



NOTICE OF THE 47TH ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Seventh Annual General Meeting of the Members of Asian Electronics Ltd. will be held at Anand Banquet Hall, Anand Theatre Compound, Near Railway Station, Kopri, Thane (E), Thane - 400603 on Saturday, the 29th day of December, 2012 at 10.00 A.M, for the purpose of transacting the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company and the Reports of the Directors and Auditors for the year ended March 31, 2012.
2. To appoint a Director in place of Dr. Deepak Divan, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.
4. To appoint the Branch Auditors of the Company.

In this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 (‘the Act’), the Board of Directors be and are hereby authorised to appoint Branch Auditor(s) of any branch office(s) of the Company, which may be opened / acquired hereafter, in India or abroad, in consultation with the Company’s Auditors, any person(s) qualified to act as Branch Auditor(s) within the provisions of Section 228 of the Act and to fix their remuneration”

SPECIAL BUSINESS:

5. To consider and, if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution.

“RESOLVED THAT Mr. James Mitropoulos, who was appointed as Additional Director of the Company with effect from 15th February, 2012 and who ceases to hold office at the ensuing Annual General Meeting, as such in terms of Section 260 of the Companies Act, 1956 but being eligible for appointment and in respect of whom notice specifying his candidature for the office of Directorship is received, be and is hereby appointed as Director of the Company.”

6. To consider and, if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution.

“RESOLVED THAT Mr. D.B. Shah, who was appointed as Additional Director of the Company with effect from 29th November, 2012 and who ceases to hold office at the ensuing Annual General Meeting, as such in terms of Section 260 of the Companies Act, 1956 but being eligible for appointment and in respect of whom notice specifying his candidature for the office

of Directorship is received, be and is hereby appointed as Director of the Company.”

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to the Special Resolution passed by the Shareholders of the Company, under the provisions of Section 77, 79A, 81, 81(1A) and other applicable provisions of the Companies Act, 1956, at their General Meeting held on 8th September, 2005, approving the Employees Stock Option Scheme 2005 (ESOS 2005) for grant of an aggregate of 8,50,000 Stock Options to Directors and Employees of the Company, Holding Company and Subsidiary Company which was further modified at the general meetings held on 23rd December, 2006, 27th September, 2007 and 29th November, 2008 and pursuant to the Resolution of the meeting of the Compensation Committee of the Board of Directors held on April 1, 2011, granting 4,98,450 Stock options to certain eligible executives of the Company, which shall be exercisable into equal number of fully paid-up Equity Shares of the Company of the face value of ₹ 5/- each, in one or more tranches, on payment of exercise price of ₹ 10.75/- per share, post-facto approval of the Company be and is hereby accorded to the further revision of the exercise price of the said 4,98,450 Stock Options by the Compensation Committee of the Board of Directors, vide its resolution dated 7th May, 2012, from ₹ 10.75/- per share to ₹ 5.80/- per share with retrospective effect and the said revision of exercise price be and is hereby noted by the General Meeting.

RESOLVED FURTHER THAT except the revision of exercise price as aforesaid, all other terms and conditions of the grant of the aforesaid 4,98,450 Stock Options shall remain unchanged as mentioned in the resolution passed for the grant of the said Stock Options.

RESOLVED FURTHER THAT any one of the Directors of the Company or Mr. Dhananjay M. Dumbre, Asst. Company Secretary be and are hereby authorised severally to do all acts, deeds, matters and things necessary for the purpose of giving effect to the foregoing resolution.”

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to the Special Resolution passed by the Shareholders of the Company, under the provisions of Section 77, 79A, 81, 81(1A) and other applicable provisions of the Companies Act, 1956, at their General Meetings held on 12th February, 2010 and 30th September, 2009 approving the Employees Stock Option Scheme 2009 (ESOS 2009) for grant of an aggregate of 51,80,057 Stock Options to Directors and Employees of the Company, Holding Company and Subsidiary Company and pursuant to the Resolution of the meeting of the Compensation Committee of the Board of Directors held

on April 1, 2011, granting 41,80,057 Stock options to certain eligible executives and Directors of the Company, which shall be exercisable into equal number of fully paid-up Equity Shares of the Company of the face value of ₹ 5/- each, in one or more tranches, on payment of exercise price of ₹ 10.75/- per share, post-facto approval of the Company be and is hereby accorded to the revision of the exercise price of the said 41,80,057 Stock Options by the Compensation Committee of the Board of Directors, vide its resolution dated 7th May, 2012, from ₹ 10.75/- per share to ₹ 5.80/- per share with retrospective effect and the said revision of exercise price be and is hereby noted by the General Meeting.

RESOLVED FURTHER THAT except the revision of exercise price as aforesaid, all other terms and conditions of the grant of the aforesaid 41,80,057 Stock Options shall remain unchanged as mentioned in the resolution passed for the grant of the said Stock Options.

RESOLVED FURTHER THAT any one of the Directors of the Company or Mr. Dhananjay M. Dumbre, Asst. Company Secretary be and are hereby authorised severally to do all acts, deeds, matters and things necessary for the purpose of giving effect to the foregoing resolution.”

9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to the Special Resolution passed by the Shareholders of the Company, under the provisions of Section 77, 79A, 81, 81(1A) and other applicable provisions of the Companies Act, 1956, at their General Meetings held on 12th February, 2010 and 30th September, 2009, approving the Employees Stock Option Scheme 2009 (ESOS 2009) for grant of an aggregate of 51,80,057 Stock Options to Directors and Employees of the Company, Holding Company and Subsidiary Company and pursuant to the Resolution of the meeting of the Compensation Committee of the Board of Directors held on 31st March, 2010, granting 2,50,000 Stock options each to four Directors of the Company aggregating to 10,00,000 Stock Options, to exercise these options into equivalent number of equity shares of the Company at an exercise price of ₹ 28/-, which was further revised from ₹ 28/- per share to ₹ 12.60/- per share pursuant to the Circular Resolution of the Compensation Committee of the Board of Directors dt. 23rd March, 2011, out of the said options 7,50,000 stock options are yet to be exercised, post-facto approval of the Company be and is hereby accorded to the revision of the exercise price of the said 7,50,000 Stock Options by the Compensation Committee of the Board of Directors, vide its resolution dated 7th May, 2012, from ₹ 10.75/- per share to ₹ 5.80/- per share with retrospective effect and the said revision of exercise price be and is hereby noted by the General Meeting.

RESOLVED FURTHER THAT except the revision of exercise price as aforesaid, all other terms and conditions of the grant of the aforesaid 7,50,000 Stock Options shall remain unchanged as mentioned in the resolution passed for the grant of the said Stock Options.

RESOLVED FURTHER THAT any one of the Directors of the Company or Mr. Dhananjay M. Dumbre, Asst. Company Secretary be and are hereby authorised severally to do all acts, deeds, matters and things necessary for the purpose of giving effect to the foregoing resolution.”

10. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 146 and other applicable provisions, if any, of the Companies Act, 1956, the Registered office of the Company be changed from D-11, Road No. 28, Wagle Industrial Estate, Thane – 400604 to 107, 1st Floor, Sumer Kendra Building, P.B. Marg, Behind Mahindra Towers, Worli, Mumbai- 400018 which falls within the state of Maharashtra but outside the local limits of the city Thane.

RESOLVED FURTHER THAT any one of the Directors of the Company or Mr. Dhananjay M. Dumbre, Asst. Company Secretary be and are hereby severally authorised to do all acts, deeds, matters and things necessary for the purpose of giving effect to the foregoing resolution.”

By Order of the Board of Directors
For **Asian Electronics Ltd.**

Regd. Office :
D-11, Road No. 28,
Wagle Industrial. Estate
Thane - 400 604
29th November, 2012

Dhananjay M. Dumbre
Asst. Company Secretary Mumbai,

Notes:

- [a] The explanatory statement relating to the special business mentioned in the notice as required under Section 173(2) of the Companies Act, 1956, is annexed to the Notice.
- [b] A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE 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 MEETING.
- [c] The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 24th December, 2012 to Saturday the 29th December, 2012 [both days inclusive].
- [d] Members are requested to quote their folio number in all correspondence with the Company.
- [e] Consequent upon the amendment of Section 205A of the Act and the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.



The Company has already transferred unclaimed dividends declared upto the financial year ended 31st March, 2005 to the Investor Education & Protection Fund established under Section 205C pursuant to Sub-section (6) of Section 205(A) of the Companies Act, 1956.

Members who have not yet en-cashed their dividend warrant(s) for the financial year ended March 2006 and onwards, are requested to make their claims to the Company accordingly, without any delay. It may be noted that the unclaimed dividend for the financial year ended 31st March, 2006 is due for transfer to the Fund on 26th February, 2014.

- [f] The Companies (Amendment) Act, 1999 has introduced nomination facility for Shareholders. Those shareholders who are interested in making nomination are requested to file with the Company the prescribed Form 2B which can be had from the Company on request.
- [g] Corporate members intending to send their authorized representatives to attend the meeting are requested to send their duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
- [h] Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. to their Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the members.
- [i] The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" through its recent Circular Nos.17/2011 and 18/2011, dated April 21 and 29, 2011 respectively, allowing companies to send various official documents to their shareholders electronically. Your company recognizes the spirit of this MCA circular and it is proposed to henceforth send all documents and communications such as, Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report, etc. to the email addresses provided by you with your depository. It is encouraged that the members support this green initiative and update their email address with their depository participant to ensure that all communications sent by the company are received on the desired email address.

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

ITEM NO. 5

Mr. James Mitropoulos was appointed as Additional Director of the Company with effect from 15th February, 2012 and pursuant to the provisions of Section 260 of the Companies Act, 1956 his appointment as Director ceases at ensuing Annual General Meeting. The Company has received notice from a member specifying the candidature of Mr. James for the Directorship of the Company under Section 257 of the Companies Act, 1956. The Board proposes his appointment for your approval.

Mr. James Mitropoulos holds bachelor's degree in Engineering from Michigan State University and an MBA in finance from the University of Texas, Austin

Mr. James Mitropoulos is one of the founding investors of Innovolt. He joined Innovolt in 2008 as CFO, and in 2010 Mitropoulos was promoted as CEO, responsible for strategic growth

Prior to joining Innovolt he held high-profile positions in the investment banking industry with companies such as Merrill Lynch Capital, Credit Suisse and Bear Stearns. He has also worked with some of the world's top banking and insurance clients such as Wachovia Bank, ING Direct, Bank of America, Sun Trust Banks, Federal Home Loan Banks, Regions Financial, AmSouth Bank, ING, Unum/Provident and Protective Life.

The Board of Directors recommends the Resolution at Item No. 5 of the Notice.

None of the Directors except James Mitropoulos is interested or deemed to be interested in the proposed resolution.

ITEM NO. 6

Mr. D.B. Shah was appointed as Additional Director of the Company with effect from 29th November, 2012 and pursuant to the provisions of Section 260 of the Companies Act, 1956 his appointment as Director ceases at ensuing Annual General Meeting. The Company has received notice from a member specifying the candidature of Mr. D. B. Shah for the Directorship of the Company under Section 257 of the Companies Act, 1956. The Board proposes his appointment for your approval.

Mr. D. B. Shah is a Chartered Accountant and a Law Graduate. He has been in practice as a Chartered Accountant for about 40 years. He also holds the degree of M. Com. (with Costing as special subject) from Mumbai University.

Mr. D. B. Shah is currently partner of M/s.Thingna & Contractor, Chartered Accountants, Mumbai since July 2006 and is attending to Domestic and International Taxation matters as well as Service Tax matters.

He was a Partner of M/s. R. N. Bhansali & Co., Chartered Accountants Mumbai for 14 years thereafter, he was a Partner of M/s. Haribhakti & Co., Chartered Accountants, Mumbai, for about 18 years where he was in charge of its Global Taxation Services Department

He has wide experience in the fields of Taxation – Domestic and International (including tax counseling, compliance and litigation), tax audits, statutory audits etc. Mr. Shah is a member of the Direct Taxation Committee of Indian Merchants' Chamber.

The Board of Directors recommends the Resolution at Item No. 6 of the Notice.

None of the Directors except Mr. D.B. Shah is interested or deemed to be interested in the proposed resolution.

ITEM NO. 7

The Shareholders of the Company have approved the Employee Stock Option Scheme, 2005 (ESOS 2005) by passing Special Resolutions pursuant to the provisions of Sections 77, 79A, 81 and 81(1A) of the Companies Act, 1956, at the Extra-Ordinary General Meeting held on 8th September, 2005 and have subsequently amended the ESOS 2005 scheme at the Annual General Meetings held on 23rd December, 2006, 27th September, 2007 and 29th November, 2008.

The Company has already obtained In-principle Approval from Bombay Stock Exchange Ltd. vide their letter No. DCS/IPO/NP/ESOP-IP/544/2009-10 dated 2nd September, 2009 and from National Stock Exchange of India Ltd. vide their letter No. NSE/LIST/117722-C dated 4th September, 2009.

The Compensation Committee of the Board of Directors at its Meeting held on 1st April, 2011 had passed a Resolution approving grant of 4,98,450 Stock Options to certain Executives/Officers of the Company under the ESOS 2005 Scheme on the terms and conditions as contained in the Resolution granting the said Stock Options. According to the Scheme, the vesting period is one year from the date of grant. Accordingly, the vesting period expired on 31st March, 2012 and within seven years thereafter, the said Executives/Officers are entitled to exercise the Options and convert the same into equivalent number of Equity Shares at an exercise price of ₹ 10.75/- per Equity Share.

However, by 4th May, 2012, the market price of the shares of the Company on the Stock Exchanges had dropped considerably to around ₹ 5.80/- per share. In view of such depressed level of market price of shares, exercise of stock options at an exercise price of ₹ 10.75/- per share became unviable for all the grantees. Therefore, on 7th May, 2012, keeping in mind the spirit of the ESOP scheme of rewarding the grantees, it was proposed to revise the exercise price to ₹ 5.80/- per share, which was the closing price of the shares of the Company on the Stock Exchanges on the previous trading day ie. 4th May, 2012. Accordingly, the Compensation Committee of the Board of Directors, which is comprehensively authorized by the shareholders at their general meetings held on 8th September, 2005 and most recently at the Annual General Meeting held on 29th November, 2008, to do all acts, deeds and things necessary to implement and administer the ESOS 2005 scheme, revised the exercise price from ₹ 10.75/- per share to ₹ 5.80/- per share, to bring the exercise price in consonance with the prevailing market price of the shares of the Company.

Although the Compensation Committee of the Board of Directors is adequately authorized to implement and administer the ESOS 2005 scheme, the Company proposes to note and retrospectively approve the aforesaid revision of exercise price, by the Compensation Committee of the Board of Directors, of the 4,98,450 Stock Options granted to certain Executives/Officers of the Company under the Employee Stock Option Scheme, 2005 of the Company, as a matter of good corporate governance as well as abundant caution.

The Resolution at Item No. 7 of the Notice is recommended to the Shareholders for passing as a Special Resolution.

ITEM NO. 8

The Board of Directors, at its Meeting held on 5th January, 2009, had passed a Resolution approving AEL - Employees Stock Option Scheme 2009 (ESOS - 2009 Scheme). The Shareholders of the Company at their Extraordinary General Meeting held on 12th February, 2009 passed a Special Resolution pursuant to the provisions of Sections 77, 79A, 81 and 81(1A) of the Companies Act, 1956, approving the above Scheme.

The Company has already obtained In-principle Approval from Bombay Stock Exchange Ltd. vide their letter No. DCS/IPO/NP/ESOP-IP/544/2009-10 dated 2nd September, 2009 and from National Stock Exchange of India Ltd. vide their letter No. NSE/LIST/117722-C dated 4th September, 2009.

The Compensation Committee of the Board of Directors at its Meeting held on 1st April, 2011 had passed a Resolution approving grant of 41,80,057 Stock options to certain eligible executives and Directors of the Company, which shall be exercisable into equal number of fully paid-up Equity Shares of the Company of the face value of ₹ 5/- each, in one or more tranches, on payment of exercise price of ₹ 10.75/- per share on the terms and conditions as contained in the Resolution granting the said Stock Options. According to the Scheme, the vesting period is one year from the date of grant. Accordingly, the vesting period expired on 30th March, 2012 and within five years thereafter, the said executives are entitled to exercise the Options and convert the same into equivalent number of Equity Shares at an exercise price of ₹ 10.75/- per Equity Share.

However, by 4th May, 2012, the market price of the shares of the Company on the Stock Exchanges had dropped considerably to around ₹ 5.80/- per share. In view of such depressed level of market price of shares, exercise of stock options at an exercise price of ₹ 10.75/- per share became unviable for all the grantees. Therefore, on 7th May, 2012, keeping in mind the spirit of the ESOP scheme of rewarding the grantees, it was proposed to revise the exercise price to ₹ 5.80/- per share, which was the closing price of the shares of the Company on the Stock Exchanges on the previous trading day ie. 4th May, 2012. Accordingly, the Compensation Committee of the Board of Directors, which is comprehensively authorized by the shareholders at their general meetings held on 12th February, 2009 and 30th September, 2009 to do all acts, deeds and things necessary to implement and administer the ESOS 2009 scheme, revised the exercise price from ₹ 10.75/- per share to ₹ 5.80/- per share, to bring the exercise price in consonance with the prevailing market price of the shares of the Company.

Although the Compensation Committee of the Board of Directors is adequately authorized to implement and administer the ESOS 2009 scheme, the Company proposes to note and retrospectively approve the aforesaid revision of exercise price, by the Compensation Committee of the Board of Directors, of the 41,80,057 Stock Options granted to four Non-Executive Directors of the Company under the Employee Stock Option Scheme, 2009 of the Company, as a matter of good corporate governance as well as abundant caution.

The Resolution at Item No. 8 of the Notice is recommended to the Shareholders for passing as a Special Resolution.



ITEM NO. 9

The Board of Directors, at its Meeting held on 5th January, 2009, had passed a Resolution approving AEL - Employees Stock Option Scheme 2009 (ESOS - 2009 Scheme). The Shareholders of the Company at their Extraordinary General Meeting held on 12th February, 2009 passed a Special Resolution pursuant to the provisions of Sections 77, 79A, 81 and 81(1A) of the Companies Act, 1956, approving the above Scheme.

The Company has already obtained In-principle Approval from Bombay Stock Exchange Ltd. vide their letter No. DCS/IPO/NP/ESOP-IP/544/2009-10 dated 2nd September, 2009 and from National Stock Exchange of India Ltd. vide their letter No. NSE/LIST/117722-C dated 4th September, 2009.

The Compensation Committee of the Board of Directors at its Meeting held on 31st March, 2010 had passed a Resolution approving grant of 10,00,000 Stock options to four Directors of the Company, which shall be exercisable into equal number of fully paid-up Equity Shares of the Company of the face value of ₹ 5/- each, in one or more tranches, on payment of exercise price of ₹ 28/- per share on the terms and conditions as contained in the Resolution granting the said Stock Options. According to the Scheme, the vesting period is one year from the date of grant. Accordingly, the vesting period expired on 30th March, 2011 and within five years thereafter, the said executives are entitled to exercise the Options and convert the same into equivalent number of Equity Shares at an exercise price of ₹ 28/- per Equity Share.

The Compensation committee pursuant to Circular Resolution dt. March 23, 2011 revised the exercise price of the said options from ₹ 28/- to ₹ 12.60/- due to falling of market price of the shares of the company on the stock exchanges same was ratified and confirmed by the members of the Company at the annual general meeting of the Company held on 22nd September 2011.

The Board vide their Circular Resolution dt. March 25, 2011 allotted 10,00,000 shares under the ESOS 2009 Scheme to the Trustees of Asian Electronics Limited Employees' Welfare Trust.

Out of the total 10,00,000 options 7,50,000 options were outstanding and yet to be exercised by the directors as on May 4, 2012.

However, by 4th May, 2012, the market price of the shares of the Company on the Stock Exchanges had dropped considerably to around ₹ 5.80/- per share. In view of such depressed level of market price of shares, exercise of stock options at an exercise price of ₹ 10.75/- per share became unviable for all the grantees. Therefore, on 7th May, 2012, keeping in mind the spirit of the ESOP scheme of rewarding the grantees, it was proposed to revise the exercise price to ₹ 5.80/- per share, which was the closing price of the shares of the Company on the Stock Exchanges on the previous trading day i.e. 4th May, 2012. Accordingly, the Compensation Committee of the Board of Directors, which is comprehensively authorized by the shareholders at their general meetings held on 12th February, 2009 and 30th September, 2009 to do all acts, deeds and things necessary to implement and administer the ESOS 2009 scheme, revised the exercise price from ₹ 10.75/- per share to ₹ 5.80/- per share, to bring the exercise price in consonance with the prevailing market price of the shares of the Company.

