

PAE LIMITED
69th Annual Report 2018-2019



Company Information

Company Information

BOARD OF DIRECTORS:

Mr. Arvind R. Doshi	:	Non-Executive Chairman (Resigned w.e.f. 13.02.2019)
Mr. Pritam A. Doshi	:	Chairman & Managing Director
Dr. Mrs. Pratibha A. Doshi	:	Non-Executive Director (Resigned w.e.f. 13.02.2019)
Mr. Karthikeyan Muthuswamy	:	Independent Director (Resigned w.e.f. 06.08.2019)
Mr. Vijaykumar Nanappan Nair	:	Independent Director
Mrs. Priyadarshani A. Doshi	:	Non-Executive Director (App. w.e.f. 13.02.2019)
Mr. Kapil Ladha	:	Independent Director (App. w.e.f. 06.08.2019)

AUDIT COMMITTEE:

Mr. Vijaykumar Nanappan Nair	:	Chairman
Mr. Karthikeyan Muthuswamy	:	Member (Resigned w.e.f. 06.08.2019)
Mr. Pritam A. Doshi	:	Member
Mr. Kapil Ladha	:	Member (w.e.f. 06.08.2019)

NOMINATION AND REMUNERATION COMMITTEE:

Mr. Karthikeyan Muthuswamy	:	Chairman (Resigned w.e.f. 06.08.2019)
Mr. Vijaykumar Nanappan Nair	:	Member
Mr. Arvind R. Doshi	:	Member (Resigned w.e.f. 13.02.2019)
Mrs. Priyadarshani A. Doshi	:	(Appointed w.e.f. 13.02.2019)
Mr. Kapil Ladha	:	Chairman (Appointed w.e.f. 06.08.2019)

STAKEHOLDER RELATIONSHIP COMMITTEE

Mr. Karthikeyan Muthuswamy	:	Chairman (Resigned w.e.f. 06.08.2019)
Mr. Arvind R. Doshi	:	Member (Resigned w.e.f. 13.02.2019)
Mr. Pritam A. Doshi	:	Member
Mrs. Priyadarshani A. Doshi	:	Member (Appointed w.e.f. 13.02.2019)
Mr. Kapil Ladha	:	Chairman (Appointed w.e.f. 06.08.2019)

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 : Thursday, 19th September, 2019 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.paeltd.com, Email : investors@paeltd.com

NOTICE

NOTICE is hereby given that the 69th Annual General Meeting of the members of **PAE LIMITED** will be held on Thursday 19.9.2019 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:

- To Consider and approve Financial Statements consist of Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss for the year ended on that date.
- 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

- To consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT Mrs. Priyadarshani Arvind Doshi (holding DIN:02224187), who was appointed by the Board of Director as an Additional Non-Executive Director of the Company with effect from February 13, 2019 in terms of Sections 152, 161(1), of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification) Rules, 2014 and Article 117 (b) Article of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company liable to retire by rotation."

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

**Sd/-
Kritika Nigam
Company Secretary & Compliance Officer**

- To consider and if thought fit, to pass the following resolution as an **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. Kapil Ladha (holding DIN:02553022), an Independent Director, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who retires by rotation and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from August 6, 2019 to August 4, 2024."

CIN:L99999MH1950PLC008152

Regd. Off.: 69, Tardeo Road, Mumbai-400034.

Phone: 022-66185799 **Fax No.:** 022-66185757.

Web.: www.paeltd.com; **Email :** investors@paeltd.com

Date: August 14, 2019

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.

- 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 and 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.

- 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.
- 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.

- The Register of Members and Share Transfer books of the Company will remain closed from 13.09.2019 to 19.09.2019 ((both days inclusive)

The Book closure dates have been fixed in consultation with the Stock Exchanges.

- 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 Fixed Deposit Amounts remaining unclaimed for a period of seven (7) years from the date it becomes due for payment, in relation to the Fixed Deposit Amount, the Company have to be transferred to IEPF and no claim shall lie against the

Company for the amounts so transferred. Investors who have not yet claimed Fixed Deposit Amount are requested to make their claim without any delay.

