Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078.</p> <p>Tel. No. : 91-22-2596 3838 Fax No. : 91-22-2596 2691</p> <p>Email : rnt.helpdesk@linkintime.co.in</p>	<p>CIN : L99999MH1950PLC008152 69, Tardeo Road, Mumbai - 400034, Maharashtra, India</p> <p>Telephone : +91-22-6618 5799 Fax : +91-22-6618 5757</p> <p>Website : www.paeltd.com Email for investor grievances : investors@paeltd.com</p>

NOTICE

NOTICE is hereby given that the 65th Annual General Meeting of the members of **PAE LIMITED** will be held on Thursday, the 13th day of August, 2015 at the The Victoria Memorial School for the Blind, 73, Tardeo Road, Opp. Tardeo A/c market, 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, 2015 and the Statement of Profit and Loss for the year ended on that date.
2. To appoint a director in place of Mrs. Pratibha A. Doshi (holding DIN No.00519766) Non-Executive Director of the Company who retired by rotation and being eligible offer herself for re-appointment.
3. To 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 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 BUSINESSES:

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Pritam A. Doshi (DIN: 00015302) as Managing Director of the Company, on the terms and conditions of appointment as contained in the agreement entered into with him, for a period of 3 (three) years with effect from April 1, 2015, at a remuneration of Rs. 44,99,500/- (Rupees forty four lacs ninety nine thousand five hundred only) per annum (the details of which are given in the Explanatory Statement annexed hereto) to Mr. Pritam A. Doshi, Managing Director of the Company, for the period from April 1, 2015 to March 31, 2018, with authority of the Nomination and Remuneration Committee of the Board to alter and vary the remuneration payable as may be agreed mutually between the Board of Directors and Mr. Pritam A. Doshi, Managing Director subject however that the annual remuneration does not exceed the limit approved hereinbefore.”

FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its

absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.”

For PAE Limited

sd/-
Pritam A. Doshi
Managing Director & Head Finance
DIN:00015302
Add.:2A, Windcliffe,
50D, Peddar Road,
Mumbai-400026.

Date: 29th May, 2015

Place: Mumbai

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Ordinary/Special Businesses to be transacted at the Annual General Meeting is annexed hereto.

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.

2. 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.

3. Members are requested to intimate the Registrar and Share Transfer Agent of the Company-Link Intime India Private Ltd, immediately of any change in their address on respect of equity shares held in physical mode and to their Depository Participants (DP) in respect of equity shares held in dematerialized form.
4. 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.
5. The Register of Members and Share Transfer books of the Company will remain closed from Monday, August 10, 2015 to Thursday, August 13, 2015 (both days inclusive). The Book closure dates have been fixed in consultation with the Stock Exchanges.

6. 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 2007-08 are requested to make their claim without any delay. It may be noted that the unclaimed final dividend for the financial year 2007-08 declared by the Company on July 29, 2008 can be claimed by the shareholders by August 31, 2015 and any request for claim received after 5:00 p.m. on August 31, 2015 will be considered as not received.

7. 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. 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 2014-15 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.

8. 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-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400078 or with their respective Depositories.

9. Investor Grievance Redressal:

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

10. 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:

- (i) The voting period begins on 10th August, 2015 (9.00 a.m. IST) and ends on 12th August, 2015 (5.00 p.m. IST). During this period shareholders of

the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 7th August, 2015 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.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Now, select the "PAE Limited" from the drop down menu and click on "SUBMIT"
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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	<p>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.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant PAE Limited on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **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 .
 - 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.

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.
- (B) The voting period begins on 10th August, 2015 (9.00 a.m. IST) and ends on 12th August, 2015 (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. 7th August, 2015 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 [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.paelttd.com within two days of the AGM and also communicated to the stock exchanges, where the shares of the Company are listed.

- 11. 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.
- 12. M/s. Leena Agrawal & Co., Practicing Company Secretary, (Membership No.: FCS 6607) has been appointed as the Scrutinizer to scrutinize the e-voting process.
- 13. 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-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400078 on or before 11th August, 2015. Any Ballot Form received after 5.00 p.m. on 11th August, 2015 will be treated as the reply from the member has not been received.

14. 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.
15. 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.
16. Members/Proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report to the Meeting.

ANNEXURE TO NOTICE:

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No.4:

Mr. Pritam A. Doshi, aged 42 years, is a promoter and Managing Director of the Company and having over 20 years of industry experience in the field of Bioengineering, management, information technology, investment strategy etc. He has worked with Trident Capital LP, a silicon valley based venture capital firm that invests in internet and wireless startup businesses. He has also worked with HSBC Securities Inc. as assistant Vice President–Equity research. He is associated with the Company as since 2000 and under his leadership Company expects to diversify and strengthen from its current position. He has a degree in Bioengineering from the University of Pennsylvania, Philadelphia, U.S.A. and M.B.A. from University of Chicago, Chicago, U.S.A.