Although the Compensation Committee of the Board of Directors is adequately authorized to implement and administer the ESOS 2009 scheme, the Company proposes to note and retrospectively approve the aforesaid revision of exercise price, by the Compensation Committee of the Board of Directors, of the 7,50,000 Stock Options granted to four Non-Executive Directors of the Company under the Employee Stock Option Scheme, 2009 of the Company, as a matter of good corporate governance as well as abundant caution.

None of the Directors of the Company except Dr. Dipak Diwan and Mr. Suresh Sharma to the extent of shares granted under ESOP 2009 Scheme are concerned or interested in the resolution.

The Resolution at Item No. 9 of the Notice is recommended to the Shareholders for passing as a Special Resolution.

ITEM NO. 10

The Registered office of the Company, which was previously located at D-11, Road No. 28, Wagle Industrial Estate, Thane – 400604 is proposed to be shifted to 107, 1st Floor, Sumer Kendra Building, P.B. Marg, Behind Mahindra Towers, Worli, Mumbai- 400018.

The present registered office of the Company is in possession of Bank of India, therefore it was necessary to shift the registered office of the Company to some alternate place, besides it is more advantageous and economical to shift the Registered Office of the Company to the proposed address in Mumbai for administrative convenience and it is also easily accessible to the shareholders.

The Company has taken office space on leave and license basis at Worli, Mumbai. Presently Company's senior personnel are now working at this office. This office is located at 107, 1st Floor, Sumer Kendra Building, P.B. Marg, Behind Mahindra Towers, Worli, Mumbai- 400018 which is outside the local limits of Thane.

Section 146(2) of the Companies Act, 1956 (the "Act") provides that the registered office of the Company shall not be removed outside the local limits of any city, town or village except with the authority of a special resolution passed by the shareholders.

The change in registered office within the State of Maharashtra but outside the local limits of the city of Thane does not result in change in jurisdiction of the Registrar of Companies.

None of the Directors of the Company is concerned or interested in the resolution.

The Resolution at Item No. 10 of the Notice is recommended to the Shareholders for passing as a Special Resolution.

Regd. Office :
D-11, Road No. 28,
Wagle Industrial. Estate
Thane - 400 604
29th November, 2012

By Order of the Board of Directors
For **Asian Electronics Ltd.**
Dhananjay M. Dumbre
Asst. Company Secretary Mumbai,



ASIAN ELECTRONICS LIMITED

ANNUAL REPORT

2011-2012

Generating Savings for Generations

A HISTORICAL PERSPECTIVE

Particulars	Year ended March 31				
	2012	2011	2010	2009	2008
	<i>(Rs. in lacs except data per share, other information, no. of shareholders and Ratios)</i>				
Revenue account					
Gross Revenue	8548	14732	22782	21398	22236
Operating profit (PBDIT)	(9963)	(4209)	3775	2429	5914
Financial Charges	2007	2472	2812	2130	2340
Depreciation	387	440	439	461	1025
Exceptional Items	-	805	443	698	17882
Provision for taxation - Current	-	-	-	-	-
- Deferred	-	-	-	-	43
- F.B.T.	-	-	-	33	39
- Excess Provision written back	-	-	213	-	- 4
Loss/Profit after tax	(12357)	(7926)	294	503	(15411)
Cash generation	(11970)	(6082)	963	266	(14386)
PBIDT as a percentage of total revenue - before exceptional item	(117)	(29)	17	11	27
PBIDT as a percentage of total revenue - after exceptional item	(117)	(34)	15	15	(54)
Return on net worth before exceptional item - %	(31.93)	(53.73)	(0.68)	0.75	12
Return on net worth after exceptional item - %	(31.93)	(48.75)	1.35	2.30	(73)
Capital account					
Share capital	1710	1694	1495	1453	1452
Net worth	3945	16260	22383	21756	21225
Loan funds	18692	16860	13366	23885	20803
Net block	3055	3346	3784	4236	5536
Net current assets	7965	17901	20411	35522	31085
Debt-Equity Ratio	4.74	1.04	0.60	1.09	0.98
Per share data					
Earnings per Share of Rs.5/-	(34.85)	(24.48)	0.97	1.68	(52)
Book value of Share of Rs.5/-	11	46	73	73	71
Dividend %	Nil	Nil	Nil	NIL	NIL
Other information					
Number of shareholders	49309	51343	50951	45876	28483

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Board of Directors

Mr. Arun B. Shah	<i>Executive Chairman</i>
Mr. Haresh G. Desai	<i>Director (up to 01.12.2011)</i>
Dr. Deepak Divan	<i>Director</i>
Mr. Suresh Sharma	<i>Additional Director (up to 16.11.2012)</i>
<i>Mr. Jim Mitropolous</i>	<i>Additional Director w.e.f. 15.02.2012</i>
<i>Mr. D.B. Shab</i>	<i>Additional Director w.e.f. 29.11.2012</i>
Mr. D.G. Prasad	<i>Director (up to 08.05.2012)</i>
Mr. S. Neelakanta Iyer	<i>Executive Director & Jt. Chief Executive Officer (Manufacturing Operations)</i>
Mr. Rajesh Mehta	<i>Executive Director & Jt. Chief Executive Officer (Technology & Finance)</i>

Asst. Company Secretary & Compliance Officer
Mr. Dhananjay M. Dumbre (w.e.f. 18.06.2012)

Chief Financial Officer

Mr. Sadanand Sahasrabudhe (w.e.f. 21.05.2012)

Auditors

Messrs Sorab S. Engineer & Co.

Solicitors

Messrs Legasis Partners

Bankers

Bank of India
HDFC Bank Ltd.
Uco Bank
The Hongkong and Shanghai Banking Corporation Ltd.
IDBI Bank Ltd.
State Bank of India

R & T Agent

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai – 400 078.
Phones: (91-22)25923837 (10 Lines),
(91-22) 5555454 (40 Lines)
Fax: (91-22) 25672693, (91-22) 5555353
E-mail: helpline@linkintime.co.ins

Registered Office

D-11, Road No. 28,
Wagle Industrial Estate,
Thane – 400 604.

Corporate Office

107, Sumer Kendra
1st Floor, P.B. Marg,
Behind Mahindra Towers,
Worli, Mumbai – 400018

Branch Offices

Ahmedabad
Bangalore
Kolkata
Chennai
Delhi
Hyderabad

Works

Plot No. 68, MIDC Industrial Area,
Satpur, Nashik – 422 007.

DTA Unit

Plot No. 2, Survey No. 1B/2C,
Near Octroi Naka, Vilholi, Nashik – 422 010.

EOU

Survey No. 15, Plot No. 1,
Mumbai-Agra Road, Near Octroi Naka,
Vilholi, Nashik – 422 010.

HP Unit

Hadbast No. 932, Khasra No. 228,
Village Jakhroda,
P.O. Partha, Panchayat – Narayani,
Tehsil Kasauli, Dist. Solan,
Himachal Pradesh.

Silvassa Unit

Survey No. 113/6,
Tirupati Industrial Estate,
Near 66 KV Road,
Amla, Silvassa – 396 230.

Annual General Meeting

Saturday, 29th December, 2012 at 10.00 a.m.

Venue

Anand Banquet Hall,
Anand Theatre Compound,
Kopri, Near Railway Station,
Thane (E), Thane - 400603.

Secretarial Department of the Company is situated at the Corporate Office of the Company.

Phone: (91-22) 25835504

Fax: (91-22) 25827636

Website: www.aelgroup.com

Email: secdept@aelgroup.com

We request you to send us your e-mail address on above mentioned e-mail ID to enable us to communicate with you more often.

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NOTICE OF THE 47TH ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Seventh Annual General Meeting of the Members of Asian Electronics Ltd. will be held at Anand Banquet Hall, Anand Theatre Compound, Near Railway Station, Kopri, Thane (E), Thane - 400603 on Saturday, the 29th day of December, 2012 at 10.00 A.M, for the purpose of transacting the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company and the Reports of the Directors and Auditors for the year ended March 31, 2012.
2. To appoint a Director in place of Dr. Deepak Divan, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.
4. To appoint the Branch Auditors of the Company.

In this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 (‘the Act’), the Board of Directors be and are hereby authorised to appoint Branch Auditor(s) of any branch office(s) of the Company, which may be opened / acquired hereafter, in India or abroad, in consultation with the Company’s Auditors, any person(s) qualified to act as Branch Auditor(s) within the provisions of Section 228 of the Act and to fix their remuneration”

SPECIAL BUSINESS:

5. To consider and, if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution.

“RESOLVED THAT Mr. James Mitropoulos, who was appointed as Additional Director of the Company with effect from 15th February, 2012 and who ceases to hold office at the ensuing Annual General Meeting, as such in terms of Section 260 of the Companies Act, 1956 but being eligible for appointment and in respect of whom notice specifying his candidature for the office of Directorship is received, be and is hereby appointed as Director of the Company.”

6. To consider and, if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution.

“RESOLVED THAT Mr. D.B. Shah, who was appointed as Additional Director of the Company with effect from 29th November, 2012 and who ceases to hold office at the ensuing Annual General Meeting, as such in terms of Section 260 of the Companies Act, 1956 but being eligible for appointment and in respect of whom notice specifying his candidature for the office of Directorship is received, be and is hereby appointed as Director of the Company.”

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to the Special Resolution passed

by the Shareholders of the Company, under the provisions of Section 77, 79A, 81, 81(1A) and other applicable provisions of the Companies Act, 1956, at their General Meeting held on 8th September, 2005, approving the Employees Stock Option Scheme 2005 (ESOS 2005) for grant of an aggregate of 8,50,000 Stock Options to Directors and Employees of the Company, Holding Company and Subsidiary Company which was further modified at the general meetings held on 23rd December, 2006, 27th September, 2007 and 29th November, 2008 and pursuant to the Resolution of the meeting of the Compensation Committee of the Board of Directors held on April 1, 2011, granting 4,98,450 Stock options to certain eligible executives of the Company, which shall be exercisable into equal number of fully paid-up Equity Shares of the Company of the face value of ₹ 5/- each, in one or more tranches, on payment of exercise price of ₹ 10.75/- per share, post-facto approval of the Company be and is hereby accorded to the further revision of the exercise price of the said 4,98,450 Stock Options by the Compensation Committee of the Board of Directors, vide its resolution dated 7th May, 2012, from ₹ 10.75/- per share to ₹ 5.80/- per share with retrospective effect and the said revision of exercise price be and is hereby noted by the General Meeting.

RESOLVED FURTHER THAT except the revision of exercise price as aforesaid, all other terms and conditions of the grant of the aforesaid 4,98,450 Stock Options shall remain unchanged as mentioned in the resolution passed for the grant of the said Stock Options.

RESOLVED FURTHER THAT any one of the Directors of the Company or Mr. Dhananjay M. Dumbre, Asst. Company Secretary be and are hereby authorised severally to do all acts, deeds, matters and things necessary for the purpose of giving effect to the foregoing resolution.”

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to the Special Resolution passed by the Shareholders of the Company, under the provisions of Section 77, 79A, 81, 81(1A) and other applicable provisions of the Companies Act, 1956, at their General Meetings held on 12th February, 2010 and 30th September, 2009 approving the Employees Stock Option Scheme 2009 (ESOS 2009) for grant of an aggregate of 51,80,057 Stock Options to Directors and Employees of the Company, Holding Company and Subsidiary Company and pursuant to the Resolution of the meeting of the Compensation Committee of the Board of Directors held on April 1, 2011, granting 41,80,057 Stock options to certain eligible executives and Directors of the Company, which shall be exercisable into equal number of fully paid-up Equity Shares of the Company of the face value of ₹ 5/- each, in one or more tranches, on payment of exercise price of ₹ 10.75/- per share, post-facto approval of the Company be and is hereby accorded to the revision of the exercise price of the said 41,80,057 Stock Options by the Compensation Committee of the Board of Directors, vide its resolution dated 7th May, 2012, from ₹ 10.75/- per share to ₹ 5.80/- per share with retrospective effect and the said revision of exercise price be and is hereby noted by the General Meeting.

RESOLVED FURTHER THAT except the revision of exercise price as aforesaid, all other terms and conditions of the grant of the aforesaid 41,80,057 Stock Options shall remain unchanged as mentioned in the resolution passed for the grant of the said Stock Options.

RESOLVED FURTHER THAT any one of the Directors of the Company or Mr. Dhananjay M. Dumbre, Asst. Company Secretary be and are hereby authorised severally to do all acts, deeds, matters and things necessary for the purpose of giving effect to the foregoing resolution.”

9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the Special Resolution passed by the Shareholders of the Company, under the provisions of Section 77, 79A, 81, 81(1A) and other applicable provisions of the Companies Act, 1956, at their General Meetings held on 12th February, 2010 and 30th September, 2009, approving the Employees Stock Option Scheme 2009 (ESOS 2009) for grant of an aggregate of 51,80,057 Stock Options to Directors and Employees of the Company, Holding Company and Subsidiary Company and pursuant to the Resolution of the meeting of the Compensation Committee of the Board of Directors held on 31st March, 2010, granting 2,50,000 Stock options each to four Directors of the Company aggregating to 10,00,000 Stock Options, to exercise these options into equivalent number of equity shares of the Company at an exercise price of ₹ 28/-, which was further revised from ₹ 28/- per share to ₹ 12.60/- per share pursuant to the Circular Resolution of the Compensation Committee of the Board of Directors dt. 23rd March, 2011, out of the said options 7,50,000 stock options are yet to be exercised, post-facto approval of the Company be and is hereby accorded to the revision of the exercise price of the said 7,50,000 Stock Options by the Compensation Committee of the Board of Directors, vide its resolution dated 7th May, 2012, from ₹ 10.75/- per share to ₹ 5.80/- per share with retrospective effect and the said revision of exercise price be and is hereby noted by the General Meeting.

RESOLVED FURTHER THAT except the revision of exercise price as aforesaid, all other terms and conditions of the grant of the aforesaid 7,50,000 Stock Options shall remain unchanged as mentioned in the resolution passed for the grant of the said Stock Options.

RESOLVED FURTHER THAT any one of the Directors of the Company or Mr. Dhananjay M. Dumbre, Asst. Company Secretary be and are hereby authorised severally to do all acts, deeds, matters and things necessary for the purpose of giving effect to the foregoing resolution.”

10. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 146 and other applicable provisions, if any, of the Companies Act, 1956, the Registered office of the Company be changed from D-11, Road No. 28, Wagle Industrial Estate, Thane – 400604 to 107, 1st Floor, Sumer Kendra Building, P.B. Marg, Behind Mahindra Towers, Worli, Mumbai- 400018 which falls within the state of Maharashtra but outside the local limits of the city Thane.

RESOLVED FURTHER THAT any one of the Directors of the Company or Mr. Dhananjay M. Dumbre, Asst. Company Secretary be and are hereby severally authorised to do all acts, deeds, matters and things necessary for the purpose of giving effect to the foregoing resolution.”

By Order of the Board of Directors
For **Asian Electronics Ltd.**

Regd. Office :
D-11, Road No. 28,
Wagle Industrial. Estate
Thane - 400 604
29th November, 2012

Dhananjay M. Dumbre
Asst. Company Secretary Mumbai,

Notes:

- [a] The explanatory statement relating to the special business mentioned in the notice as required under Section 173(2) of the Companies Act, 1956, is annexed to the Notice.
- [b] A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE 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 MEETING.
- [c] The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 24th December, 2012 to Saturday the 29th December, 2012 [both days inclusive].
- [d] Members are requested to quote their folio number in all correspondence with the Company.
- [e] Consequent upon the amendment of Section 205A of the Act and the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.
- The Company has already transferred unclaimed dividends declared upto the financial year ended 31st March, 2005 to the Investor Education & Protection Fund established under Section 205C pursuant to Sub-section (6) of Section 205(A) of the Companies Act, 1956.
- Members who have not yet en-cashed their dividend warrant(s) for the financial year ended March 2006 and onwards, are requested to make their claims to the Company accordingly, without any delay. It may be noted that the unclaimed dividend for the financial year ended 31st March, 2006 is due for transfer to the Fund on 26th February, 2014.
- [f] The Companies (Amendment) Act, 1999 has introduced nomination facility for Shareholders. Those shareholders who are interested in making nomination are requested to file with the Company the prescribed Form 2B which can be had from the Company on request.
- [g] Corporate members intending to send their authorized representatives to attend the meeting are requested to send their



duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.

- [h] Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. to their Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the members.
- [i] The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" through its recent Circular Nos.17/2011 and 18/2011, dated April 21 and 29, 2011 respectively, allowing companies to send various official documents to their shareholders electronically. Your company recognizes the spirit of this MCA circular and it is proposed to henceforth send all documents and communications such as, Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report, etc. to the email addresses provided by you with your depository. It is encouraged that the members support this green initiative and update their email address with their depository participant to ensure that all communications sent by the company are received on the desired email address.

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

ITEM NO. 5

Mr. James Mitropoulos was appointed as Additional Director of the Company with effect from 15th February, 2012 and pursuant to the provisions of Section 260 of the Companies Act, 1956 his appointment as Director ceases at ensuing Annual General Meeting. The Company has received notice from a member specifying the candidature of Mr. James for the Directorship of the Company under Section 257 of the Companies Act, 1956. The Board proposes his appointment for your approval.

Mr. James Mitropoulos holds bachelor's degree in Engineering from Michigan State University and an MBA in finance from the University of Texas, Austin

Mr. James Mitropoulos is one of the founding investors of Innovolt. He joined Innovolt in 2008 as CFO, and in 2010 Mitropoulos was promoted as CEO, responsible for strategic growth

Prior to joining Innovolt he held high-profile positions in the investment banking industry with companies such as Merrill Lynch Capital, Credit Suisse and Bear Stearns. He has also worked with some of the world's top banking and insurance clients such as Wachovia Bank, ING Direct, Bank of America, Sun Trust Banks, Federal Home Loan Banks, Regions Financial, AmSouth Bank, ING, Unum/Provident and Protective Life.

The Board of Directors recommends the Resolution at Item No. 5 of the Notice.

None of the Directors except James Mitropoulos is interested or deemed to be interested in the proposed resolution.

ITEM NO. 6

Mr. D.B. Shah was appointed as Additional Director of the Company with effect from 29th November, 2012 and pursuant to the provisions of Section 260 of the Companies Act, 1956 his appointment as Director

ceases at ensuing Annual General Meeting. The Company has received notice from a member specifying the candidature of Mr. D. B. Shah for the Directorship of the Company under Section 257 of the Companies Act, 1956. The Board proposes his appointment for your approval.

Mr. D. B. Shah is a Chartered Accountant and a Law Graduate. He has been in practice as a Chartered Accountant for about 40 years. He also holds the degree of M. Com. (with Costing as special subject) from Mumbai University.

Mr. D. B. Shah is currently partner of M/s.Thingna & Contractor, Chartered Accountants, Mumbai since July 2006 and is attending to Domestic and International Taxation matters as well as Service Tax matters.

He was a Partner of M/s. R. N. Bhansali & Co., Chartered Accountants Mumbai for 14 years thereafter, he was a Partner of M/s. Haribhakti & Co., Chartered Accountants, Mumbai, for about 18 years where he was in charge of its Global Taxation Services Department

He has wide experience in the fields of Taxation – Domestic and International (including tax counseling, compliance and litigation), tax audits, statutory audits etc. Mr. Shah is a member of the Direct Taxation Committee of Indian Merchants' Chamber.

The Board of Directors recommends the Resolution at Item No. 6 of the Notice.

None of the Directors except Mr. D.B. Shah is interested or deemed to be interested in the proposed resolution.

ITEM NO. 7

The Shareholders of the Company have approved the Employee Stock Option Scheme, 2005 (ESOS 2005) by passing Special Resolutions pursuant to the provisions of Sections 77, 79A, 81 and 81(1A) of the Companies Act, 1956, at the Extra-Ordinary General Meeting held on 8th September, 2005 and have subsequently amended the ESOS 2005 scheme at the Annual General Meetings held on 23rd December, 2006, 27th September, 2007 and 29th November, 2008.

The Company has already obtained In-principle Approval from Bombay Stock Exchange Ltd. vide their letter No. DCS/IPO/NP/ESOP-IP/544/2009-10 dated 2nd September, 2009 and from National Stock Exchange of India Ltd. vide their letter No. NSE/LIST/117722-C dated 4th September, 2009.

The Compensation Committee of the Board of Directors at its Meeting held on 1st April, 2011 had passed a Resolution approving grant of 4,98,450 Stock Options to certain Executives/Officers of the Company under the ESOS 2005 Scheme on the terms and conditions as contained in the Resolution granting the said Stock Options. According to the Scheme, the vesting period is one year from the date of grant. Accordingly, the vesting period expired on 31st March, 2012 and within seven years thereafter, the said Executives/Officers are entitled to exercise the Options and convert the same into equivalent number of Equity Shares at an exercise price of ₹ 10.75/- per Equity Share.