- Compulsory Dematerialisation of Securities:

Pursuant to notification dated 8th of June, 2018 towards amendment of SEBI (LODR) Regulations, 2015 with effect from April 01, 2019 the securities held in Physical form shall not be transfer unless the securities are held in Dematerialised form with a depository. Accordingly we hereby intimate to all the shareholders holding shares in Physical form to convert the same in Dematerialised form at the earliest. Also please note that any request for physical transfer shall not be entertained by the Company nor Registrar & Share Transfer Agents.

- 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 2018-2019 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.

- 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:

(i) The voting period begins on

1. 16.09.2019 (9.00 a.m. IST) and ends on 18.09.2019 (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 September 12, 2019 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
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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	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).

- (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 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 and 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 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.

- (xix) 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.
- (B) The voting period begins on :
- 16.09.2019 (9.00 a.m. IST) and ends on 18.09.2019

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. September 13, 2019 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 within two days of the AGM and also communicated to the stock exchanges, where the shares of the Company are listed.

10. 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.
11. M/s. Leena Agrawal & Co., Practicing Company Secretary, (Membership No.: FCS 6607) has been appointed as the Scrutinizer to scrutinize the e-voting process.
12. 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 17.09.2019 (IST 5.00 p.m.) Ballot Form received after 17.09.2019 will be treated as the reply from the member has not been received.
13. 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.
14. 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.

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

**Sd/-
Kritika Nigam
Company Secretary & Compliance Officer**

Date: August 14, 2019
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. 3

A Short brief about the Additional (Non Executive) Director is mentioned below:

Mrs. Priyadarshini Arvind Doshi holding DIN No 02224187 was appointed as an Additional Director in the Board Meeting held on 13.02.2019. She was appointed for a period of 5 years w.e.f 13.02.2019 to 12.02.2024, subject to approval of shareholders. However she being appointed at the Board meeting her tenure ceases at the ensuing AGM until reappointed.

Mrs. Priyadarshani Arvind Doshi is 50 years by age and has a vast experience in teaching. She has worked as Senior Graphic designer in Business India Publications. She was a founder of Konzept Graphics of her own multi-specialty design studio.

Notice has been received from a Member signifying his intention to propose the name of Mrs. Priyadarshani Arvind Doshi for appointment as a Director of the Company.

She is currently holding directorship in three other Private Limited Companies i.e. Rajubai Consultancy Private Limited, Quark Solar Private Limited (Formerly known as PAE Renewables Pvt. Ltd., and Tantraa Eventainers Private Limited.

Except, Mr. Pritam A. Doshi and Mrs. Sohini P. Doshi, Mr Arvind Doshi and Mrs. Priyadarshani A. Doshi an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise.

The Ordinary Resolution is recommended by the Board of Directors for the approval of the Shareholders.

Item No. 4

Pursuant to the provisions of section 149 152 of the Companies Act, 2013 ("2013 Act"). Mr Kapil Ladha having DIN No.02553022 was appointed as an independent Director The Board of Directors at its meeting held on August 06, 2019 appointed him for a period of 5 years w.e.f August 06, 2019 to August 5, 2024, subject to approval of shareholders. However he being appointed at the Board meeting as an additional Director his tenure ceases at the ensuing AGM until reappointed.

A Short brief note about the Additional (Non Executive) Independent Director is mentioned below:-

Mr. Kapil Ladha is a Chartered Accountant and expert in business acquisition. He is 41 years by age and appointed as Director of the Company w.e.f. August 5, 2019. He has a vast experience in the field of Finance and in Business. He currently holds directorship in five Private Limited Companies.

Notice has been received from a Member signifying his intention to propose the name of Mr. Kapil Ladha for appointment as an Independent Director of the Company.

In terms of Section 149 and any other applicable provisions of the 2013 Act, Mr. Kapil Ladha being eligible and offering himself for appointment, is proposed to be as an Independent Director on the Board of the Company for five consecutive years for a term upto August 4, 2024.

Except, Mr. Kapil Ladha an appointee none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise.

The Ordinary Resolution is recommended by the Board of Directors for the approval of the Shareholders.