His current term of appointment as a Managing Director of the Company expired on March 31, 2015. He has excellent grasp and thorough knowledge and experience of not only engineering and technology but also of general management. His knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Pritam A. Doshi should be available to the Company for a further period of three years with effect from April 01, 2015.

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:

(A) In case of adequate profits: Not exceeding 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 and payable by way of Salary/ Allowances/ other Perquisites / benefits and/or Commission,

as determined by the Nomination and Remuneration Committee from time to time.

(B) Minimum Remuneration in case of lack or inadequacy of profits: Where in any financial year during the currency of the tenure of the Managing Director, we have Nil Profits or the Profits are inadequate, Managing Director shall be paid remuneration as under:

1. Remuneration payable of Rs. 44,99,500/- (Rupees forty four lacs ninety nine thousand five hundred only) per annum which not exceeding the limit prescribed under Section II, Part II of Schedule V of the Companies Act, 2013, based on the effective capital of the Company and in accordance with the approval of the Nomination and Remuneration Committee at the relevant point of time.
2. Contributions to Provident Fund, Superannuation Fund or Annuity Fund to the extent singly or taken together are not taxable under the Income Tax Act, 1961;
3. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
4. Encashment of Leave at the end of the tenure.

(C) General:

1. The perquisites shall be valued in terms of the actual expenditure. However, where such actual expenditure cannot be ascertained, such perquisites shall be valued as per the Income Tax Rules.
2. MD shall not be entitled to any sitting fees for attending the meetings of the Board or of the Committee(s) of which he is a Member.
3. MD shall be subject to all other service conditions and employee benefit schemes, as applicable to any other employee of the Company.

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 reappointment 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. 4 of the Notice.

For PAE Limited

sd/-
Pritam A. Doshi
Managing Director & Head Finance
DIN: 00015302
Add.: 2A, Windcliffe,
50D, Peddar Road,
Mumbai-400026.

Date: 29th May, 2015
Place: Mumbai

DIRECTORS' REPORT

To,
The Members,

Your Directors presents their 65th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

STATE OF COMPANY'S AFFAIRS:

Your Company is in the business of sales and service of Lead Storage Batteries, Power Backup Systems, Automotive parts and Solar Photovoltaic Products. It has a nationwide network of 29 sales offices and warehouses and 109 peoples are providing sales and services to the customers' across India.

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.

Batteries sold across India are supported by its high-quality and prompt service network as well as its dealer network that is present in almost every state of India. The warranty claims process is built on a technology platform that enables customers to make warranty or service claims and gives suggestions by SMS, on its website as well as a toll free number.

In the **Power Backup Systems** segment, PAE Renewables Pvt. Ltd. (Wholly owned subsidiary of PAE) markets UPS, inverters, ELOS (Emergency Lift Operating Systems), and EPS (Emergency Power Systems). In addition to marketing, PAER also provides installation and after sales service to its customers.

Your company provides value to the manufacturer by reducing market risk, parts obsolescence risk and credit risk. Your company is in a better position to cater to rapid changes in the marketplace by keeping purchase and sales decision-making at the regional level. Further, using an advance and ever-changing information technology system, your company is able to adapt to market changes quickly.

FINANCIAL RESULTS

The financial highlights of the year are:

(₹ In Lacs)

Particulars	Standalone		Consolidated	
	March 2015	March 2014	March 2015	March 2014
Income from operation	7523	8655	8193	9479
Other Income	136	121	186	107
Total Income	7659	8776	8379	9586
Profit/(loss) before Interest, Depreciation, Tax and Exceptional Items	(714)	(781)	(399)	(548)
Less Interest Expenses	(433)	(511)	(688)	(727)
Less Depreciation	(73)	(55)	(392)	(384)
Less Exceptional Items	113	--	73	--
Profit/(loss) before Tax	(1107)	(1347)	(1406)	(1659)
Less Provision for Taxation	89	--	91	31
Net Profit/(Loss) after Tax	(1019)	(1347)	(1316)	(1628)

During the financial year 2014-15 the total income decreased by 12.73% to Rs.7,659 lacs as compared to last year's total income of Rs. 8,776 lacs. Loss before Tax increased accordingly by 17.82% to Rs. 1,107 lacs in the current year as compared to Rs. 1,347 lacs in the previous year. This was due to the decrease in sales and other operational activities of the Company, on account of difficult market conditions, 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 Monday, August 10, 2015 to August 13, 2015 (both days inclusive) for the 65th Annual General Meeting of the Company scheduled to be convened on 13th August, 2015 at The Victoria Memorial School for the Blind, 73, Tardeo Road, Opp. Tardeo A/c market, Mumbai-400 034.

FINANCIAL SITUATION:

Reserves & Surplus

As at March 31, 2015 Reserves and Surplus amounted to Rs. (Minus) 592.83 lacs as compared to Rs.463.83 lacs of previous year. The said scenario is due to inadequate profitability during the year under review and contribution of losses by the wholly owned subsidiaries.

Long Term Borrowings

There has been decrease in the Long Term Borrowings to Rs.175.63 compared to Rs.788.48 lacs as at March 31, 2014.