However, by 4th May, 2012, the market price of the shares of the Company on the Stock Exchanges had dropped considerably to around ₹ 5.80/- per share. In view of such depressed level of market price of shares, exercise of stock options at an exercise price of ₹ 10.75/- per share became unviable for all the grantees. Therefore, on 7th May, 2012, keeping in mind the spirit of the ESOP scheme of rewarding

the grantees, it was proposed to revise the exercise price to ₹ 5.80/- per share, which was the closing price of the shares of the Company on the Stock Exchanges on the previous trading day i.e. 4th May, 2012. Accordingly, the Compensation Committee of the Board of Directors, which is comprehensively authorized by the shareholders at their general meetings held on 8th September, 2005 and most recently at the Annual General Meeting held on 29th November, 2008, to do all acts, deeds and things necessary to implement and administer the ESOS 2005 scheme, revised the exercise price from ₹ 10.75/- per share to ₹ 5.80/- per share, to bring the exercise price in consonance with the prevailing market price of the shares of the Company.

Although the Compensation Committee of the Board of Directors is adequately authorized to implement and administer the ESOS 2005 scheme, the Company proposes to note and retrospectively approve the aforesaid revision of exercise price, by the Compensation Committee of the Board of Directors, of the 4,98,450 Stock Options granted to certain Executives/Officers of the Company under the Employee Stock Option Scheme, 2005 of the Company, as a matter of good corporate governance as well as abundant caution.

The Resolution at Item No. 7 of the Notice is recommended to the Shareholders for passing as a Special Resolution.

ITEM NO. 8

The Board of Directors, at its Meeting held on 5th January, 2009, had passed a Resolution approving AEL - Employees Stock Option Scheme 2009 (ESOS - 2009 Scheme). The Shareholders of the Company at their Extraordinary General Meeting held on 12th February, 2009 passed a Special Resolution pursuant to the provisions of Sections 77, 79A, 81 and 81(1A) of the Companies Act, 1956, approving the above Scheme.

The Company has already obtained In-principle Approval from Bombay Stock Exchange Ltd. vide their letter No. DCS/IPO/NP/ESOP-IP/544/2009-10 dated 2nd September, 2009 and from National Stock Exchange of India Ltd. vide their letter No. NSE/LIST/117722-C dated 4th September, 2009.

The Compensation Committee of the Board of Directors at its Meeting held on 1st April, 2011 had passed a Resolution approving grant of 41,80,057 Stock options to certain eligible executives and Directors of the Company, which shall be exercisable into equal number of fully paid-up Equity Shares of the Company of the face value of ₹ 5/- each, in one or more tranches, on payment of exercise price of ₹ 10.75/- per share on the terms and conditions as contained in the Resolution granting the said Stock Options. According to the Scheme, the vesting period is one year from the date of grant. Accordingly, the vesting period expired on 30th March, 2012 and within five years thereafter, the said executives are entitled to exercise the Options and convert the same into equivalent number of Equity Shares at an exercise price of ₹ 10.75/- per Equity Share.

However, by 4th May, 2012, the market price of the shares of the Company on the Stock Exchanges had dropped considerably to around ₹ 5.80/- per share. In view of such depressed level of market price of shares, exercise of stock options at an exercise price of ₹ 10.75/- per share became unviable for all the grantees. Therefore, on 7th May, 2012, keeping in mind the spirit of the ESOP scheme of rewarding the grantees, it was proposed to revise the exercise price to ₹ 5.80/- per share, which was the closing price of the shares of the Company on the Stock Exchanges on the previous trading day i.e. 4th May, 2012.

Accordingly, the Compensation Committee of the Board of Directors, which is comprehensively authorized by the shareholders at their general meetings held on 12th February, 2009 and 30th September, 2009 to do all acts, deeds and things necessary to implement and administer the ESOS 2009 scheme, revised the exercise price from ₹ 10.75/- per share to ₹ 5.80/- per share, to bring the exercise price in consonance with the prevailing market price of the shares of the Company.

Although the Compensation Committee of the Board of Directors is adequately authorized to implement and administer the ESOS 2009 scheme, the Company proposes to note and retrospectively approve the aforesaid revision of exercise price, by the Compensation Committee of the Board of Directors, of the 41,80,057 Stock Options granted to four Non-Executive Directors of the Company under the Employee Stock Option Scheme, 2009 of the Company, as a matter of good corporate governance as well as abundant caution.

The Resolution at Item No. 8 of the Notice is recommended to the Shareholders for passing as a Special Resolution.

ITEM NO. 9

The Board of Directors, at its Meeting held on 5th January, 2009, had passed a Resolution approving AEL - Employees Stock Option Scheme 2009 (ESOS - 2009 Scheme). The Shareholders of the Company at their Extraordinary General Meeting held on 12th February, 2009 passed a Special Resolution pursuant to the provisions of Sections 77, 79A, 81 and 81(1A) of the Companies Act, 1956, approving the above Scheme.

The Company has already obtained In-principle Approval from Bombay Stock Exchange Ltd. vide their letter No. DCS/IPO/NP/ESOP-IP/544/2009-10 dated 2nd September, 2009 and from National Stock Exchange of India Ltd. vide their letter No. NSE/LIST/117722-C dated 4th September, 2009.

The Compensation Committee of the Board of Directors at its Meeting held on 31st March, 2010 had passed a Resolution approving grant of 10,00,000 Stock options to four Directors of the Company, which shall be exercisable into equal number of fully paid-up Equity Shares of the Company of the face value of ₹ 5/- each, in one or more tranches, on payment of exercise price of ₹ 28/- per share on the terms and conditions as contained in the Resolution granting the said Stock Options. According to the Scheme, the vesting period is one year from the date of grant. Accordingly, the vesting period expired on 30th March, 2011 and within five years thereafter, the said executives are entitled to exercise the Options and convert the same into equivalent number of Equity Shares at an exercise price of ₹ 28/- per Equity Share.

The Compensation committee pursuant to Circular Resolution dt. March 23, 2011 revised the exercise price of the said options from ₹ 28/- to ₹ 12.60/- due to falling of market price of the shares of the company on the stock exchanges same was ratified and confirmed by the members of the Company at the annual general meeting of the Company held on 22nd September 2011.

The Board vide their Circular Resolution dt. March 25, 2011 allotted 10,00,000 shares under the ESOS 2009 Scheme to the Trustees of Asian Electronics Limited Employees' Welfare Trust.

Out of the total 10,00,000 options 7,50,000 options were outstanding and yet to be exercised by the directors as on May 4, 2012.

However, by 4th May, 2012, the market price of the shares of the Company on the Stock Exchanges had dropped considerably to around



₹ 5.80/- per share. In view of such depressed level of market price of shares, exercise of stock options at an exercise price of ₹ 10.75/- per share became unviable for all the grantees. Therefore, on 7th May, 2012, keeping in mind the spirit of the ESOP scheme of rewarding the grantees, it was proposed to revise the exercise price to ₹ 5.80/- per share, which was the closing price of the shares of the Company on the Stock Exchanges on the previous trading day i.e. 4th May, 2012. Accordingly, the Compensation Committee of the Board of Directors, which is comprehensively authorized by the shareholders at their general meetings held on 12th February, 2009 and 30th September, 2009 to do all acts, deeds and things necessary to implement and administer the ESOS 2009 scheme, revised the exercise price from ₹ 10.75/- per share to ₹ 5.80/- per share, to bring the exercise price in consonance with the prevailing market price of the shares of the Company.

Although the Compensation Committee of the Board of Directors is adequately authorized to implement and administer the ESOS 2009 scheme, the Company proposes to note and retrospectively approve the aforesaid revision of exercise price, by the Compensation Committee of the Board of Directors, of the 7,50,000 Stock Options granted to four Non-Executive Directors of the Company under the Employee Stock Option Scheme, 2009 of the Company, as a matter of good corporate governance as well as abundant caution.

None of the Directors of the Company except Dr. Dipak Diwan and Mr. Suresh Sharma to the extent of shares granted under ESOP 2009 Scheme are concerned or interested in the resolution.

The Resolution at Item No. 9 of the Notice is recommended to the Shareholders for passing as a Special Resolution.

ITEM NO. 10

The Registered office of the Company, which was previously located at D-11, Road No. 28, Wagle Industrial Estate, Thane – 400604 is proposed to be shifted to 107, 1st Floor, Sumer Kendra Building, P.B. Marg, Behind Mahindra Towers, Worli, Mumbai- 400018.

The present registered office of the Company is in possession of Bank of India, therefore it was necessary to shift the registered office of the Company to some alternate place, besides it is more advantageous and economical to shift the Registered Office of the Company to the proposed address in Mumbai for administrative convenience and it is also easily accessible to the shareholders.

The Company has taken office space on lease and license basis at Worli, Mumbai. Presently Company's senior personnel are now working at this office. This office is located at 107, 1st Floor, Sumer Kendra Building, P.B. Marg, Behind Mahindra Towers, Worli, Mumbai- 400018 which is outside the local limits of Thane.

Section 146(2) of the Companies Act, 1956 (the "Act") provides that the registered office of the Company shall not be removed outside the local limits of any city, town or village except with the authority of a special resolution passed by the shareholders.

The change in registered office within the State of Maharashtra but outside the local limits of the city of Thane does not result in change in jurisdiction of the Registrar of Companies.

None of the Directors of the Company is concerned or interested in the resolution.

The Resolution at Item No. 10 of the Notice is recommended to the Shareholders for passing as a Special Resolution.

By Order of the Board of Directors
For Asian Electronics Ltd.

Regd. Office :
D-11, Road No. 28,
Wagle Industrial Estate
Thane - 400 604
29th November, 2012

Dhananjay M. Dumbre
Asst. Company Secretary

Brief resume of Directors being appointed/re-appointment at the Annual General Meeting to be held on 29th December, 2012.

Nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership/chairmanship of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, is as under:

Name of Director	Dr. Deepak Divan	Mr. James Zissis Mitropoulos	Mr. D. B. Shah
Date of Birth	10th May, 1954	06th June, 1956	15th October, 1950
Date of Appointment	14th May, 2009	15th February, 2012	29th November, 2012
Expertise in specific General Functional Area	Technology	Finance	Finance
Qualification	B. Tech., IIT Kanpur M. S., Ph D.	Bachelor Degree in Engineering, M.B.A. in Finance	Chartered Accountant, Law Graduate
List of outside Directorship held (Public Limited Companies)	Integral Technologies Private Limited	Innovolt Inc., Atlanta, U.S.A.	NIL
Chairman/Member of the Committee of the Board of Directors of the Company.	1. Audit Committee, Member 2. Compensation Committee, Member	NIL	NIL
Chairman/Member of the Committee of Directors of other companies in which he / she is Director.	NIL	NIL	NIL
a) Audit Committee	NIL	1. Innovolt, Inc., Member	NIL
b) Share Transfer & Investor Grievances Committee	NIL	NIL	NIL
c) Remuneration Committee	NIL	NIL	NIL
d) Executive Committee	NIL	NIL	NIL
Number of Shares of the Company held on 31-03-2012	NIL	NIL	2000

By Order of the Board of Directors
For Asian Electronics Ltd.

Regd. Office:
D-11, Road No. 28,
Wagle Indl. Estate,
Thane - 400 604.
Thane, 29th November, 2012

Dhananjay M. Dumbre
Asst. Company Secretary

DIRECTORS' REPORT

To the Members

Your Directors present the Forty-Seventh Annual Report on the business and operations of the Company for the year ended March 31, 2012.

FINANCIAL RESULTS

	[Rupees in Lacs]	
Year ending March 31,	<u>2012</u>	<u>2011</u>
Gross revenue	8548	14861
Operating profit (PBITD)	(9963)	(4151)
Finance Expenses	2007	2531
Depreciation	387	440
Profit before tax & Exceptional items	(12357)	(7122)
Exceptional items	-	(804)
Profit / (Loss) after tax	(12357)	(7926)
Excess provision of Income Tax of earlier year written back.	-	-
Profit after current tax and deferred	(12357)	(7926)
Tax and Exceptional items		
Balance brought forward	(7711)	215
Balance carried to Balance Sheet	(20068)	(7711)

DIVIDEND

In respect of the year under review, i.e., the year 2011-2012, in the absence of profits your Directors do not propose to declare any dividend.

OPERATIONS :

During the year, the Company has achieved gross revenue of ₹ 85.48 crores as against ₹ 148.61 crores in the previous year.

Sales of lighting products comprises of domestic sales and export sales.

DOMESTIC SALES

The Company's sales suffered significantly for want of working capital and delayed recoveries from markets.

EXPORT SALES

The Export Sales was to the tune of ₹ 10.45 crores for the year under review as compared to ₹ 8.40 crores in the previous year. Your Company intends to increase contract manufacturing and exports.

RESEARCH AND DEVELOPMENT

Asian Technology Center (ATC), the design and development center of Asian Electronics Ltd is based in Pune, Maharashtra. This R&D center is ISO-9001:2008 compliant and has developed products conforming to global standards.

ATC understands the importance of innovating and customizing the existing products in minimum possible time frame. The expertise in developing full functional prototypes helps customer to reduce the design cycles and achieve faster time to market.

Global practices of 'NPI' (New Product Introduction) and 'TOT' (Transfer of Technology) are being followed for conducting Research & Development activities. The team at ATC consisting of more than 30 engineers and 15 support staff has more than 100 man-years of experience of working together among them. During the year new projects related to Development of High Voltage loop management System are now into NPI stage. The POC samples have been sent to customers for evaluation.

FINANCE

The enclosed statement forming part of the report gives details such as Financial Position at a glance, Distribution of Income etc. Your directors wish to bring the following to your attention:

The Company has a debt burden which its established sources of income

and assets cannot service or repay. A detailed exercise had been carried out with the help of professional agencies and secured creditors in pursuance of establishing the viability. The reports inter alia conclude as under:

- # The unit is viable and business is feasible.
- # The Company needs equity infusion and debt restructuring or repayment at a discount.
- # The present realisable values of assets have eroded significantly.
- # The new initiatives taken for development and production of identified new generation products on a contract basis makes the enterprise viable.

The above clearly indicates need for fresh fund raising and the debt restructuring. The relevant notes have been carried elsewhere in this report.

CAPITAL EXPENDITURE

As at 31st March, 2012, the gross fixed assets stood at ₹ 9960.44 lacs and the net fixed assets at ₹ 3055.17 lacs. Additions to Fixed Assets during the year Amt ₹ 96.19 Lacs.

INVENTORIES, RECEIVABLES AND CURRENT ASSETS

The management has done a detailed analysis of its current assets as reported in the previous year. For the reasons explained below, the board is of the opinion that the realizable value of assets has gone down significantly:

Inventories: ₹ 2127.62 lacs. The inventories include a large portion of products meant for a specific client who has legal disputes with the Company and hence not realizable. Also a large volume of components, WIP remained unutilized for such products in domestic and exports markets.

Receivables: ₹ 11440.08 lacs. The Company has disputed export receivables where a lawsuit has been lost and also other cases where quality counter claims and customers' reorganization have delayed recoveries. On domestic front, large number of debtors have raised counter claims. Coupled with a reduced turnover, this has made recoveries more difficult. The Company has issued legal notices in over 200 cases.

Advances: ₹ 8086.35 lacs. In many cases, the Company had advanced certain amounts for long term business contracts.

In view of the above, current assets as stated above are not at realizable values as stated in the Balance Sheet.

SUBSIDIARY COMPANIES

The Company has effective from 1st October, 2009 transferred the following Divisions to two 100% subsidiaries (SPVs) as under:

- a. Business of ESCO Division, i.e. financing of Projects / Products to customers on energy saving basis, and all activities related thereto together with all related assets, liabilities and entitlements at book values as at the time of transfer, on a going concern basis. The name of this 100% subsidiary is AEL ESCO PRIVATE LIMITED.
- b. Business of Projects Division, i.e. State Electricity Board Projects and all activities related thereto together with all related assets, liabilities and entitlements at book values as at the time of transfer on a going concern basis. The name of this 100% subsidiary is AEL PROJECTS PRIVATE LIMITED.

The Accounts for the year ended 31st March, 2010, 31st March, 2011 and 31st March, 2012 have incorporated all such transactions at the book value at the time of transfer and the difference between the book values of identified assets and liabilities of ESCO Division amounting to ₹ 5174.34 Lacs and of Project Division amounting to ₹ 1129.15 Lacs are shown as investment in the proposed subsidiaries.



Pending approval of secured / unsecured lenders, the Company has, for the time being, shown the said investment under Investment Suspense 'Account in Note 10 of the Accounts as on 31st March, 2012'. On account of transfer of these two Divisions to two separate subsidiaries, the Company has also prepared Consolidated Balance Sheet and Profit & Loss Account which forms part of the Annual Report 2009-2010, 2010-2011 and 2011-12.

ACCOUNTS

The accompanying Financial Statements of the Company have been prepared on a going concern basis.

In preparation of these accounts, the Accounting Standards made applicable by the Institute of Chartered Accountants of India have been followed.

We have selected appropriate accounting policies which have been applied consistently and have made judgments and estimates that are reasonable and prudent so as to ensure that the accounts give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the loss of the Company for the year ended on that date.

We have taken proper and sufficient care for maintenance of appropriate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.

CORPORATE DEBT RESTRUCTURING

The Company has filed a proposal with the Corporate Debt Restructuring (CDR) cell for the restructuring of its bank liabilities under consortium. The Company had made a request to Bank of India (lead bank) and IDBI and the rest of the consortium banks seeking support for its restructuring of bank liabilities.

The CDR proposal submitted by the Company is approved by the CDR Empowered Group Committee (CDR-EG) at its meeting held in March 2012. However, since the process consequent to such approval could not be completed, the board has decided not to give effect to the scheme in the accounts under consideration. The salient features of restructuring are proposed as under:

1. To repay all secured and unsecured creditors in line with the agreements to be arrived based on the approval of CDR EG.
2. To reorganize the business of the company in various entities including a set of SPV to help expediting and focusing on recovery. The entities will continue to be 100% Subsidiary.
3. To raise adequate financial resources to repay the borrowings
4. To establish a research based manufacturing on contract basis.

The Company is in process of executing Master Restructuring Agreement with IDBI Bank and other lenders based on the above broad guideline. The Debt Restructuring as approved will be implemented through a Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956.

AUDITORS' REPORT

As regards observations as contained in Auditors' Report dated 29th November, 2012, regarding transfer of related loans and debentures of ESCO and Project Divisions to wholly owned subsidiaries, Stock Options granted to Directors and Employees, litigations initiated by LIC Mutual Fund, Bank of India and other Banks for recovery of their dues and diminution in the value of investments, old / unsalable stocks, sundry debtors and loans and advances following explanation of the Management may please be noted:

Subject	Auditor's Comment	Company's response
Transfer of related loans and debentures of ESCO and Project Division aggregating to ₹ 14,279.62 Lacs to two wholly owned subsidiaries	Transfer is made without the lender's approval and hence Company is liable	The Company has included the same in consolidated results. In standalone it will be contingent liability and is disclosed accordingly.

Stock Options granted to Directors and Employees under ESOP 2005 Scheme and ESOP 2009 Scheme	the Company has not ascertained the fair value of the Options granted	The current grant of options is at market value or such higher amount. Impact, if any, in future, will be recognized at the time of exercise.
Actions taken by Secured and unsecured Creditors	No Opinion	The Company is in negotiation with creditors to settle amicably.
Diminution in value of Investments, receivables and other assets	No provision is made	The proposal is to earmark these assets in SPV with a view to recover. Impact if any will be ascertained in future
Interest on public deposits matured and claimed but not paid	No provision is made	Same shall be paid at the time of repayment of Fixed deposits or interest accrued thereon as per the terms of Fixed deposits
Managerial remuneration	The same is subject to approval of central government	The Company is in process of obtaining the requisite approval of Central Government.
Disqualification of Directors under Section 274 (1) (g)	In view of the failure of the Company to repay its public deposits and interest thereon for more than one year, the Directors as on March 31, 2012 are disqualified to be appointed as Directors in any other Public Company.	The Company's application to Central Government pursuant to rule 2 of the Companies (Application for Extension of Time under sub section (8) of Section 58A) Rules, 1979 for extension of time period for repayment of Fixed Deposit up to March 31, 2012 is under process with concerned ministry. Therefore Management is inclined to believe that the said disqualification does not apply.

PARTICULARS OF THE EMPLOYEES

None of the Employees were drawing salary of ₹ 60,00,000/- or more per annum, if employed throughout the year or ₹ 5,00,000/- or more per month, if employed for part of the year.

DIRECTORS

1. Retirement by Rotation :

In accordance with the provisions of the Articles of Association of the Company and the provisions of Companies Act, 1956, Dr. Deepak Divan retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment. The Board recommends his re-appointment.

2. Appointment Of Director :

Pursuant to the provisions of Section 260 of the Act and Article No. 161 of the Articles of Association, Mr. James Mitropoulos was appointed as Additional Director with effect from 15th February, 2012 and holds office up to the date of the forthcoming Annual General Meeting.

The Company has received notices from a member proposing his appointment as Director.