**By Order of the Board of Directors
For PAE Limited
Sd/-
Kritika Nigam
Company Secretary & Compliance Officer**

**August 14, 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	Mrs.Priyadarshani Arvind Doshi	Kapil Ladha
DIN	02224187	02553022
Date of Birth	11.01.1969 (50 years)	31-07-1978 (41 years)
Date of Initial Appointment	13.02.2019	06.08.2019
Expertise in specific functional areas	Mrs. Priyadarshani Arvind Doshi has a vast experience in teaching. She has worked as Senior Graphic designer in Business India Publications. She was a founder of Koncept Graphics of her own multi-specialty design studio.	Finance and Business Acquisition
Qualifications	Master in Fine Arts from USA (Visual Communication) from Memphis College of Arts, Memphis, TN USA. Bachelor degree of Fine Arts (Commercial Art) from a reputed Sir J. J. School of Applied Arts, Mumbai.	Chartered Accountants
Terms and conditions of appointment/re-appointment	5 years	5 years
Remuneration last drawn (including sitting fees if any)	Nil	Nil
Remuneration proposed to be paid except sitting fees and commission.	Nil	Nil
No. of Meetings of the Board attended during the year	1 meeting as she is appointed as on 13.2.2019	Nil as he is appointed as on 6.8.2019
Shareholding in the Company as on March 31, 2019.	100 shares	Acumen Business Consultancy Pvt. Limited 5000 share @ 10 Anand Housing Finance Pvt. Limited 750000 Share @10 Arman Housing Finance Pvt. Limited 5000 share @10

DIRECTORS' REPORT

To,
The Members,

Your Directors present their 69th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019.

STATE OF COMPANY'S AFFAIRS:

Your Company was 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 many branches and staff have resigned from the services of the Company. At present we have 11 staff to provide service to the customers.

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

FINANCIAL RESULTS:

The financial highlights of the year are:

Particulars	Standalone	
	March 2019	March 2018
Income from operation	4.85	8.92
Other Income	42.06	146.29
Total Income	46.91	155.21
Profit/(loss) before Interest, Depreciation, Tax and Exceptional Items	(446.52)	(134.20)
Less: Interest Expenses	(61.11)	(47.00)
Less: Depreciation	(10.34)	(14.14)
Less: Exceptional Items (income)	857.77	43.16
Profit/(loss) before Tax	339.80	(152.18)
Less Provision for Taxation	(4.16)	-
Net Profit/(Loss) after Tax	335.64	(152.18)
Other comprehensive income	28.64	(16.96)
Total income	364.28	(169.14)

During the financial year 2018-2019 the total income was Rs.46.91 Lakhs compared to last year's total income of Rs.155.21 Lakhs. Profit before Tax was Rs.339.80 Lakhs in the current year as compared to Loss of Rs.152.18 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 13, 2019 to September 19, 2019 (both days inclusive) for the 69th Annual General Meeting of the Company scheduled to be convened on September 19, 2019 at 11.00 a.m. at The Victoria Memorial School for the Blind, 73, Tardeo Road, Next H. P. Petrol Pump, Mumbai-400 034.

SHARE 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, 2019 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, 2019 was Rs.9,10,00,000/- comprising of 91,00,000 11% Non-Convertible, Cumulative, Redeemable Preference shares of Rs.10/- each.

MEETING OF BOARD OF DIRECTORS:

The Meeting of the Board of Directors are pre-scheduled and intimated to all the Directors in advance to order to help them 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 6 times i.e. on May 29, 2018, June 16, 2018, August 11, 2018, November 13, 2018 and February 13, 2019 and March 27, 2019.

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.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Company has devised a policy containing criteria for evaluating the performance of the Executive, Non-Executive and Independent Non-Executive Directors, Key Managerial Personnel, Board and its Committees based on the recommendation of the Nomination & Remuneration Committee. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report, forming part of this Annual Report.

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 Mr. Vijaykumar Nanappan Nair as a Chairman and Karthikeyan Muthuswamy and Mr. Pritam A. Doshi as its members.

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 of and Mr. Karthikeyan Muthuswamy, Independent Director as a Chairman, Mr. Vijaykumar Nanappan Nair and Mrs. Priyadarshani A. Doshi as its members. Mr. Arvind R. Doshi was a member of the Committee and he has resigned from the Board of Directors w.e.f. 13.2.2019. Consequently the Nomination & Remuneration Committee reconstituted and appointed Mrs. Priyadarshani A. Doshi as a member of the Committee w.e.f. 13.2.2019.