Pursuant to the provisions of Section 260 of the Act and Article No. 161 of the Articles of Association, Mr. Suresh Kumar Sharma was appointed as Additional Director with effect from 8th August, 2012. But due to his other assignments he resigned from the post of Additional Director w.e.f. November 16, 2012.

Pursuant to the provisions of Section 260 of the Act and Article No. 161 of the Articles of Association, Mr. D. B. Shah was appointed as Additional Director with effect from 29th November, 2012 and holds office up to the date of the forthcoming Annual General Meeting.

The Company has received notices from a member proposing his appointment as Director.

3. Resignation :

Mr. Haresh G. Desai and Mr. D.G. Prasad have resigned from the post of Director w.e.f. 1st December, 2011 and 8th May, 2012. The same were accepted by the Board of Directors of the company. The Board of directors places on record their appreciation for the valuable services rendered by Mr. Haresh G. Desai and Mr. D.G. Prasad during tenure of their office.

AUDITORS

M/s. Sorab S. Engineer & Co., Chartered Accountants who are the statutory auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The members are requested to consider appointment of Statutory Auditors to hold the office till conclusion of next Annual General Meeting.

The Company also proposes to appoint branch auditors for the same period.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Out-go as required to be disclosed pursuant to Section 217 [1] (e) of the Companies Act, 1956, read with Companies [Disclosures of Particulars in the Report of Board of Directors] Rules, 1988 is given in the Annexure forming part of this Report.

IMPLEMENTATION OF "GREEN INITIATIVE IN CORPORATE GOVERNANCE" INTRODUCED BY THE MINISTRY OF CORPORATE AFFAIRS

Your Company's products are designed for energy efficiency and it was therefore a natural decision for the Company to whole-heartedly support the Green Initiative in Corporate Governance introduced by the Ministry of Corporate Affairs in April 2011. The Company therefore proposes to hereafter send all notices / documents / communications including annual reports in electronic form to email addresses of shareholders registered with Depository Participants (DPs) and made available by the Depositories. Shareholders are therefore requested to keep their email address updated with the DPs at all times so that the above documents always reach them at the email account of their choice. As regards shareholders whose email IDs are not available with the Company, physical copies of such documents will be sent.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 loss of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

PUBLIC DEPOSITS

During the year under review, the Company had not invited any fixed deposits after June 30, 2011.

The total outstanding Fixed deposits as on March 31, 2012 was ₹ 3.66 Crores (848 depositors). Out of which ₹ 1.57 Crores (370 depositors) were not matured up to March 31, 2012. Unclaimed / Unpaid deposits as on 31st March 2012 are ₹ 7.57 Lacs (16 depositors) and ₹ 2.01 Crores (462 depositors) respectively. The Company has applied for extension up to March 31, 2012 for repayment of fixed deposits from the Central Government pursuant to rule 2 of the Companies (Application for Extension of Time under sub section (8) of Section 58A) Rules, 1979 which is under process with the concerned ministry.

But still due to financial difficulties faced by the Company the repayment of Fixed deposits remain unpaid which is proposed to be settled in the manner and in accordance with the Scheme of restructuring to be filed by the Company before the Hon'ble High Court of Mumbai.

CORPORATE GOVERNANCE

A separate report on Corporate Governance along with Auditor's certificate on its compliance is attached as an annexure to this report.

DEPOSITORY SYSTEM

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on 31st March, 2012, 98.85% of the Company's total paid-up capital representing 3,50,44,267 shares are in dematerialized form. In view of the numerous advantages offered by the Depository system, Members holding shares in physical mode are requested to avail of the facility of dematerialization of the Company's shares with either of the Depositories.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank the Financial Institutions, Banks, Central & State Government authorities, Regulatory authorities, Stock Exchanges and the Stakeholders for their continuous co-operation and support to the Company.

Your Directors also thank customers, vendors and investors for their faith and support. Your Directors also place on record their deep sense of appreciation of the contribution made by employees at all levels. Their continuous support and their competence, hard work, team spirit and solidarity will make all the difference to the business of your Company.

On behalf of the Board of Directors

Place: Mumbai
Date: 29th November, 2012

Arun B. Shah
Executive Chairman



ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2012.

ADDITIONAL INFORMATION AS REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

(A) ENERGY CONSERVATION MEASURES TAKEN

- (a) 1. **Improving Energy saving / efficiency of Equipments & Systems.** :
- Use of Automatic Power factor Correction banks, to improve Power Factor wherever the inductive Loads in prevalent.
 - Use of Occupancy Sensors for lighting application to save energy whenever the premises are without occupant.
 - Use of Energy Efficient Electronics Ballast in lighting fixtures with T5 technology in place of Conventional Old lighting fixtures with T8 or T12 lamps.
 - Reduction in Daily A.C. running time, switching OFF lights & Air conditioning during lunch breaks and whenever not required.
 - Saving of Diesel with provision of small Generator, appropriate utilization whenever full load with machineries is not required.
 - Use of Centralized ACs at Production floors.
 - Initiative of publishing the work instructions at various places for optimized usage of tools and gadgets.
 - Use of Daylight sensor based products.
2. **Improving Energy saving / efficiency of Manufacturing Process:** :
- Use of machineries only when in operation.
 - Improvement in Downtime of machineries.
 - Reducing the temp. Zones while Machine in Idle conditions.
 - No use of machineries during Load cutting periods (Power shutdown).
 - Reducing the cycle time of Product Manufacturing processes.
 - Reducing the Burn in time of product with the help of cyclic timer.
- (b) **Additional investments and proposals, if any, being implemented for reduction of consumption of energy.** :
- Use of Energy saving type of lighting products like LED based product for further savings compared to Fluorescent type of products, use of LED streetlight instead of Fluorescent or HPSV lamps.
 - Exploring use of solar AC
 - Use of Controllers or Timers for Intermittent OFF for ACs.
 - Reduction of Temperature in AC zone by reducing the Light fixture or Heating element.
 - Appropriate usage of Light fixtures with LED at working areas for sufficient/optimum light only.
- (c) **Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.** :
- These steps will generate savings in electricity consumption. However, these savings will have no appreciable impact on cost of production as the Company's production processes are not energy intensive.

(B) TECHNOLOGY ABSORPTION

(a) Research and Development

- Specific areas in which R & D carried out by the Company. :
1. The Company has successfully developed energy efficient retrofit lighting systems, which is protected by Patents registered in U.S.A. and under registration in Europe as also in India. The Company is developing effective intelligent lighting solutions with introduction of New LED Technology & power Protection Devices for various markets.
 2. Asian Technology Center (ATC), the design and development center of Asian Electronics Ltd is based in Pune, Maharashtra. This R&D center is ISO-9001:2008 compliant and has developed products conforming to global standards.
ATC understands the importance of innovating and customizing the existing products in minimum possible time frame. The expertise in developing full functional prototypes helps customer to reduce the design cycles and achieve faster time to market.
Global practices of 'NPI' (New Product Introduction) and 'TOT' (Transfer of Technology) are being followed for conducting Research & Development activities. The team at ATC consisting of more than 30 engineers and 15 support

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<p>Benefit derived as a result of the above R & D Future plan of action</p>	<p>staff has more than 100 man-years of experience of working together among them. During the year new projects related to Development of High Voltage loop management System are now into NPI stage. The POC samples have been sent to customers for evaluation.</p> <p>: The Company sees a bright future in commercially exploiting the above product.</p> <p>: 1. Adopting the new LED technology by introducing the various range of Energy saving products.</p> <p>2. To intensify the R&D efforts in power quality improvement and energy conservation products.</p> <p>3. To develop and introduce variants of the Retrofit Lighting Systems to suit different market segments.</p> <p>4. To develop and market cost effective intelligent lighting solutions for optimizing energy cost.</p> <p>5. To develop technologies to use "lighting as a network".</p> <p>6. To set up specialized 'Asian Technology Centre'.</p>
<p>Expenditure on R & D</p> <p>(a) Capital</p> <p>(b) Recurring</p> <p>(c) Total</p> <p>(d) R & D expenditure as a percentage of the total turnover</p>	<p>: Nil</p> <p>₹ 3.63 lacs</p> <p><u>₹ 3.63 lacs</u></p> <p>0.042%</p>
<p>(b) Technology Absorption, Adaptation and Innovation</p>	
<p>Efforts, in brief made towards technology absorption, adaptation and innovation Benefit derived as a result of the above efforts.</p>	<p>: The Company has introduced various new and improved models of Electronic Ballasts, LED Based products & Power Protection devices for different applications. The Company has launched different products with separate designs of Ballasts for different market segments, & introduction of new products like LED based, Power protection devices for US market, thus enhancing its product range offered to its customers.</p>
<p>Technology Imported during the last 5 years.</p>	
<p>(a) Technology Imported</p> <p>(b) Year of Import</p> <p>(c) Status</p>	<p>: Not Applicable</p> <p>Not Applicable</p> <p>Not Applicable</p>
<p>(C) FOREIGN EXCHANGE EARNINGS AND OUTGO</p>	
<p>(a) Activities relating to Exports (Initiatives taken in increasing exports, development of new export markets for products and services and export plans)</p> <p>(b) Foreign Exchange Earned</p> <p>(c) Foreign Exchange Used</p>	<p>: The Company is in process of making marketing arrangements with giants in U.S.A. and elsewhere to market Company's E+ Tube light & Power Protection devices in various global export markets.</p> <p>: ₹ 1045.13 lacs</p> <p>: ₹ 359.90 lacs</p>



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Business Review

Asian Electronics Limited (AEL or 'the Company) has been one of the pioneering Companies in the energy efficient lighting industry in India.

Over the years, the reliability and quality of the AEL's product has resulted in a strong brand creation.

Traditionally the Company has focused on institutional and project-related sales, and has built up a strong distribution network of over 450 distributors & over 130 marketing consultants for this purpose. However, going forward, the Company also proposes to increase its market share in the growing retail segment of the market as indicated in the beginning. This operation carries the risk that product offerings in the retail segment may not be as successful as expected as retail customers may have a different approach regarding initial layout costs, ongoing costs, energy efficiencies or technical preferences.

The company is having a full fledged marketing division and network of agents. The Asian brand name is well known and it has good enquiries for the products. However, ideal product mix and offerings in the market based on demand etc. is largely depending upon availability of working capital. As the company is facing liquidity crunch, it is not in a position to plan production based on demand but is compromising between demand for product and availability of working capital

Market Prospects:

There are five basic types of lighting: incandescent, fluorescent, high intensity discharge, low pressure sodium and compact fluorescent lamp (CFL). The Indian lighting industry is growing at an annual rate of 15%. The environmental concerns and awareness for energy conservation have brought about radical changes in the industry which is riding on a wave of energy efficiency. The new trend to save energy and improve illumination has ushered in a wide range of CFL lamps and Luminaries. LED lights offer several advantages and benefits compared to traditional globes (Filament) and compact fluorescent Lamp (CFL) products, such as directional lighting, which is ideal for torches (Flashlights) and spotlights. There are no starting problems in cold environments because LED's are "Instant on" with no warm up time needed as seen in conventional CFL lighting.

LED product range offers considerable power savings while extending long product life cycles under normal conditions. The advantages of LED lighting adding to the lowering of the world's carbon footprint cannot be under estimated. The company is trying to increase the efficiency of the LEDs lighting products to incorporate all possible aspects and dimensions. AEL believes that its holistic and intuitive approach to technology gives the advantage to its customers when compared with worldwide LEDs lighting vendors. The global emerging lighting technologies market is growing. North America is the largest emerging lighting market. Europe is the second largest segment. However, Asia is the fastest growing market.

The Company sells its energy efficient solutions to a number of large

institutions, shopping malls, industrial complexes, civic bodies and other groups, through the tendering process. Such tender programs may not always favour what, in the Company's view, is an optimum mix of technical quality, durability, costs savings and price and therefore the Company may be at risk of losing these tenders to other market participants.

Strengths:

Under the marketing potential and size AEL has the following strength;

- i. The company has patented retrofit technology by which, it can replace traditional lighting source with energy efficient products.
- ii. The company's sales were earlier primarily aimed at municipal corporation and government bodies. But now there is shift in the marketing strategy and the market penetration, is being made with over 450 retailers country wide.
- iii. The exports were made to the USA and Europe through WLM and Westinghouse respectively. Now the company has developed Power Products for M/s Innovolt, and has got huge market in USA and Canada. Also the export market is developed in Europe through the company M/s West Lux.
- iv. The capacitor division has huge exposure to MSEB and following issues are pertinent
 - a. Non Recovery of large debts
 - b. Accumulation of inventories
 - c. Dispute with buyers
- v. The Company acquired R & D unit of Integral Technologies Pune and renamed the same as Asian Technology Centre. This acquisition open new vistas in the form of development of industry specific products like power management products.

The Company also shifted its market outlook to hardcore marketing companies in India and overseas. This included Innovolt in USA, Westlux in Europe and Future Group in India. The company thus became ideologically a "contract manufacturing" company.

Opportunities

The existing facilities available with the company are technically capable of achieving higher capacity.

In view of large burden of debts and need of additional infusion of capital the Company has filed a proposal with the Corporate Debt Restructuring (CDR) cell for the restructuring of its bank liabilities under consortium. The Company had made a request to Bank of India (lead bank) and the rest of the consortium banks seeking support for its restructuring of bank liabilities.

The CDR proposal submitted by the Company is approved by the CDR Empowered Group Committee (CDR-EG) at its meeting held in March 2012.

The Debt Restructuring as approved will be implemented through a Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956.

The scheme shall involve restructuring of existing debt by the lenders through CDR with substantial upfront payment partly from the sale of surplus assets and balance from part of the equity investment to be invested by professional investors like Innovolt, USA, Westlux, UK and Future Group in India, who evinced for long term product supply from AEL would be a better option for lenders to take advantage of the Enterprise Value of AEL.

Threats:-

As per the TEV (Total Enterprise Value) Report carried out for the purpose CDR the business is subject to following Threats:

- (i) The existing capacity utilization is very low and the company's facilities at Nasik were not utilized fully due to shortage of working capital funds, which is locked in huge receivables.
- (ii) The company has infrastructure, technology and client base to produce various products to the tune of ₹ 350 cr per year. However, it may take 2-3 years to reach the optimum levels of capacity utilization.
- (iii) The company has huge debt burden of ₹ 390 cr. However, based on current projections, EBIDTA of ₹ 25-30 cr. can be sustained at a level not in excess of ₹ 120 cr.-₹150 cr.
- (iv) The assets of the company are highly illiquid and cannot fetch more than ₹ 90 cr. that too over 2 years.
- (v) The timelines for revival of the company are very critical. Any further delay of revival of AEL would reduce the enterprise value of the company which ultimately effects the interest of all stakeholders of the company.

Financial Performance

For Financial Performance, reference may please be made to the Financial Statements forming part of the Directors' Report.

Human Resources

The Company assigns the highest importance to its human resources which are very critical for company like ours. The Human Resources (HR) function of the Company continuously strives to achieve the mission of the Company by creating a favourable work environment and by institutionalizing a performance oriented work culture.

The Company has put in place processes to ensure it attracts and retains the talented personnel.

The industrial relations were cordial through out the year under review. The Company has not lost a single day of work due to industrial unrest.

Internal Controls and their adequacy

The Audit Committee of the Board of Directors has been constituted as per the provisions of Section 292A of the Companies Act, 1956 and Corporate Governance requirement specified by the Stock Exchanges.

The internal audit for various functions and aspects is conducted by the In-house Internal Audit Department which conducts reviews and evaluation and present their reports to the Audit Committee and the management at regular intervals.

The In-house Internal Audit Reports dealing with internal control systems are considered by the Audited Committee and appropriate actions are being taken, wherever necessary.

Risks and Concerns

As is the case with any industrial enterprise, the Company is exposed to a number of risks. The Company assesses the risks every year which include regulatory risks, financial risks, competition risks and risks of input cost increase etc.

The In-house Internal Audit Department plays a key roll in providing the Management as well as Audit Committee, assurance of overall control system and effectiveness of the risk management process.

Your Management tries to keep all these risks in control, to the extent it is possible, by developing a frame work for risk identification, risk management and control and risk reporting and review.

Acknowledgments

Management deeply appreciates the stakeholders, esteemed customers and business associates of the Company for providing the management with opportunities to earn their confidence and excel.

Management wishes to convey and express sincere gratitude to all the officers and employees of AEL for their dedication and commitment which is responsible for driving growth in the Company. It shall be our continuous endeavor to build on these strengths to face future challenges to continue the journey of profitable growth.

Caution

The Company's objectives, expectations or predictions as described in the statement in the Management Discussion and Analysis Report may be forward looking within the meaning of applicable Rules of the Regulatory Authorities. Actual Results may defer materially from those expressed in the statement.

Important factors that could influence Company's operations include global and domestic supply and demand conditions affecting selling price of finished goods, input availability and changes in the government regulations, tax laws, economic developments, development within the country and other factors such as litigation and industrial relations.



FINANCIAL POSITION AT A GLANCE

	Year ended 31.3.2012 ₹ in lacs	Year ended 31.3.2011 ₹ in lacs	Year ended 31.3.2010 ₹ in lacs
CAPITAL			
ASSETS OWNED			
1. Fixed Assets (Net)	3758.76	4125.03	4920.52
2. Investments	11088.96	11088.96	11086.96
3. Current Assets (Net)	7964.83	17901.03	20410.57
5. Miscellaneous Expenditure	-	5.04	4.94
TOTAL	22812.55	33120.06	36422.99
FINANCED			
1. Loans (Secured)	18349.80	16325.97	12799.56
2. Loans (Unsecured)	518.03	534.41	566.02
3. Net Worth*	3944.72	16259.68	23057.41
TOTAL	22812.55	33120.06	36422.99
* Represented by			
Share Capital	1710.18	1693.60	1495.03
Stock Options outstanding	-	-	443.03
Equity Share Warrants	-	-	231.17
Reserves (Net)	2234.54	14566.08	20888.18
TOTAL	3944.72	16259.68	23057.41
REVENUE			
INCOME EARNED			
1. Sale of products and services	8282.45	14549.02	22440.57
2. Other Income	265.39	182.69	341.37
TOTAL	8547.84	14731.71	22781.94
INCOME DISTRIBUTED			
1. Materials	15184.21	16104.62	15612.32
2. Employee Cost	670.58	782.53	1057.33
3. Administrative, Sales & Other Expenses	2655.84	2054.49	2337.24
4. Lease Rent	-	-	-
5. Financial Expenses	2006.94	2471.97	2811.80
6. Depreciation	386.92	439.85	439.16
7. Taxation			
Current Tax	-	-	-
Deferred Tax- Charge	-	-	-
Fringe Benefit Tax	-	-	0.05
Excess provision for Tax of Earlier year written back	-	-	(212.95)
8. Exceptional Items	-	804.63	443.03
9. Dividend	-	-	-
10. Retained Income	(12356.65)	(7926.38)	293.96
TOTAL	8547.84	14731.71	22781.94

FINANCIAL POSITION AT A GLANCE

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
CAPITAL ACCOUNTS (₹ in lacs)					
Share Capital	1710	1694	1495	1453	1452
Reserves & Surplus	2235	14566	20888	20303	19773
Borrowings:- Secured	18350	16326	12800	18406	14793
Unsecured	518	534	566	5479	6010
Gross Block	9960	9864	9867	9977	14829
Net Block	3055	3346	3784	4236	5536
Net Current Assets	7965	17901	20411	35522	31085
REVENUE ACCOUNTS (₹ in lacs)					
Sales and Other Income	8548	14732	22782	21398	22236
Gross Profit before extra-ordinary item, interest and depreciation	(9963)	(4210)	3775	2429	5914
Interest	2007	2472	2812	2130	2340
Depreciation	387	440	439	461	1025
Profit before extra-ordinary items and tax	(12357)	(7122)	524	(162)	2549
Exceptional Items	-	805	443	698	(17882)
(Loss)/Profit after extra-ordinary items and tax	(12357)	(7926)	81	503	(15411)
Excess provision of Income Tax of earlier year written back	-	-	213		
Net earnings available for appropriation	(12357)	(7926)	294	503	(15411)
Dividend amount	-	-	-	-	-
Retained earnings	(12357)	(7926)	294	503	(15411)
SELECTED INDICATORS					
Return on Capital Employed %	(54.17)	(21.89)	12.79	7.23	(35.98)
Current Ratio	1.56	2.68	2.33	3.32:1	-
Earnings per share of ₹ 5/-	(34.85)	(24.48)	0.97	1.68	(52)
Total Borrowings/Shareholder's Funds	4.78	1.04	0.60	1.09	0.98
Book value per share of ₹ 5/-	11	46	73.00	73	66
Dividend %	-	-	-	-	-
Fixed Assets Turnover	2.80	4.40	6.02	5.05	3.9

ANNEXURE TO THE DIRECTORS' REPORT

Information relating to Corporate Governance

I. Company's philosophy on Code of Governance:

The Company believes in implementing and observing good Corporate Governance practices. The Company's Corporate Governance philosophy is based on values such as transparency, professionalism and accountability. The Company always endeavors to improve on these areas on an ongoing basis.

The Company has adopted a Code of Conduct for the Members of the Board and Senior Management Personnel in compliance with the provisions of Clause 49 of the Listing Agreement.

A copy of the Code of Conduct is available on the website of the Company www.aelgroup.com.

All the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct as on 31st March, 2012, and a declaration to that effect signed by the Executive Chairman is attached and forms part of this Report.

II. Board of Directors (Board)

The Board as on 31st March, 2012 comprises of 7 Directors of whom 1 is Alternate Director. Out of remaining Directors, 3 are Executive and 3 are in Non-Executive capacity. The Non-Executive Directors are eminent professionals with experience in over all management, finance and law, who bring a wide range of skills and experience to the Board. None of the Directors has materially significant pecuniary or business relationship with the Company.

a. Composition of the Board :

Name of Director	Promoter, Executive, Non-executive, Independent	No. of other Directorship held @	No. of other Committees of which he is a Chairman	No. of other Committee(s) of which he is a member	No. of Shares held in the Company as at 31.3.2012
Mr. Arun B. Shah	Executive, Promoter	12	-	-	33,20,549
Mr. Haresh G. Desai*	Director	3	-	-	1,000
Dr. Deepak Divan	Non-Executive, Independent	2	-	-	-
Mr. Suresh Sharma Alternate Director to Dr. Deepak Divan	Non-Executive, Independent	-	-	-	-
Mr. D.G. Prasad	Non-Executive, Independent	6	-	1	250
Mr. Jim Mitropoulos**	Non-Executive, Independent	2	-	1	-
Mr. S. Neelakanta Iyer	Executive	5	-	-	-
Mr. Rajesh Mehta	Executive	4	-	-	-

@ Includes private Companies and Alternate Directorships

* Ceased to be a Director w.e.f. 1st December, 2011

** Appointed as a Director w.e.f. 15th February, 2012

b. Number of Board Meetings:

During the year, the Board of Directors met six times on the following dates:-

7 th June, 2011	13 th July, 2011	18 th August, 2011
22 nd December, 2011	1 st February, 2012	15 th February, 2012

c. Attendance of Directors :

Name of Director	Meetings Attended	Attended last AGM on 22 nd September, 2011
Mr. Arun Shah	6	Yes
Mr. Haresh G. Desai*	3	Yes
Dr. Deepak Divan	2	No
Mr. Suresh Sharma	-	No
Mr. D. G. Prasad	6	No
Mr. Jim Mitropoulos**	-	No
Mr. Neelakanta Iyer	5	Yes
Mr. Rajesh Mehta	5	Yes

* Ceased to be a Director w.e.f. 1st December, 2011

** Appointed as a Director w.e.f. 15th February, 2012

III. Committee of Directors :

Good Corporate Governance requires that the Non-Executive Directors of the Company are more actively involved in providing guidance to full time management on policy matters as well in the monitoring of actions carried out by operating management. This involvement is formalised and institutionalised through constitution of designated committees of the Board. The Committees are intended to provide periodical and regular exchange of information and ideas between the Non-Executive Directors and the operating management.

The Board has accordingly constituted Committees at its meeting held on 27th January, 2000 which complies with the requirements of clause 49 of the Listing Agreement with the Stock Exchanges and the applicable provisions of the Companies (Amendment) Act, 2000. The said Committees were reconstituted from time to time by Resolutions passed by the Board of Directors of the Company.

(A) Audit Committee:-

As on 1st April, 2011, the Audit Committee comprised of the following Directors:

- (1) Mr. Haresh G. Desai, Chairman
- (2) Dr. Deepak Divan, Member
- (3) Mr. D. G. Prasad, Member

Consequent to cessation of Mr. Haresh G. Desai as a Director of the Company w.e.f. 1st December, 2011, as per the Circular Resolution passed by the Board on 2nd December, 2011, members of the reconstituted committee w.e.f. 1st December 2011 were as under:

- (1) Mr. D. G. Prasad, Chairman
- (2) Dr. Deepak Divan, Member
- (3) Mr. Rajesh Mehta, Member

Mr. D. G. Prasad is the Chairman of the Audit Committee. Mr. Charudatta A. Kulkarni, AGM (Finance & Legal) & Company Secretary was Secretary to the Committee upto 31st March, 2012. The role and terms of reference to the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement as amended from time to time and Section 292A of the Companies Act, 1956. The Audit Committee met five times during the year 2011-2012 on 7th June, 2011, 18th August, 2011, 22nd December, 2011, 1st February, 2012 and 15th February, 2012.

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The attendance of each Audit Committee member is as under:

Name of the Audit Committee Members	No. of meetings attended
Mr. Haresh G. Desai*	2
Dr. Deepak Divan	2
Mr. D. G. Prasad**	5
Mr. Rajesh Mehta***	3

* Ceased to be the Chairman of the Audit Committee w.e.f. 1st December, 2011.

** Appointed as the Chairman of the Audit Committee w.e.f. 1st December, 2011 and ceased to be the Chairman of the Audit Committee w.e.f. 8th May, 2012.

*** Appointed as a Member of the Audit Committee w.e.f. 1st December, 2011.

The meetings were also attended by Executive Chairman – Mr. Arun B. Shah, Executive Director & Jt. Chief Executive Officer (Technology & Finance) – Mr. Rajesh Mehta, Executive Director & Jt. Chief Executive Officer (Manufacturing Operations) – Mr. Neelakanta Iyer, Executive Director (Not on Board) – Mr. R.D. Goradia, Jt. Chief Financial Officer – Mr. Snehal J. Shah, DGM (Accounts) – Mr. Krishnaraj Kapadia and Mr. Naman Shah as special invitees. The Secretary – Mr. Charudatta A. Kulkarni attended the Meetings held on 7th June, 2011, 18th August, 2011 and 22nd December, 2011.

The Statutory Auditors were invitees to the meetings.

The Statutory Auditors attended the Audit Committee Meetings held on 7th June, 2011, 18th August, 2011 and 15th February, 2012.

(B) Executive Committee:-

The Executive Committee of the Board of Directors as on 1st April, 2011 comprised of the following Directors:

Mr. Arun B. Shah, Chairman

Mr. Haresh G. Desai, Member

Consequent to cessation of Mr. Haresh G. Desai as a Director of the Company w.e.f. 1st December, 2011, as per the Circular Resolution passed by the Board on 2nd December, 2011, members of the reconstituted committee w.e.f. 1st December, 2011 were as under:

Mr. Arun B. Shah, Chairman

Mr. D. G. Prasad, Member

This Committee deals with routine matters like banking operation, authorisation to employees in respect of Excise, Sales Tax, Tender submission etc. as also some matters specifically delegated by the Board from time to time.

During the year under review, Eleven meetings were held on the following dates:-

12.4.2011, 12.5.2011, 15.6.2011, 10.8.2011, 2.9.2011, 1.11.2011, 28.11.2011, 31.12.2011, 8.2.2012, 1.3.2012 and 20.3.2012.

Attendance of each of the Executive Committee Members is as under:

Name	No. of Meetings attended
Mr. Arun Shah	11

Name	No. of Meetings attended
Mr. Haresh G. Desai *	7
Mr. D. G. Prasad **	4

* Ceased to be a Member of the Executive Committee w.e.f. 1st December, 2011.

** Appointed as a Member of the Executive Committee w.e.f. 1st December, 2011.

Mr. R.D. Goradia (Secretary of the Executive Committee up to 12th April, 2011) attended the meetings held on 12th April, 2011, 8th February, 2012, 1st March 2012 and 20th March, 2012.

Mr. Charudatta A. Kulkarni AGM (Finance & Legal) & Company Secretary acted as Secretary to the Executive Committee from 13th April 2011, attended the meetings of the Committee held on 12th April 2011, 12th May, 2011, 15th June, 2011, 10th August, 2011, 2nd September, 2011, 1st November, 2011, 28th November, 2011 and 31st December, 2011.

(C) Committee for Transfer of Shares:-

The Committee for Transfer of Shares as on 1st April, 2011 comprised of the following Directors:

Mr. Arun B. Shah, Chairman

Mr. Haresh G. Desai, Member

Consequent to cessation of Mr. Haresh G. Desai as a Director of the Company w.e.f. 1st December, 2011, as per the Circular Resolution passed by the Board on 2nd December, 2011, members of the reconstituted committee w.e.f. 1st December, 2011 were as under:

Mr. Arun B. Shah, Chairman

Mr. Rajesh Mehta, Member

Mr. Charudatta A. Kulkarni, AGM (Finance & Legal) & Company Secretary was Secretary to the Committee up to 31st March, 2012.

During the year under review, six meetings were held on 15.4.2011, 30.4.2011, 30.7.2011, 31.8.2011, 30.11.2011, and 29.2.2012. The attendance of each Transfer Committee Members is as under:

Name	No. of Meetings attended
Mr. Arun Shah	6
Mr. Haresh G. Desai *	5
Mr. Rajesh Mehta **	1

* Ceased to be a Member of the Executive Committee w.e.f. 1st December, 2011.

** Appointed as a Member of the Executive Committee w.e.f. 1st December, 2011.

The Secretary: Mr. Charudatta A. Kulkarni attended all the meetings.

(D) Shareholders' / Investors' Grievances Committee

(a) The Shareholders' / Investors' Grievances Committee as on 1st April, 2011 comprised of the following Directors:

1) Mr. Haresh G. Desai, Chairman

2) Mr. Arun B. Shah, Member

Consequent to cessation of Mr. Haresh G. Desai as a Director of the Company w.e.f. 1st December, 2011,



as per the Circular Resolution passed by the Board on 2nd December, 2011, members of the reconstituted committee w.e.f. 1st December, 2011 were as under:

Mr. Arun B. Shah, Chairman

Mr. D. G. Prasad, Member

During the year under review, the Shareholders' / Investors' Grievances Committee met once on 30th March, 2012.

This meeting was attended by Mr. D.G. Prasad and Mr. Arun B. Shah. The meeting was also attended by Mr. R.D. Goradia.

Compliance Officer: Mr. Charudatta A. Kulkarni, AGM (Finance & Legal) & Company Secretary upto 31st March 2012.

- (b) Number of shareholder complaints / requests received during the year:

During the year under review, total 69 investor's complaints / requests were received.

All the complaints / requests received during the year ended 31st March, 2012 were solved within the time to the satisfaction of the investors / shareholders and no complaints were pending as on 31st March, 2012 for more than 30 days. All the shares received for transfer / transmission have been transferred / transmitted and no transfer is pending as on 31st March, 2012.

(E) **Remuneration Committee**

Matters of remuneration of Executive Directors are considered by the Board of Directors of the Company, with the interested Executive Director(s), not participating or voting. The terms of remuneration of Executive Directors are approved by the shareholders at the Annual General Meeting. Therefore no separate remuneration committee has been constituted.

The Board of Directors decides the remuneration of non-executive Directors which consist of sitting fees as well as commission based on net profits of the Company.

REMUNERATION OF DIRECTORS FOR 2011-2012

Name of the Director	Sitting Fees (₹ in lacs)	Salaries, Commission Perquisites (₹ in lacs)	Service Contract, Notice Period, Severance Fees.
Mr. Arun Shah	1.46	-	-
Mr. Haresh G. Desai	1.05	-	-
Dr. Deepak Divan	0.80	-	-
Mr. Suresh Sharma	-	-	-
Mr. D. G. Prasad	2.40	-	-
Mr. Jim Mitropoulos	-	-	-
Mr. S. Neelakanta Iyer	-	15.02	He has been appointed as Executive Director for a period of 2 years w.e.f. 01.06.2011
Mr. Rajesh Mehta	-	-	He has been appointed as Executive Director for a period of 2 years w.e.f. 01.06.2011

(F) **Compensation Committee**

The Compensation Committee as on 1st April, 2011 comprised of the following Directors:

- 1) Mr. Haresh G. Desai, Chairman
- 2) Mr. Arun B. Shah, Member
- 3) Mr. D. G. Prasad, Member

Consequent to cessation of Mr. Haresh G. Desai as a Director of the Company w.e.f. 1st December, 2011, as per the Circular Resolution passed by the Board on 2nd December, 2011, members of the reconstituted committee w.e.f. 1st December, 2011 were as under:

- 1) Mr. D. G. Prasad, Chairman
- 2) Mr. Arun B. Shah, Member
- 3) Mr. Deepak Diwan, Member

The Compensation committee passed Circular Resolution No. 1/2011-12 dated 1st April, 2011 for grant of 4,98,450 Stock Options of ₹ 5/- each to certain identified employees, pursuant to Employees Stock Option Scheme 2005 (ESOS 2005) at an exercise price of ₹ 10.75/- per equity share and also passed Circular Resolution No. 2/2011-12 dated 1st April, 2011 for grant of 41,80,057 Stock Options of ₹ 5/- each to certain Directors / Executives, pursuant to Employees Stock Option Scheme 2009 (ESOS 2009) at an exercise price of ₹ 10.75/- per equity share.

No meetings of the Compensation committee was held during the period under review.

IV. General Body Meetings

- (1) The details of Annual General Meetings held in the last three years are as under:

	Date	Time	Venue
(i) 44th Annual General Meeting	30th September, 2009	11.00 a.m.	Registered Office of the Company at Thane.
(ii) 45th Annual General Meeting	21st September, 2010	2.00 p.m.	Registered Office of the Company at Thane.
(iii) 46th Annual General Meeting	22nd September, 2011	10.00 a.m.	Registered Office of the Company at Thane.

All resolutions moved at the last AGM were passed unanimously on a show of hands by the shareholders present at the meeting.

Details of Special Resolutions passed in the previous three AGMs are given hereunder:-

Date	Matter
30.9.2009	1) Appointment and remuneration of Mr. Arun B. Shah as the Executive Chairman of the Company. 2) Modification of ESOS 2009 Scheme.
21.9.2010	1) Amendment of the Articles of Association of the Company.
22.9.2011	1) Appointment and Remuneration of Mr. S. Neelakanta Iyer as Executive Director & Jt. Chief Executive Officer (Manufacturing Operations). 2) Appointment and Remuneration of Mr. Rajesh Mehta as Executive Director & Jt. Chief Executive Officer (Technology & Finance). 3) Approval for revision of Exercise Price of 10,00,000 Stock Options granted to four Directors of the Company under ESOS-2009 Scheme, by the Compensation Committee of the Board of Directors. 4) Approval for Revision of Exercise Price of 3,51,550 Stock Options granted to certain Executives / Officers of the Company under ESOS-2005 Scheme, by the Compensation Committee of the Board of Directors.

- (2) Postal Ballot (under Section 192A):-
None of the business required to be transacted at this AGM is proposed to be passed by the postal ballot.

- (3) Extraordinary General Meetings:-

Day	Date	Time	Venue
Thursday	12 th February, 2009	11.00 a.m.	Registered Office of the Company at Thane.
Monday	6 th July, 2009	11.00 a.m.	Registered Office of the Company at Thane.

Following are Special Resolutions passed at the Extraordinary General Meetings held in the last three years:

E G M held on	Whether Special Resolution passed	Summary
12.2.2009	Yes	<ol style="list-style-type: none"> 1) Approval for change of management control of the Company in terms of first proviso and second proviso to regulation 12 of SEBI SAST Regulation and waving and forgoing any right and releasing the new management from the obligation of making public announcement and subsequent open offer in terms of SEBI SAST Regulations. 2) Approval for appointment of new management team of Asian Electronics Ltd. led by Mr. Arun B. Shah, Non-Executive Chairman & Director in terms of first proviso and second proviso to regulation 12 of SEBI SAST Regulation and waving and forgoing any right and releasing the new management from the obligation of making public announcement and subsequent open offer in terms of SEBI SAST Regulations. 3) Approval for Draft of Asian Electronics Limited – Employees Stock Option Scheme - 2009 (‘AEL ESOS 2009’) which could give rise to the issue of up to 51,80,057 [Fifty One Lakh Eighty Thousand Fifty Seven Only] equity shares of the Company of the face value of ₹ 5/- (Rupees five Only) each, fully paid up (“Securities”) aggregating to 13% (Cumulative limit for this Resolution and Resolutions in Item No. 4 and 5) of the fully diluted equity share capital of the Company. 4) Approval under Regulation 6.3 (a) of SEBI (ESOS & ESPS) Guidelines, 1999 for issue of Equity Share Options to the eligible employees of the HOLDING company which the Company may have in the future which could give rise to the issue of up to 51,80,057 [Fifty One Lakh Eighty

E G M held on	Whether Special Resolution passed	Summary
		<p>Thousand Fifty Seven Only] equity shares of the Company of the face value of ₹ 5/- (Rupees five Only) each, fully paid up (“Securities”) aggregating to 13% (Cumulative limit for this Resolution and Resolutions in Item No. 3 and 5) of the fully diluted equity share capital of the Company under the Scheme titled Asian Electronics Limited – Employees Stock Option Scheme - 2009 (‘AEL ESOS 2009’).</p> <ol style="list-style-type: none"> 5) Approval under Regulation 6.3 (a) of SEBI (ESOS & ESPS) Guidelines, 1999 for issue of Equity Share Options to the eligible employees of the SUBSIDIARY company which the Company may have in the future which could give rise to the issue of up to 51,80,057 [Fifty One Lakh Eighty Thousand Fifty Seven Only] equity shares of the Company of the face value of ₹ 5/- (Rupees five Only) each, fully paid up (“Securities”) aggregating to 13% (Cumulative limit for this Resolution and Resolutions in Item No. 3 and 4) of the fully diluted equity share capital of the Company under the Scheme titled Asian Electronics Limited – Employees Stock Option Scheme - 2009 (‘AEL ESOS 2009’). 6) Approval for draft of Asian Electronics Limited - Chairman Stock Option Scheme 2009 (‘AEL CSOS 2009’) which could give rise to the issue of up to 47,81,591 (Forty Seven Lakhs Eighty One Thousand Five Hundred Ninety One Only) equity shares of the Company of the face value of ₹ 5/- (Rupees five Only) each, fully paid up (“Securities”) aggregating to 12% of the fully diluted equity share capital of the Company to the Chairman of the Company Mr. Arun B. Shah. 7) Approval under Regulation 6.3 (b) of SEBI (ESOS & ESPS) Guidelines, 1999 for issue of Equity Share Options to the Chairman of the Company Mr. Arun B. Shah which could give rise to the issue of equity shares exceeding 1% of the paid up capital of the Company shares of the Company of the face value of ₹ 5/- (Rupees five Only)

E G M held on	Whether Special Resolution passed	Summary
		up (“Securities”) aggregating to 12% (Cumulative limit) of the fully diluted equity share capital of the Company under the Scheme titled ‘Asian Electronics Limited - Chairman Stock Option Scheme 2009 (AEL CSOS 2009)’.
6.7.2009	Yes	<p>(1) Approval pursuant to the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 for raising of funds not exceeding ₹ 70 crores by issue of securities to finance the Company’s requirement of capital expenditure for expansion and modernisation activities etc.</p> <p>(2) Approval pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Act for issue of 60,00,000 Equity Share Warrants at a price of ₹ 40/- (inclusive of premium of ₹ 35/- each) to Financial Investors.</p> <p>(3) Approval for passing Special Resolution for issue of Right Shares in the ratio of 1:2 at a price of ₹ 20/- per Share or such other price as may be decided by the Board.</p> <p>(4) Approval of Special Resolution for modification of CSOS-2009 Scheme for making corrections in the number of Shares to be allotted.</p> <p>(5) Approval of Special Resolution for modification of earlier Resolution pursuant to the provisions of Sections 77, 79A, 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 for CSOS-2009 under Clause 6.3(b) of the ESOP Guidelines.</p>

Special Resolutions passed by way of Postal Ballot pursuant to Section 192A(2) of the Companies Act, 1956:

Special Resolutions mentioned at Item No 1 and 2 of EGM held on 12.2.2009, pertaining to Change of Management from the team headed by Mr. Suresh H. Shah to the team headed by Mr. Arun B. Shah and pertaining to release of the new management team of any obligation or liability towards making ‘Public Announcement’ and subsequent ‘Open Offer’ for atleast Twenty per cent of the voting capital, respectively, were also passed by way of Postal Ballot pursuant to Section 192A(2) of the Companies Act, 1956 and the results thereof as per the Scrutinizer’s Report dated 11th February, 2009 were declared at the Extra-Ordinary General Meeting held on the 12th February, 2009.

None of the business required to be transacted at the EGM held on 6.7.2009 was proposed to be passed by the Postal Ballot.

Ordinary Resolutions passed by way of Postal Ballot pursuant to

Section 192A of the Companies Act, 1956:

Ordinary Resolutions mentioned at Item Nos. 1, 2 and 3 of the Notice dated 22nd April, 2010, pertaining to hiving off of the ESCO funding activities (Energy Saving Company) Division of the Company, hiving off of the Projects Division of the Company and mortgage and/or charge of movable and immovable properties of the Company were passed by way of Postal Ballot pursuant to Section 192A(2) of the Companies Act, 1956 and the results thereof as per the Scrutinizer’s Report dated 22nd May, 2010 were declared at the Head Office of the Company on 22nd May, 2010.