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. The Stakeholder Relationship Committee presently comprises of Mr. Karthikeyan Muthuswamy Independent Director as a Chairman, Mr. Pritam A. Doshi and Mrs. Priyadarshani A. Doshi as its members. Mr. Arvind R. Doshi was a member of the Committee and he has resigned from the Board of Directors w.e.f. 13.2.2019. Consequently the Stakeholders' Relationship Committee

reconstituted and appointed Mrs. Priyadarshani A. Doshi as a member of the Committee w.e.f. 13.2.2019.

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:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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;
- (c) 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 ALONG WITH 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.

STANDALONE FINANCIAL STATEMENT:

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Standalone Financial Statements, the audited Standalone 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 sixty lakh rupees;
- (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 five lakh rupees per month;
- (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 wholly owned Indian subsidiary as defined in Regulation (2)(zm) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 namely PAE Infrastructure Pvt. Ltd. which is under striking off process.. The Shareholders in the 68th Annual General Meeting have accorded for divest and dispose off PAE Infrastructure Pvt. Ltd., by way of striking-off u/s 248(5) of the Companies Act, 2013. Accordingly on 20.12.2018 PAE Infrastructure Pvt. Ltd., has applied for striking off from ROC but till date Examination for striking off is under process by ROC as per their status.

The Company has one unlisted Associate Company in the name of Shurjo Energy Private Limited..

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.5.54 Lakhs deposits (including interest of Rs.1.09 lakhs) 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 2019-2020 for the approval of the Members.

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

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

The Company has undertaken Secretarial Audit for the year 2018-2019 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-3.

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 in the hope that the Company would revive out of the financial crisis in the years to come and will maintain it's going concern status.

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.

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. Company has achieved this present level of excellence through the commitment and dedication exhibited by its employees. 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:

During the year under review, the company 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 was taken place during the financial year ended 31st March, 2019.

SIGNIFICANT REGULATORY OR COURT ORDERS:

During the Financial Year 2018-19, 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.

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 NIL 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 Fixed Deposit Amount is required to be transferred to the IEPF established by the Central Government, upon completion of 7 (seven) years.

LISTING FEES AND TRADING CONFIRMATION:

Your Company has paid requisite annual listing fees to BSE Limited (BSE) where its securities are listed. As regards, National Stock Exchange of India Limited (NSE), the Company has applied for delisting of its shares vide letter dated 20.3.2019.

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.

COMPLIANCE OF SECRETARIAL STANDARD

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the central Government as required under Section 118(10) of the Companies Act, 2013.

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/-
Pritam A. Doshi
Chairman & Managing Director
DIN:00015302

Date: August 14, 2019

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)

Pursuant to clause (h) of sub-section 1134 of the Act and Rule 82(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties

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:				
Remuneration to Director				
Mr. Pritam A. Doshi	Chairman & Managing Director	As per agreement	As per agreement	59.91
				59.91
Loan from Directors				
Mr. Pritam A. Doshi	Chairman & Managing Director	As per terms	As per terms	681.69
Mr. Arvind R. Doshi	Director(as on 13.2.19)	As per terms	As per terms	267.28
Mrs. Pratibha A. Doshi	Director (as on 13.2.19)	As per terms	As per terms	54.00
				1002.97
Loan from Relative				
Mr. Arvind R. Doshi	Relative director	As per terms	As per terms	1.20
				1.20
Inter Corporate Deposit Received				
Sadhana Nitro Chem Ltd.	Relative director is a director in the other Company	As per Agreement	As per Agreement	400.00
Interest payable				
Sadhana Nitro Chem Ltd.	Relative director	As per Agreement	As per Agreement	15.68
Repayment of loan to a Director				
Mr. Pritam A. Doshi	Chairman & Managing Director	As per terms	As per terms	410.02
				410.02
Rent Received				
PAE Renewables Pvt. Ltd.	Director	As per Agreement	As per Agreement	4.02
Fixed Assets Sold				
PAE Renewables Pvt. Ltd.	Director	As per terms	As per terms	0.49
Others Payable				
PAE Renewables Pvt. Ltd.	Director	As per terms	As per terms	30.63
Rent Payable				
Mrs. Sohini Pritam Doshi	Relative director	As per Agreement	As per Agreement	0.02

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