V. Notes on Directors appointment/re-appointment

For details, please refer to brief resume of Directors attached to and forming part of the Notice dated 29th November, 2012

VI. Disclosures

(i) Related party transactions:

Full disclosures on related party transactions, as per the Accounting Standard 18 issued by the Institute of Chartered Accountants of India has been given under Note 45 of the Annual Accounts.

All related party transactions have been entered into in the ordinary course of business and were placed periodically before the Audit Committee in summary form. There were no material individual transactions with related parties which were not in the normal course of business and required to be placed before the Audit Committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm’s length basis.

(ii) All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.

(iii) (a) All pecuniary relationship or transactions of the Non-executive Directors vis-a-vis the Company have been disclosed hereinabove.

(b) The Company has three Whole time Directors on the Board whose appointment and remuneration have been fixed by the Board in terms of Resolution passed by the members. The remuneration paid / payable is mentioned hereinabove.

(c) The number of shares held by each Director is mentioned in Item No. II (a) hereinabove.

(iv) (a) Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussions on matters as required under the provisions of Clause 49 of the Listing Agreement with Stock Exchanges.

(b) There were no material financial & commercial transactions by Senior Management as defined in Clause 49 of the Listing Agreement where they have personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.

(v) There was no non-compliance during the last three years by the Company on any matter related to Capital Market. However, the Securities and Exchange Board of India (SEBI) vide its letter No. CFD/DCR/RC/TO/ 13060/04 dated 21st July, 2004 had alleged violation of regulations 6 and 8

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of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 by the Company. SEBI had intimated willingness to consider Company's request for consent order, if the Company is willing to pay an amount of ₹1,75,000/- as penalty for the alleged violation of Takeover Regulations. The Company had made submissions to SEBI vide its letter dated 24th September, 2004, requesting them to take lenient view and condone the delay on the part of the Company and its Officers in compliance of the SEBI Takeover Regulations and requested for personal hearing in the matter. As of date, the Company has not received any response from SEBI.

VII. Means of Communication

- The quarterly/ half yearly and annual Financial Results of the Company are forwarded to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. and published in leading national newspapers. Besides the same is also displayed on the corporate website : www.aelgroup.com
- The Company also electronically files documents such as full version of Annual Report, Quarterly Financial Statements, Corporate Governance Report, Shareholding Pattern Statement and other prescribed information with CorpFiling website in compliance with Clause 52 of the Listing Agreement.
- The Company has made presentations to various Institutional Investors/ Analysts during the year.
- Management Discussion & Analysis is covered elsewhere in the Directors' Report to Members.
- The Company has its own web site viz. www.aelgroup.com and all the vital information relating to the Company and its products is displayed on the website. The shareholders can also post their queries to the designated email Id Secdept@aelgroup.com

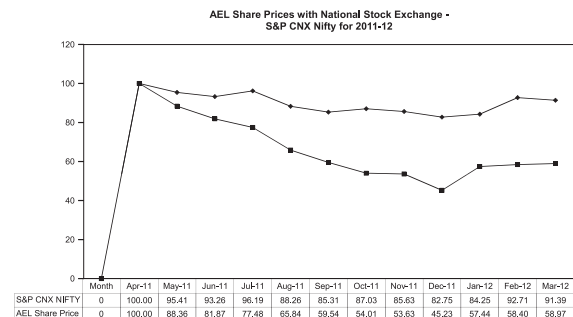
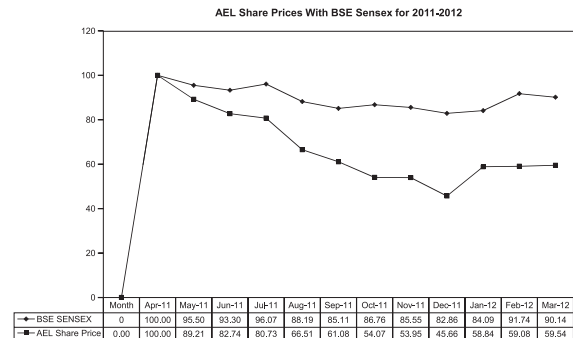
VIII. Management Discussion and Analysis Report

Management Discussion & Analysis forms part of the Directors' Report.

IX. Shareholder Information

1.	Annual General Meeting	
	Date	: 29th December, 2012
	Time	: 10.00 a.m.
	Venue	: Anand Banquet Hall, Anand Theatre Compound, Near Railway Station, Kopri, Thane (E), Thane - 400603
2.	Financial Year	: 2011-2012
3.	Book closure date	: 24th December, 2012 to 29th December, 2012
4.	Dividend payment date	: Not applicable
5.	Listing of equity shares	: The shares are listed on (1) Bombay Stock Exchange Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and (2) National Stock Exchange of India Ltd. (NSE), "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.

		Annual listing fee for the year 2011-2012 (as applicable) has been paid by the Company to BSE and NSE.
6.	Stock Code	: BSE Scrip Code : 503940 NSE Trading symbol: ASIANELEC



7. Registrars & Transfer Agents

The Company was handling share transfer and other allied work in-house and Link Intime India Pvt. Ltd. were the connectivity agent for Demat of Company's shares. Securities and Exchange Board of India (SEBI) by its Circular dated 27-12-2002, directed that all share registry work in terms of both, physical and electronic segments should be maintained at a single point either in-house or with a SEBI registered Registrar & Transfer Agent. In compliance with this directive, the Company has appointed Link Intime India Pvt. Ltd. as Registrar and Transfer Agent with effect from 1.2.2003.

8. Share Transfer System

Transfer requests received in physical form are presently processed by the R & T Agent and Share Certificates are returned within a period of 30 days from the date of receipt. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance with the share transfer formalities as required under Clause 47 (C) of the Listing Agreement with Stock Exchanges and files a copy of the Certificate with Stock Exchanges.



Market Price Data : High/Low in each month of the year ended March 31, 2012 on The Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd.

Month / Year	The Bombay Stock Exchange Limited			National Stock Exchange of India Limited.		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr-11	15.45	10.50	594971	15.45	10.75	3383215
May-11	12.75	10.40	633370	12.80	10.35	1084230
Jun-11	12.22	9.25	655448	12.25	9.20	1136637
Jul-11	11.40	9.55	547158	10.70	9.60	780774
Aug-11	9.85	7.41	584133	9.85	7.40	837247
Sep-11	8.60	7.25	390632	8.45	7.15	324450
Oct-11	7.53	6.50	236173	7.60	6.55	245297
Nov-11	7.95	6.05	431341	8.00	6.05	439507
Dec-11	6.50	5.35	340073	6.55	5.30	398834
Jan-12	9.87	5.40	620464	9.70	5.35	1125941
Feb-12	8.40	6.93	600443	8.40	6.90	668910
Mar-12	8.60	6.85	470329	8.70	6.75	477978
TOTAL :			6104535			10903020

9. Distribution of Shareholding as on 31st March, 2012:

No of Equity Shares held (Range)	No. of Share-holders	% of Share-holders	No. of Shares held	% of Share-Holding
1 to 500	39740	80.59	6344634	17.90
501 to 1000	4843	9.82	3991506	11.26
1001 to 2000	2392	4.85	3677351	10.37
2001 to 3000	884	1.79	2267277	6.40
3001 to 4000	345	0.70	1246736	3.52
4001 to 5000	316	0.64	1506073	4.25
5001 to 10000	456	0.92	3335293	9.41
10001 & above	333	0.68	13083289	36.90
Total :	49309	100.00	35452159	100.00

10. Categories of shareholding as on 31st March, 2012 :

Category	No. of Share-holders	% of Share-holders	No. of Shares held	% of Share-Holding
Promoters & Group Companies	1	-	3320549	9.37
Directors	1	-	250	-
Financial Institution / Banks	2	-	2420	0.01
Mutual Funds	4	0.01	3200	0.01
F. I. I.s, N.R.I.s & OCBS	361	0.73	701291	1.98
Public	48940	99.25	31424449	88.64
Total	49309	100.00	35452159	100.00

11. Dematerialisation of shares

During the previous years and the year under review 35044267(98.85%) shares were dematerialised in the following depositories:

National Securities Depository Ltd. (NSDL)	20106960 (56.72%) shares
Central Depository Services (India) Ltd.(CDSL)	14937307 (42.13%) shares
ISIN No.	INE441A01026

12. Plant Locations

Company's Plants are located at

Works

Plot No.68, MIDC Industrial Area, Satpur, Nashik - 422 007.

DTA Unit

Plot No. 2, Survey No. 1B/2C, Near Octroi Naka, Vilholi, Nashik – 422 010.

EOU

Survey No. 15, Plot No. 1, Mumbai-Agra Road, Near Octroi Naka, Vilholi, Nashik – 422 010.

Solan Unit

Hadbast No. 932, Khasra No. 228, Village Jakhroda, P.O. Partha, Panchayat – Narayani, Tehsil Kasauli, Dist. Solan, Himachal Pradesh.

Silvassa Unit

Survey No. 113/6, Tirupati Industrial Estate, Near 66 KV Road, Amla, Silvassa – 396 230.

13. Address for correspondence

The Company's Registered Office is situated at D-11, Road No. 28, Wagle Industrial Estate, Thane – 400 604, Tel: (91-22) 25835504-05, Fax: (91-22) 25827636, E-mail: jp@aelgroup.com and secdept@aelgroup.com Website: www.aelgroup.com

The secretarial department of the Company is located at 107, 1st flr, Sumer Kendra Bldg., behind Mahindra Towers, Worli, Mumbai - 400 018.

Shareholder correspondence may be directed to:

Link Intime India Pvt. Ltd.,
Unit : Asian Electronics Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai – 400 078.
Tel.: 25963838, Fax: 25946979,
E-mail: helpline@linkintime.co.in

Shareholders holding shares in electronic mode should address their correspondence to their respective Depository Participants.

14. Transfer of unclaimed dividend amount to Investor Education & Protection Fund

During the year under review, the Company has credited ₹1,44,930/- to the Investor Education & Protection Fund pursuant to Section 205 C of the Companies Act, 1956 read with the Investor Education & Protection Fund (Awareness & Protection of Investors) Rules, 2001.

15. Compliance Certificate of Auditors

Certificate from the Auditors of the Company, M/s. Sorab S. Engineer & Co. confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 is annexed to the Directors' Report forming part of the Annual Report.

This certificate has been forwarded to Stock Exchanges where the shares of the Company are listed.

16. Secretarial Audit

The Secretarial Audit Report confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL is placed before the Board on quarterly basis. A copy of the Audit Report is submitted to the Stock Exchanges where the shares of the Company are listed.

17. Non-Mandatory Requirements

1. The Board
 - (a) The Company has got Executive Chairman.
 - (b) At present there is no policy fixing the tenure of independent Directors. However, no independent Directors' tenure exceeds in aggregate a period of nine years.
2. Remuneration Committee

As on 31st March, 2012, the Company has three Whole-time Directors on the Board whose appointment and remuneration has been fixed by the Board in terms of Resolution passed by the members.

In view of this, no Remuneration Committee is constituted for the purpose.
3. Shareholders' Rights

Half yearly financial results including summary of the significant events in last six months are presently not being sent to shareholders of the Company.
4. Audit Qualifications

As regards qualification as contained in the Audit Report dated November 29, 2012 please refer the responses given by the Management in Director's Report.
5. Training of Board Members

There is no formal policy at present for training of the Board

Members of the Company as the members of the Board are eminent and experienced professional persons.

6. Mechanism for evaluating non-executive board members

There is no formal mechanism existing at present for performance evaluation of non-executive directors.
7. Whistle Blower Policy

The Employees of the Company are encouraged to report to the management any unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy, which may have come to their notice. In exceptional cases, employees can have direct access to the Chairman of the Audit Committee. However, the Company has not, so far, established any formal whistle blower policy.

The above report has been placed before the Board at its meeting held on November 29, 2012 and the same was approved.

Declaration by the CEO under Clause 49 of the Listing Agreement on Compliance of the Company's Code of Conduct

To,
 Asian Electronics Ltd.,
 D-11, Road No. 28,
 Wagle Industrial Estate,
 Thane – 400 604.

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Board of Directors and Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2012.

Place: Mumbai
 Date: 29th November, 2012

Arun B. Shah
 Executive Chairman

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To the Members of Asian Electronics Ltd.

We have examined the compliance of conditions of Corporate Governance by Asian Electronics Ltd., for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For SORAB S. ENGINEER & CO.
 Chartered Accountants
CA N.D. ANKLESARIA
 Partner
 Membership No. 10250

Place: Mumbai.
 Date: 29th November, 2012



AUDITORS' REPORT

To,

THE MEMBERS OF ASIAN ELECTRONICS LIMITED

We have audited the attached Balance Sheet of Asian Electronics Limited (the Company) as at March 31, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above we report that:-
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches / divisions not visited by us, except for the financial statements of PAL Technology Division, LMD Division and SMR Division which have not been audited by branch auditors. Therefore, we are unable to express an opinion on the same.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except AS - 13 "Accounting for Investments".
 - e. As the Company has failed to repay its Public Deposits and interest thereon on the due dates, and such failure has continued for a period of over one year, all the directors are disqualified as on March 31, 2012 from being appointed as directors in any other public company, under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. Attention is invited to the following:
 - i. Note No. 30 regarding transfer of related loans and debentures of ESCO and Project Division aggregating to ₹ 14,279.62 Lacs to two wholly owned subsidiaries. The Lenders have refused to give their approval and have informed the company not to proceed with hiving off of the Assets and not to transfer the Loans / Debentures to the two subsidiaries. Although the Loans / Debentures aggregating to ₹ 14,279.62 Lacs granted by Banks/Financial Institutions to the Company are not reflected in the Books of Account, the Company continues to be liable to the lenders for the Loans / Debentures transferred to the subsidiary companies. Also, the Company has not provided interest on the above Loans / Debentures for the year under review. On the basis of information available to us, we are unable to form an opinion in this matter and unable to opine on the fall in the value of Investments in the subsidiary companies amounting to ₹ 6303.49 Lacs shown under Investment Suspense in Note No. 10.
 - ii. Note Nos. 31 to 33 regarding Stock Options granted to Directors and Employees. Since the Company has not ascertained the fair value of the Options granted, impact of the same on the Proforma Loss, Proforma basic earnings per share and Proforma diluted earnings per share is not

ascertainable.

- iii. Note No. 35, wherein as explained, LIC Mutual Fund and SBI Factors Limited had filed petitions in The Bombay High Court for winding up of the company for non-payment of their dues. We are informed that the matters have been amicably settled. Also Bank of India has served upon the Company a Notice under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Act, 2002 for repayment of dues and other Banks have also asked the Company for repayment of their dues.
- iv. Note No. 37, wherein consequent to review made by the management the following are the observations:
 1. Diminution in the value of Investments in certain companies of ₹ 4507.47 Lacs not reflected in the Financial Statements (AS-13).
 2. Loans aggregating to ₹ 14,711.32 Lacs have been called back by the banks, due to default in repayment of the principal and interest amount. Interest aggregating to ₹ 540.00 Lacs approx, has not been provided on these loans for the quarter ended 31.03.12 and consequently loss for the year has been understated to the same extent. Of the above, balances aggregating to ₹ 2461.84 Lacs have not been confirmed/reconciled. Consequently the aggregate liability due to these Banks is not ascertainable.
 3. Trade Receivables considered good includes ₹ 8647.06 Lacs of old Outstanding's which may be doubtful of recovery.
 4. Old Debit Balances of ₹ 3813.54 Lacs included in Loans and Advances and ₹ 22.16 Lacs on account of Unreconciled Bank Balances which may not be recoverable / realizable. Interest free advances of ₹ 147.50 Lacs were given during the year to two parties. We are unable to express an opinion on these transactions.
 5. Interest amounting to ₹ 21.79 Lacs approx, has not been provided on Public Deposits which have matured and claimed but have not been paid and consequently loss for the year has been understated to the same extent. Consequently, although the above have been shown as Considered Good, no provision has been made for the same. In view of the above, we are unable to express an opinion on the recoverability / realisability of the above mentioned items, the impact of the same on the Loss for the year as well as the future viability of the Company as a 'going concern'.
 6. Managerial remuneration of ₹ 15.02 Lacs paid for the period 1.6.2011 to 31.3.2012 to the executive director is subject to the approval of the central government.
- g. Subject to our remarks mentioned in Paragraph (f) above and our comments in the Annexure referred to in Paragraph 1, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date, and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For SORAB S. ENGINEER & CO.
Chartered Accountants
Firm Registration No.: 110417W

CA N. D. ANKLESARIA
Partner
Membership No. 10250

Place: Mumbai.
Date: 29th November, 2012.

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date.

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b. All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year.
- ii. a. The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. On the basis of our examination of the records of inventory, material discrepancies were noticed between book records and physical verification of inventories. However, the same have been dealt with in the books of account.
- iii. a. to g. As no entries have been made in the Register required to be maintained under Section 301 of the Companies Act, 1956, we are unable to opine whether the Company has granted or taken any Loans, secured or unsecured to / from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- iv. On the basis of the audit procedures and our examination of the books of Account, we are of the opinion that internal control system is not adequate and requires strengthening in order to make it commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have observed failures to correct major weaknesses in the internal controls in certain areas. Attention is invited to the matters stated in Note No. 39.
- v. a. Entries which are needed to be made in the Register of Contracts required to be maintained under Section 301 of the Companies Act, 1956 have not been made.
- b. Consequently we are unable to opine whether transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not complied with certain provisions of Section 58A, 58AA and other relevant provisions of Companies Act 1956 and the rules framed there under. Deposits matured and claimed, but unpaid as on 31.3.2012 are Rs 201.25 Lacs. No interest has been provided on the same after the date of maturity. No intimation to Tribunal regarding default in repayment of deposits has been made. Public deposits amounting to ₹ 7.57 Lacs are matured but not claimed.
- vii. As per the information and explanations given to us, the company did not have any internal audit system during the year .
- viii. From the current year, rules for maintaining cost records prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956 ,have become applicable for the products manufactured by the company. The company is in the process of compiling the cost records.
- ix. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Income Tax, Custom Duty, Excise Duty, Wealth Tax, Service Tax and other statutory dues have not been regularly deposited with the appropriate authorities.
- There are no dues on account of Cess under Section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government of India.
- According to the information and explanations given to us, the undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance,

Sales Tax, Income Tax, Custom Duty, Excise Duty, Wealth Tax, Service Tax and other statutory dues which were in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable are as under:

Statutory Dues	₹ in Lacs
TDS	56.63
Service Tax	7.09
ESIC	2.60
Custom Duty	10.32
Profession Tax	1.03
Works Contract Tax	0.53

- b. According to the records of the company, there are no dues of vat, central sales tax, income tax, customs duty, wealth tax, excise duty/ cess which have not been deposited on account of any dispute.
- x. The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses, both in the present financial year, and in the immediately preceding financial year.
- xi. As per the information and explanations given by the management, the Company has defaulted in repayment of its dues to various banks and a financial institution during the period covered by our audit. In absence of confirmation/reconciliations from the banks and the financial institution, we are unable to ascertain the period and amount of default.
- xii. In our opinion and according to the information and explanations given by the management, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, Debentures or any other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, Debentures and any other investments. Therefore, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given by the management, the Company has given a corporate guarantee amounting to Rs 300 Lacs for a loan taken by a third party from a bank. The terms and conditions of the said guarantee are prima facie, not prejudicial to the interest of the Company.
- xvi. On the basis of the records examined by us, we are unable to ascertain whether the Company has applied the term loans for the purpose for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the financial statements and after placing reliance on the reasonable assumptions made by the Company for classification of Short-term and Long-term usage of the funds, we are of the opinion that, prima facie, no funds raised on short-term basis have been utilized for long-term investment.
- xviii. According to the information and explanations given to us, during the period covered by our audit report, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 .
- xix. According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued any secured debentures.
- xx. According to the information and explanations given to us, the Company has not made any public issues during the year.
- xxi. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **SORAB S. ENGINEER & CO.**
Chartered Accountants
Firm Registration No.: 110417W
CA N. D. ANKLESARIA
Partner
Membership No. 10250

Place: Mumbai
Date: 29th November, 2012



BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Note No	As at 31st March 2012	As at 31st March 2011
(₹ in Lacs)			
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	1,710.18	1,693.60
(b) Reserves and surplus	3	2,234.56	14,566.00
2 Non-current liabilities			
(a) Long-term borrowings	4	93.46	155.40
(b) Long-term provisions	5	67.73	141.17
3 Current liabilities			
(a) Short-term borrowings	6	18,774.37	18,535.83
(b) Trade payables		5,287.52	3,945.74
(c) Other current liabilities	7	8,463.12	4,971.88
(d) Short-term provisions	8	370.88	564.44
TOTAL		37,001.82	44,574.06
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets		3,032.62	3,231.78
(ii) Intangible assets		22.55	114.12
(iii) Capital work-in-progress		703.59	780.38
	9	3,758.76	4,126.28
(b) Non-current investments	10	11,088.96	11,088.96
(c) Long-term loans and advances	11	109.30	135.63
2 Current assets			
(a) Inventories	12	2,127.62	8,364.68
(b) Trade receivables	13	11,440.08	13,167.87
(c) Cash and Cash Equivalents	14	376.98	593.69
(d) Short-term loans and advances	15	8,086.35	7,083.48
(e) Other current assets	16	13.77	13.47
TOTAL		37,001.82	44,574.06
Summary of Significant Accounting Policies	1		
Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith			

As per our report of even date attached
For **SORAB S. ENGINEER & CO.**
Chartered Accountants
(Firm Regn No.: 110417W)
C.A. N. D. ANKLESARIA
Partner
Membership No. 10250
Mumbai : 29th November, 2012

For and on Behalf of the Board of Directors
ARUN B. SHAH
Executive Chairman
SADANAND SAHASRABUDHE
Chief Financial Officer
Mumbai : 29th November, 2012

RAJESH MEHTA
Executive Director & Jt. CEO
DHANANJAY DUMBRE
Asst. Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	Note No.	(₹ in Lacs)	
		For the Year ended 31st March 2012	For the Year ended 31st March 2011
I. Revenue from operations	17	8,282.45	14,758.64
II. Other income	18	265.39	102.11
III. Total Revenue (I + II)		8,547.84	14,860.75
IV. Expenses:			
Cost of Materials Consumed	19	3,267.16	4,211.99
Purchases of Stock in Trade	20	6,685.53	12,155.61
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in -Trade	21	5,231.52	(262.98)
Employee benefits expenses	22	670.58	837.57
Finance costs	23	2,006.94	2,531.22
Other expenses	24	2,655.84	2,069.24
Depreciation on Assets and Amortization		386.92	439.85
Total expenses		20,904.49	21,982.50
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(12,356.65)	(7,121.75)
VI. Exceptional items		-	-
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		(12,356.65)	(7,121.75)
VIII. Extraordinary Items	25	-	(804.63)
IX. Profit/(Loss) before tax (VII- VIII)		(12,356.65)	(7,926.38)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Short /(excess) provision of Income Tax of earlier years (Net)		-	-
XI. Profit/(Loss) for the year (IX-X)		(12,356.65)	(7,926.38)
XII. Earnings per equity share:(in ₹)	42		
Nominal Value per Share ₹ 5/- (Previous Year ₹ 5)			
Before Extraordinary Items			
Basic		(34.85)	(22.00)
Diluted		(34.85)	(22.00)
After Extraordinary Items			
Basic		(34.85)	(24.48)
Diluted		(34.85)	(24.48)
Summary of Significant Accounting Policies	1		
Notes referred to above form an integral part of the Statement of Profit and Loss and should be read in conjunction therewith			

As per our report of even date attached

For **SORAB S. ENGINEER & CO.**Chartered Accountants
(Firm Regn No.: 110417W)**C.A. N. D. ANKLESARIA**
PartnerMembership No. 10250
Mumbai : 29th November, 2012

For and on Behalf of the Board of Directors

ARUN B. SHAH
Executive Chairman**SADANAND SAHASRABUDHE**
Chief Financial OfficerMumbai : 29th November, 2012**RAJESH MEHTA**
Executive Director & Jt. CEO**DHANANJAY DUMBRE**
Asst. Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	(₹ in Lacs)	
	Mar 31, 2012	Mar 31, 2011
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	(12,356.65)	(7,926.38)
Adjustments for:		
Depreciation / Amortization	386.92	439.85
Foreign exchange Loss / (Gain) (Net)	22.30	(69.72)
Profit on Sale of Fixed Assets	-	(1.57)
Loss on sale of fixed assets	-	111.59
Interest expenses	2,006.94	2,531.21
Interest Income	(210.93)	(59.24)
Diminution in value of Fixed Assets	161.75	270.21
Exceptional items	-	804.63
Sundry credit balances written back		(0.18)
Bad debts written off	637.17	0.68
Operating profit before working capital changes	(9,352.50)	(3,898.92)
Movement in working capital:		
(Increase) / Decrease in Inventories	6,237.06	1,141.28
(Increase) / Decrease in Sundry Debtors	1,068.32	5,054.05
(Increase) / Decrease in Loans and Advances	(1,673.22)	292.76
Increase / (Decrease) in Current Liabilities / Provisions	4,566.04	(4,496.19)
Cash generated from operations	845.70	(1,907.02)
Direct Taxes paid (net)	696.36	205.45
Net cash generated from operating activities	(A) 1,542.06	(1,701.57)
<u>B. CASH FLOWS USED IN INVESTING ACTIVITIES:</u>		
Purchase of fixed assets	(181.14)	(27.22)
Proceeds from sale of fixed assets	-	2.63
Purchase of investments	-	(2.00)
Maturity of fixed deposits (net)		6.27
Interest received	210.93	59.24
Net cash used in investing activities	(B) 29.79	38.92
<u>C. CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Proceeds from issuance of share capital	41.79	324.03
Proceeds from borrowings	238.54	4,225.60
Repayment of borrowings	(61.94)	(730.78)
Interest paid	(2,006.94)	(2,531.21)
Net cash generated from financing activities	(C) (1,788.55)	1,287.64
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(216.71)	(375.01)
Cash and cash equivalents at the beginning of the year	593.69	968.70
Cash and cash equivalents at the end of the year	376.98	593.69

As per our report of even date attached
For **SORAB S. ENGINEER & CO.**
Chartered Accountants
(Firm Regn No.: 110417W)

C.A. N. D. ANKLESARIA
Partner
Membership No. 10250
Mumbai : 29th November, 2012

For and on Behalf of the Board of Directors

ARUN B. SHAH
Executive Chairman
SADANAND SAHASRABUDHE
Chief Financial Officer

Mumbai : 29th November, 2012

RAJESH MEHTA
Executive Director & Jt. CEO
DHANANJAY DUMBRE
Asst. Company Secretary

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES**Nature of Operations**

Asian Electronics Limited (AEL) was established in 1964 is involved in design and manufacturing of Energy Conservation products – specializing in energy efficient lighting solutions.

Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The previous figures are being regrouped wherever necessary for comparative evaluations. The significant accounting policies followed by the Company are stated below:

Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.1. Method of accounting

- a) Revenues and Costs are recognized on accrual basis.
- b) Capital issue expenses are charged to Securities Premium Account.
- c) Warranty period maintenance cost, being insignificant, is accounted when incurred.

1.2. Fixed assets and depreciation

- a) Fixed assets are stated at cost less accumulated depreciation & impairment losses, if any. Cost comprises of all expenses attributable for bringing the assets to their working condition for intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use
- b) Depreciation on fixed assets, other than leased assets, is provided as per useful lives of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher as under :
 - on the fixed assets acquired upto 31.12.1988, on written down value as appearing in the books on 1.1.1989.

- on the fixed assets acquired after 31.12.1988 on straight line basis, other than assets lying at Chennai Division, which are depreciated on written down value method.

- assets costing less than ₹5,000 acquired after 15.12.93 are depreciated at 100%

- c) Leased assets are depreciated on straight line basis over the period of lease.
- d) Patents and Trade marks are amortized over a period of ten years.
- e) Miscellaneous expenditure is written off over a period of five years.
- f) Product Development expenditure are amortized over a period of 3-7 years.
- g) Software is written off over a period of five years.
- h) Goodwill is amortized using straight line method over a period of five years.

However, no costs are incurred in respect of para (c) to (h) during the year, and are applicable for historical assets only.

1.3. Impairment

- a) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- b) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- c) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

1.4. Lease rental

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.



These assets are depreciated on the straight line method over the period of lease.

Where the Company is the lessor

Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognized as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account. However, upon termination of operating lease, the assets are removed from the fixed assets and reflected under appropriate head of receivables in accordance with the nature of claim and amount.

1.5. Investment

Investments are divided in the following segments:

- i) Investments in subsidiaries and associate business entities made with a view to long term business benefit.
- ii) Other investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value, save and except what is stated in Note No. 37 below is made to recognize a decline other than temporary in the value of the investments.

1.6. Inventories

Inventories are valued as under:

- Raw materials, Components, stores and spares: Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.
- Finished goods: at lower of cost and net realizable value
- Work in progress: at lower of cost and net realizable value
- Cost in relation to finished goods and work in progress includes cost of material and appropriate share of manufacturing overheads and includes excise duty payable on uncleared finished goods and excise duty paid on goods cleared but unsold.

- Cost of consumable spares purchased during the year is charged to the profit and loss account.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.7. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- a) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and on completion of installation. Sales are recorded net of sales tax but include excise duty.
- b) Income from annual maintenance service contract is recognized on a straight line basis over the period of contracts. Income from other service contracts is recognized on completion of the service rendered.
- c) Income in respect of goods sold on deferred sales basis is recognized as sales at normal sale price. Finance income is recognized over the terms of the payment.
- d) Income from supply/erection of equipments/systems is recognized based on dispatches to customer/work done at project site.
- e) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- f) Dividend is recognized when the shareholders' right to receive payment is established by the balance sheet date.
- g) Revenue from projects is recognized on acceptance of the work under the project by the respective project authorities.

1.8. Retirement and other employee benefits

- a) Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts. . During the year, the Company has initiated the process of transferring the trust assets and benefits to Govt Provident Fund.
- b) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- c) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- d) Actuarial gains / losses are immediately taken to profit and loss account and are not deferred.

1.9. Foreign currency translation**a) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

Forward Exchange Contracts are not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

1.10. Taxes on Income

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets on unabsorbed depreciation and unabsorbed tax losses are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become virtually certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer virtually certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes virtually certain, that sufficient future taxable income will be available.

1.11. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.12. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

1.13. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.14. Contingent Liabilities, if any, are disclosed by way of notes to accounts.



NOTES FORMING PART OF THE ACCOUNT

Note 2: Share Capital

Particulars

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number	(₹ in Lacs)	Number	(₹ in Lacs)
Authorised				
Equity Shares of ₹5/- each	80,000,000	4,000.00	80,000,000	4,000
Issued				
Equity Shares of ₹5/- each	35,453,259	1,772.66	35,453,259	1,772.66
Subscribed & Fully Paid up				
Equity Shares of ₹5/- each	35,452,159	1,772.61	35,452,159.00	1,772.61
Less: Amount recoverable from ESOP Trust		(62.43)		(79.01)
		1,710.18		1,693.60

a. Reconciliation of number of shares outstanding at the beginning and end of the year

Particulars	As at	As at	As at	As at
	31.03.2012	31.03.2012	31.03.2011	31.03.2011
	No. of Shares	(₹ in Lacs)	No. of Shares	(₹ in Lacs)
Shares outstanding at the beginning of the year	35,452,159	1,772.61	30,718,277	1,535.91
Shares Issued during the year			4,733,882	236.70
Shares bought back during the year				
Shares outstanding at the end of the year	35,452,159	1,772.61	35,452,159	1,772.61

b. Rights, Preferences and Restrictions attached to Shares

The Company has one class of shares referred to as equity shares having a par value of ₹5 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Shares held by Holding /Ultimate Holding Company and /or its subsidiaries /associates:

There are no Shares held by Holding Company or Ultimate Holding Company or shares held by its subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

d. List of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
ARUN B. SHAH	3320549	9.37	3,320,549	9.37%
RITIKA GEMS PRIVATE LIMITED			2,000,000	5.64%

e. During the last 5 years, the Company has neither issued any Bonus Shares nor allotted any shares pursuant to a contract without payment being received in cash. No shares have been bought back during the last 5 years.

f. Unpaid calls

As per records of the Company, no calls remain unpaid by the directors and officers of the Company as on 31st March, 2012

g. As per records of the Company, no shares have been forfeited by the Company during the year.

NOTES FORMING PART OF THE ACCOUNT

Note 3: Reserves and Surplus

Particulars	As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
a. Capital Redemption Reserve		
As per last Balance Sheet	87.62	87.62
b. Special Reserve		
As per last Balance Sheet	325.00	325.00
c. Capital Reserve		
As per Last Balance Sheet	511.06	321.23
Addition during the year	-	189.83
Closing Balance	511.06	511.06
d. Securities Premium Account		
As per Last Balance Sheet	21,473.56	20,605.38
Add: Addition during the year	-	868.17
	21,473.56	21,473.55
Less: Amount Recoverable from ESOP Trust	(94.89)	(120.09)
Closing Balance	21,378.67	21,353.46
d. Debit Balance of Statement of Profit and Loss.		
Opening balance	(7,711.14)	215.24
(+) Net Profit/(Net Loss) for the year	(12,356.67)	(7,926.38)
Closing Balance	(20,067.81)	(7,711.14)
Total	2,234.54	14,566.00

Note 4 : Long Term Borrowings

Particulars	As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
Unsecured		
Deposits	-	-
Public Deposits	93.46	155.40
Total	93.46	155.40

Details of Default & Repayment :-

Deposits matured & claimed, but unpaid as on 31.03.12 are ₹ 201.25 lacs. Interest amounting to ₹ 21.79 lacs approx. has not been provided on Public Deposits which have matured & claimed but have not been paid. No interest has been provided on the same after the date of maturity. Public Deposits amounting to ₹ 7.57 lacs are matured but not claimed.

Note 5: Long Term Provisions

Particulars	As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
Provision for employee benefits		
Gratuity	48.94	55.53
Leave Encashment	18.79	85.64
Total	67.73	141.17



NOTES FORMING PART OF THE ACCOUNT

Note 6: Short Term Borrowings

Particulars	As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
Secured		
(a) Loans Repayable on Demand From banks		
Working Capital Loans	13,861.76	13,718.78
LC Payable	4,488.04	4,488.04
Unsecured		
(a) Deposits		
Public Deposits	272.76	242.71
(b) From Others	151.81	86.30
Total	18,774.37	18,535.83

Notes :

Nature of Security

1. Working Capital Facilities of ₹13861.76 lacs (Previous year ₹13718.78 lacs) are secured by :

[a] Hypothecation of current assets except Esco receivables.

[b] Second charge on immovable properties at 68, MIDC, Satpur, Nasik - 422 007.

Details of Default & Repayment :

All the loans aggregating to ₹18349.80 lacs have been called back by the respective Banks due to default in the repayment of Principal & Interest amount . In absence of confirmations /reconciliations from the Banks, the company is unable to ascertain the exact amount of default.

Note 7: Other Current Liabilities

Particulars	As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
(a) Current Maturities of Long Term Debt :		
Current Maturities of Long Term Borrowings	859.41	859.22
(b) Interest accrued and due on borrowings	3,229.85	69.99
(c) Due to Subsidiary Companies	1,804.92	890.54
(d) Liability towards Investors Education and Protection Fund under Section 205 C of the Companies Act, 1956 not due :		
Unpaid Dividends	7.87	10.74
(e) Other liabilities	743.53	2,133.04
(f) Other Payables		
Central Excise, Customs Duty, VAT and Service Tax Payable	757.30	256.96
Trade / Security Deposits received	336.45	277.06
Tax Deducted at Source	56.32	57.11
Salary and Reimbursements	198.55	157.56
Provident Fund and other Employee Deductions	39.04	38.66
Advances from Customers	429.88	221.00
Total	8,463.12	4,971.88

NOTES FORMING PART OF THE ACCOUNT

Notes :-

Nature of Security :-

1. Term Loan of ₹549.55 lacs (Previous Year ₹549.55 lacs) from Bank Of India is secured by first charge by way of Equitable mortgage on the immovable properties of the company at Thane.
2. Term Loan of ₹300 lacs (Previous year ₹300 lacs) from UCO Bank is secured by :
 - (a) Assignment of Letter of Credit of MSEDCL and hypothecation of receivables arising out of MSEDCL lease rentals.
 - (b) Exclusive charge on ESCO receivables subject to first prior charge of IREDA to the extent Rs 1800 lacs.
 - (c) Exclusive first mortgage charge on immovable propoerties and hypothecation charge on movable fixed assets of the company excluding charge created in favour of IREDA.
 - (d) Paripasu second charge on company's current assets excluding ESCO receivables and MSEDCL receivables.
3. Rupee term loan of ₹9.85 lacs (Previous year ₹9.85 lacs) from IREDA is secured by
 - [1] First charge by way of hypothecation of assets acquired out of IREDA's loan and Company's own funds under the scheme, both existing and future.
 - [2] Second charge on the immovable properties of the Company at Nasik.
 - [3] Personal guarantee of the then Chairman.
 - [4] Corporate guarantee of a group Company
 - [5] Hypothecation of receivables from state electricity boards of amount not exceeding ₹1800 lacs

Details of Default & Repayment :-

All the loans have been called back by the respective Banks and Financial Institution due to default in the repayment of Principal & Interest amount aggregating to ₹ 859.41 lacs & ₹3229.85 lacs respectively. No Interest has been provided on these loans for the quarter ended 31.03.12.

In absence of confirmations /reconciliations from the Banks & Financial Institution, the company is unable to ascertain the exact amount of default.

Note 8: Short Term Provisions

Particulars

	As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
Provision for employee benefits		
Gratuity	1.79	0.36
Leave Encashment	6.26	7.31
Provision - Others		
Provision for Commission	362.83	556.77
Total	370.88	564.44

NOTES FORMING PART OF THE ACCOUNT

NOTE 9: FIXED ASSETS

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			IMPAIRMENT		NET BLOCK	
	Upto 31st March 2011	Upto 31st March 2012	Upto 31st March 2011	Provided during the period	Written Back during the period	Upto 31st March 2012	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
<u>Tangible Assets</u>										
Free Hold Land	2.95	2.95	-	-	-	-	-	-	2.95	2.95
Lease Hold	6.09	6.09	1.99	0.07	-	2.06	-	-	4.03	4.10
Factory Building	1,115.51	1,115.51	395.86	35.99	-	431.85	-	-	683.66	719.65
Flat	6.21	6.21	0.80	-	-	0.80	5.41	5.41	-	-
Plant & Machinery	7,483.90	7,579.74	3,544.95	230.65	-	3,775.60	1,558.37	1,558.37	2,245.77	2,380.58
Furniture & Fixtures	242.32	242.67	177.18	8.53	-	185.71	4.89	4.89	52.07	60.25
Vehicle / Cycle	148.01	148.01	83.46	20.10	-	103.56	0.31	0.31	44.14	64.24
<u>Intangible Assets</u>										
Goodwill	119.00	119.00	97.74	4.25	-	101.99	-	-	17.01	21.26
Patents & Trademarks	25.84	25.84	19.99	1.70	-	21.69	-	-	4.15	5.85
Product Development Cost	712.21	712.21	625.85	85.19	-	711.04	-	-	1.17	86.37
Software	2.21	2.21	1.55	0.44	-	1.99	-	-	0.22	0.65
TOTAL	9,864.25	9,960.44	4,949.37	386.92	-	5,336.29	1,568.98	1,568.98	3,055.17	3,345.90
Previous Year	9,867.29	9,864.25	4,514.42	439.85	4.89	4,949.37	1,568.98	1,568.98	3,345.90	

NOTES FORMING PART OF THE ACCOUNT

Note 10: Non Current Investments

Particulars	Nominal Value	Number of Share	As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
A Trade Investments (At Cost)				
Investments in Fully Paid Equity Shares				
In Joint Ventures (Unquoted)				
Equity shares of Midcom Magnetics Management Pvt.Ltd.	₹ 10	20,000	139.50	139.50
In Others (Unquoted) (Refer Note 37 (a) and (b))				
Asian Electronics LLC, Delaware, USA.	USD 1	10,000	4.54	4.54
Global Energy Management (Europe) Ltd.	GBP 1	4,750	3.23	3.23
Unique Waste Plastic Management And Research Company Private Limited	₹ 10	2,450,000	4,360.20	4,360.20
Asian Retail Lighting Ltd	₹ 10	1,451,040	276.00	276.00
In Wholly Owned Subsidiaries (Unquoted)				
AEL ESCO Private Limited	₹ 10	100,000	1.00	1.00
AEL Projects Private Limited	₹ 10	100,000	1.00	1.00
In Investment Suspense				
AEL ESCO Private Limited			5,174.34	5,174.34
AEL Projects Private Limited			1,129.15	1,129.15
Total			11,088.96	11,088.96
a Aggregate Book Value of Investments				
Particulars			As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
Aggregate amount of quoted investments				
Aggregate amount of unquoted investments			11,088.96	11,088.96
Aggregate provision for diminution in value of investments				
b Disclosure as per AS 13 - Accounting for Investments				
Particulars			As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
Long Term Investments			11,088.96	11,088.96
Current Investments				
Total			11,088.96	11,088.96



NOTES FORMING PART OF THE ACCOUNT

Note 11: Long Term Loans and Advances
(Unsecured, considered good)

Particulars	As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
a. Security Deposits		
To Others	109.30	135.63
Total	109.30	135.63

Note 12: Inventories (Valued at lower of cost or net realisable value)
(as taken, valued and certified by the management)

Particulars		
a. Raw Materials	1,251.33	2,256.88
b. Work-in-progress	2,457.66	3,329.85
c. Finished goods	4,031.63	4,393.68
d. Trading Stock	-	3,997.27
	7,740.62	13,977.68
Less : Provision for Inventory	(5,613.00)	(5,613.00)
Total	2,127.62	8,364.68

Note 13: Trade Receivables
(Unsecured, considered good unless otherwise stated)

Particulars		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	9,612.39	12,087.62
Considered doubtful	13,115.54	13,115.54
	22,727.93	25,203.16
Less: Provision for Doubtful Debts	13,115.54	13,115.54
	9,612.39	12,087.62
Others	1,827.69	1,080.25
Total	11,440.08	13,167.87

NOTES FORMING PART OF THE ACCOUNT

Note 14: Cash and Cash Equivalents

Particulars	As at 31 March 2012		As at 31 March 2011	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Cash and cash equivalents				
a. Cash on Hand		4.20		24.54
b. Cheques in Hand		-		-
c. Balances with Banks on Current Accounts				
with Scheduled Banks	66.74		234.25	
with Unscheduled Banks	0.12	66.86	0.12	234.37
		71.06		258.91
Other Bank Balances				
a. Balances held for unpaid Dividends		7.86		10.74
b. Bank Deposits as Margin money		19.09		0.30
c. Bank Deposits		278.97		323.74
		305.92		334.78
Total		376.98		593.69

Note 15: Short term loans and advances

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2012		As at 31 March 2011	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Advances Recoverable in Cash or in Kind				
To Employees	11.85		11.87	
To Others - considered good	544.99		957.28	
To Others - considered doubtful	199.59	756.43	199.59	1,168.74
Intercompany Deposits		295.53		3.38
Security Deposits		200.66		230.34
Prepaid Expenses		11.95		24.11
Balances with Government Authorities				
Considered good	290.19		343.60	
Considered doubtful	95.05	385.24	95.05	438.65
Advance paid to supplier				
Considered good	6,521.14		4,606.50	
Considered doubtful	1,039.16	7,560.30	1,039.16	5,645.66
Advance tax paid (Net of Provision of ₹ 6.58 Lacs (Previous Year ₹87.80 Lacs)		210.04		906.40
Less : Provision for Doubtful Advances		(1,333.80)		(1,333.80)
Total		8,086.35		7,083.48

Note 16: Other Current Assets

Other Current Assets

Particulars	As at	As at
	31 March 2012	31 March 2011
	(₹ in Lacs)	(₹ in Lacs)
Interest Accrued on Loans	13.77	13.47



NOTES FORMING PART OF THE ACCOUNT

Note 17: Revenue from operations

Particulars	(₹ in Lacs)	
	For the year ended 31 March 2012	For the year ended 31 March 2011
Sale of Products		
Manufactured goods	2,485.54	4,038.51
Less: Excise duty	224.34	402.04
Sale of manufactured goods (net of excise)	2,261.20	3,636.47
Trading Sales	5,956.33	10,912.55
Other Operating Revenues		
Lease Rent and Maintenance Charges	0.60	-
Scrap and sundry sales	23.61	38.15
Insurance Claim Received	11.49	1.17
Maintenance and Support	29.22	100.58
Foreign Exchange Income	-	69.72
Total	8,282.45	14,758.64

Note 18: Other Income

Particulars	(₹ in Lacs)	
	For the year ended 31 March 2012	For the year ended 31 March 2011
Interest Income		
Interest from Banks on Deposits	23.68	19.45
Interest on Loans and Advances	16.61	0.18
Interest on Overdue Trade Receivables	10.23	30.87
Interest on Income Tax Refund	160.41	8.74
	210.93	59.24
Other Non Operating Income		
Prior Period Items (Net)	18.88	-
Miscellaneous Income	35.58	42.87
	54.46	42.87
Total	265.39	102.11

NOTES FORMING PART OF THE ACCOUNT

Note 19: Cost of Materials Consumed

Particulars	(₹ in Lacs)	
	For the year ended 31 March 2012	For the year ended 31 March 2011
Cost of Materials Consumed		
Raw Materials Consumed		
Stock at the beginning of the year	2,256.88	3,521.23
Add: Purchases (Net)	2,236.22	3,171.17
Less: Sale of Raw Materials	(65.46)	(424.15)
	4,427.64	6,268.25
Less: Stock at the end of the year	1,251.33	2,256.88
Total - **	3,176.31	4,011.37
Stores and Spares Consumed	12.63	145.27
Packing Material Consumed	78.22	55.35
Total	3,267.16	4,211.99

** Net of write off of obsolete inventory of raw materials aggregating to ₹ 385.98/- lacs in the current year.

Note 20: Purchases of Stock in Trade

Particulars	(₹ in Lacs)	
	For the year ended 31 March 2012	For the year ended 31 March 2011
Cost of Traded Materials	6,685.53	12,155.61

Note 21: Changes in Inventories

Particulars	(₹ in Lacs)	
	For the year ended 31 March 2012	For the year ended 31 March 2011
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade (Increase)/Decrease in Stock		
Opening Stocks		
Finished Goods - Manufactured	4,393.68	4,698.48
Stock- in-Trade - Projects	3,997.28	2,929.75
Work-in-Progress	3,329.85	3,829.60
	11,720.81	11,457.83
Less: Closing Stocks :	-	-
Finished Goods - Manufactured	4,031.63	4,393.68
Stock- in-Trade - Projects	-	3,997.28
Work-in-Progress	2,457.66	3,329.85
	6,489.29	11,720.81
Total - ***	5,231.52	(262.98)

*** Includes Write off of Obsolete Inventories of WIP and Stock In Trade amounting to respectively ₹451.70 lacs & ₹6276.08 lacs respectively in the current year.



NOTES FORMING PART OF THE ACCOUNT

Note 22: Employee Benefit Expenses

Particulars	For the year ended 31 March 2012	(₹ in Lacs) For the year ended 31 March 2011
Salaries and Wages	597.91	766.83
Contributions to Provident and other funds	47.03	43.99
Staff welfare Expenses	25.64	26.75
Total	670.58	837.57

Note 23: Finance Costs

Particulars	(₹ in Lacs)	
Interest expense	For the year ended 31 March 2012	For the year ended 31 March 2011
On Term Loans	108.06	191.77
On Working Capital Loans	317.97	470.72
On Others	57.60	78.70
Bank Charges	1,523.31	1,790.03
Total	2,006.94	2,531.22

Note 24: Other Expenses

Particulars	(₹ in Lacs)	
	For the year ended 31 March 2012	For the year ended 31 March 2011
Excise Duty	115.64	138.04
Installation and Maintainance Charges	26.13	79.97
Power and Fuel	75.09	74.10
Insurance	27.02	29.98
Rent	75.05	91.70
Rates and Taxes	12.07	21.15
Repairs		
To Machinery	3.26	72.81
To Buildings	6.03	0.92
To Others	158.75	235.04
	168.04	308.77
Commission and Brokerage	68.82	102.91
Communication Expenses	37.57	43.51
Freight and Forwarding Expenses	189.91	247.07
Sales Promotion	12.63	20.08
Directors' Sitting Fees	5.72	6.44
Travelling and Conveyance Expenses	102.05	137.54
Legal & Professional Charges	126.37	143.89
Bad debts/irrecoverable advances	637.17	0.72
Claims Paid	212.63	-
Foreign Exchange Loss	22.30	-
Diminution in Value of Fixed Assets	161.75	381.80
Provision for Doubtful Debts and Receivables	-	-
VAT Expenses	405.32	-
Payments to Auditors		
Audit Fees	30.00	30.00
Reimbursement of Expenses	0.23	0.08
	30.23	30.08
Miscellaneous Expenses	144.33	211.49
Total	2,655.84	2,069.24

NOTES FORMING PART OF THE ACCOUNT

Note 25 : Extraordinary Items

Particulars	(₹ in Lacs)	
	For the year ended 31 March 2012	For the year ended 31 March 2011
Expense on Employee Stock Option Scheme (ESOP)	-	804.63
	-	804.63

NOTE 26

NOTES TO THE ACCOUNTS

Installed capacities and production

Class of Goods	Unit	Installed Capacity	Unit	Production
CFL	Nos.	46,80,000 <i>46,80,000</i>	Nos.	228,050 <i>6,91,210</i>
Ballast	Nos.	24,96,000 <i>24,96,000</i>	Nos.	35,670 <i>2,25,639</i>
Streetlight And Highbay	Nos.	1,56,000 <i>1,56,000</i>	Nos.	91,775 <i>29,933</i>
Retrofit and Conventation	Nos.	15,60,000 <i>15,60,000</i>	Nos.	39,28,491 <i>9,27,124</i>
Retrofit Systems, power products & Parts thereof (Export)	Nos.	3,12,000 <i>3,12,000</i>	Nos.	51,222 <i>1,48,205</i>

Figures in Italics pertain to previous year.

Notes:

- The quantity of actual production is inclusive of goods produced by processors.
- Installed capacity and quantitative information regarding product wise Sales, Opening and Closing Stocks and Production is as certified by Directors and accepted by the Auditors as correct. The Capacity is calculated based on standard or most useful configuration of the product.

Sales	Unit	Quantity (2011-12)	₹ In lacs (2011-12)	Quantity (2010-11)	₹ in lacs (2010-11)
CFL	Nos.	4,00,723	389.68	6,46,093	849.38
Ballast	Nos.	21,263	117.41	2,31,161	294.48
Streetlight And Highbay	Nos.	91,900	341.18	29,918	379.05
Retrofit And Conventation	Nos.	39,95,397	1,052.64	12,62,043	1,273.61
Retrofit Systems, power products& Parts thereof (Export)	Nos.	51,160	360.29	1,48,205	839.95
Trading Sales comprising of retrofit parts			5956.33		10,912.55
Total			8217.53		14,549.02

Details of Finished Goods

	Unit	Opening Stock		Closing Stock	
		Quantity (2011-12)	₹ in Lacs (2011-12)	Quantity (2011-12)	₹ in Lacs (2011-12)
CFL	Nos	2,94,124	126.89	1,21,451	51.19
Ballast	Nos	2,619	3.65	17,026	7.44
Streetlight And Highbay	Nos	179	1.89	54	0.95
Retrofit And Conventation	Nos	6,50,994	657.66	28,875	367.53
Retrofit Systems & Parts thereof (Export)	Nos	242	3.59	304	4.52
Machinery to solid waste Management (Fully provided)	Nos	2	3,600	2	3,600
Total			4,393.68		4031.63
Trading Stock			3,997.28		-

NOTES FORMING PART OF THE ACCOUNT

Consumption of raw materials		Quantity (2011-12)	₹ In lacs (2011-12)	Quantity (2010-11)	₹ in lacs (2010-11)
Tube rods	Nos.	3,64,208	175.01	5,73,283	278.21
Others			3001.30		3,733.16
Total			3176.31		4,011.37
Trading materials					
Lighting components / fixtures			6685.53		12,155.61

It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

Consumption of raw materials		% of total consumption	₹ in Lacs (2011-12)	% of total consumption	₹ in Lacs (2010-11)
Imported		21.89%	695.18	21.82%	875.25
Indigenous		78.11%	2481.13	78.18%	3136.12
Total		100.00%	3176.31	100.00%	4,011.37
Stores and spares					
Imported		-	-		
Indigenous		100%	12.63	100%	145.27
Total		100%	12.63	100%	145.27

26.1 Expenditure in foreign currency (Accrual basis)

Particulars	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
Travelling expenses	-	-
Total	-	-

26.2 Value of Imports Calculated on CIF basis

Particulars	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
Raw materials	359.90	439.64
Capital goods	-	-
Total	359.90	439.64

26.3 Net Dividend remitted in foreign exchange

Particulars	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
Number of non- resident shareholders	353	388
Number of Equity Shares held	6,92,291	5,65,073
Gross amount of dividends	-	-
Amount deposited in their bank accounts in India	-	-
Remittance in foreign currency	-	-

26.4 Earnings in Foreign Exchange (Accrual basis)

Particulars	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
Exports at FOB value	1045.13	839.95
Others	-	-
Total	1045.13	839.95

27 Capital and other Commitments

Particulars	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
Estimated amount of contracts remaining to be executed on capital account and other commitments and not provided for (net of advances).	-	-

NOTES FORMING PART OF THE ACCOUNT

28 Contingent Liabilities not provided for

Particulars	2011-12	2010-11
	₹ in Lacs	₹ in Lacs
Claims against the Company not acknowledged as debts – Refer Note	1,232.55	1077.20
Guarantees given by the bankers on behalf of the Company	40.02	1169.02
Corporate Guarantee given by the Company on behalf of a third party	300.00	300.00
Bills/LC discounted with banks	697.26	657.26
Disputed income tax demand	-	2,973.57
Loans and Debentures Liability Transferred to ESCO and Projects Division	14,279.62	13,871.24
	16,549.45	20,048.29

Note:

The above claims include a dispute with a finance company relating to lease transactions entered in the year 1997. These disputes were under arbitration. During the year 2005-2006, awards were given by the arbitrator directing the Company to compensate the finance company for the losses suffered by them due to disallowances of certain claims in their assessment of income under Income Tax Act. The award also stipulated that the finance company should refund the amount along with interest to the Company on succeeding in getting the claim in further appeals made by them. The Company's Arbitration Petition in the High Court of Bombay for setting aside the award passed by the Honourable Arbitrator on 23rd March 2006 has been dismissed. Aggrieved by the said order the Company has preferred an appeal in the Second Bench of the Honorable High Court of Mumbai, which was also dismissed. Aggrieved by the said order of the 2nd Bench of the High Court, the Company has filed Special Leave Petitions (Civil) No. 14865/2007 and No. 15093/2007. The Honorable Supreme Court granted an interim stay (which is since vacated without adjudication) on the impugned orders on deposit of ₹ 2 crores with the Supreme Court Registry which the Company has deposited. The matter is pending in the Supreme Court

- 29 (a) Trade payables include principal amount of ₹16.49 Lacs (₹ 84.50 Lacs) due to the suppliers covered by "The Micro Small and Medium Enterprises Development Act, 2006".
- (b) The Management has certified that there is no interest paid/payable during the year by the Company to such suppliers. (Previous year – ₹ Nil).
- (c) Micro and Small Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2012 are as under –
- Ashoka Industries, Swami Samarth Electronics Pvt. Ltd, Sarang Enterprises, Sheetal Thermocol Packers, Nisha Enterprises, Sa Enterprises, M-Tech Trading Co., Shubham Engineering, Libra Industries, Pramod Fibre-Plast Pvt Ltd, Shree Fabs, Shalaka Polymers, Kalpana Enterprises, Suprim Engineering, Bright Light Company, Sai Ashish Enterprises, Impakt Packaging, Hira Plastics Industries, Devyani Enterprises, Shiva Enterprises, Kunal Enterprises, Arya Enterprises, See Ram Industries, Aashirwad Press Tools, Bhamre Saw Mill, Chafekar Engineering Works, Shree Raj Packaging, Pushkraj Packaging, A.B. Stamping, Swati Packagers, Bhagyashree Eng. Pvt. Ltd., Garima Enterprises, Printa Chem, Jai Sadguru Industries, Kamal Industries, Perfect Engraving Works, Shaunak Enterprises, M. M. Woodland Pvt. Ltd, Manisha Packaging.
- The above information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.
- 30 (i) As per approval of the shareholders of the Company under Section 293 (1) (a) of the Companies Act, 1956, obtained through postal ballot on 22nd May, 2010, the Company has effective from Oct 1st 2009, transferred the businesses of the following divisions to two 100% subsidiaries as under, subject to requisite approvals being obtained from the concerned Statutory Authorities and the Company's lenders and creditors:
- a. Business of ESCO Division, i.e. financing of Projects / Products to customers on energy saving basis, and all activities related thereto together with all related assets, liabilities and entitlements at book values as at the time of transfer on a going concern basis.
- b. Business of Projects Division, i.e. State Electricity Board Projects and all activities related thereto together with all related assets, liabilities and entitlements at book values as at the time of transfer on a going concern basis.
- (ii) In accordance with the accounting principles, the accounts have incorporated all such transactions at book values at the time of transfer and the difference between the book values of identified Assets and Liabilities of ESCO Division amounting to ₹5,174.34 Lacs and of Projects Division amounting to ₹ 1,129.15 Lacs is shown as an Investment in the subsidiaries. However pending allotment of shares by the two subsidiary companies the Company has for the time being shown the said investments under Investment Suspense Account in Note 10 of the Accounts.



NOTES FORMING PART OF THE ACCOUNT

- (iii) The Company had applied for approvals of Secured / Unsecured Lenders. However one of the lenders has informed the Company that they are not agreeable to the transfer of the businesses of the two divisions to the two 100% subsidiaries and has declined to give its approval. Besides, the Lead bank of the Consortium for Working Capital has informed the Company not to proceed with hiving-off of assets without the written consent of the Consortium Banks. Consequently, the Company continues to be liable to the lenders for the Term Loans and Unsecured Redeemable Non-Convertible Debentures transferred to the subsidiary companies. The Company has not provided interest on the above for the year under review. Therefore, the company will continue to be liable to the lenders for the following:

Liabilities of ESCO Division

- a. Term loan and interest due thereon to IDBI for ₹ 1714.75 lacs which is secured by way of:
 - i. First charge on movable properties of the Company by way of hypothecation.
 - ii. First charge by way of equitable mortgage on the immovable properties of the Company at Nasik.
 - iii. Hypothecation of receivables pertaining to ESCO Division subject to first prior charge of IREDA to the extent of ₹1800 lacs.
- b. Term loan and interest due thereon to IDBI for ₹ 7221.41 lacs which is secured by way of:
 - i. First charge on immovable and movable properties of the Company located at 68, MIDC, Satpur Nashik by way of extension of pari-passu first charge with UCO Bank in respect of its Term loan of ₹6000 lacs (outstanding as on 31 Mar 2012 is ₹300.00 Lacs) excluding exclusive charge created in favour of IREDA on the Solar Plant acquired out of assistance of ₹1971 lacs sanctioned by IREDA
 - ii. Exclusive first charge of ESCO receivables (except MSEDCL receivables) under deferred sales and all new ESCO contracts for Energy Efficient Lighting Systems to be funded by IDBI under this loan
 - iii. Charge on MSEDCL receivables is subject to first prior charge in favor of UCO Bank in respect of its Rupee Term Loan of ₹6000 lacs (Outstanding as on 31 Mar 2012 is ₹300.00 Lacs) and first prior charge in respect of IREDA to the extent of ₹1800 lacs.

Liabilities of Projects Division

Unsecured Redeemable Non – Convertible Debentures and interest thereon issued to LIC Mutual Fund Asset Management Company Limited amounting to ₹5343.45 Lacs. However, after the Balance Sheet date, the Company has arrived at settlement of the claim to pay ₹20 Crores prior to March 2014.

- (i) The Wholly Owned Subsidiary Companies (Transferee Companies) may opt to revalue the assets and appropriate the costs incurred based on fair market value including goodwill and may therefore adjust premium on transfer upon completion of exercise.
- 31 During the financial year 2005-2006, the Company had instituted Employees' Stock Option Plan - 2005. The Compensation Committee of the Board evaluates the performances and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfillment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's Shares at a price determined on the date of grant of options. The particulars of option granted during the financial year 2005-06 and outstanding as at 31st March 2012 are as under:

Particulars	Shares arising out of options March 31, 2012	Shares arising out of options as at March 31, 2011
Options Outstanding at the beginning of the year	2,72,185	3,51,550
Options relinquished during the year	-	-
Options issued during the year	4,98,450	-
Options exercised during the year	2,72,185	79,365
Options Outstanding at the end of the year	4,98,450	2,72,185

The Company modified the Scheme in terms of the provisions of the SEBI ESOP Guidelines and Scheme. A Trust called "Asian Electronics Limited Employees' Welfare Trust" (The Trust) has been constituted vide Trust Deed dated 25th January, 2007 to administer the Scheme under the directions of the Compensation Committee.

The Company has already allotted 8,50,000 Shares to the Trust on 31st March, 2007 at a price of ₹86.50 per Equity Share to be eventually allotted to the employees of the Company on exercise of option by them in due course of time. The Company has also given advance of ₹735.25 Lacs to the Trust for the purpose.

The Compensation Committee of the Board of Directors at its meeting held on 31st March 2010 had granted 3,51,550 stock options under ESOP - 2005 Scheme to certain Executives / Officers of the Company which shall be exercisable into equal number of fully paid up Equity Shares of the Company of the Face Value of ₹5/- each in one or more tranches on payment of exercise price of ₹28/- per Equity Share of ₹5/- each, being the market price prevailing as on 30th March 2010, on or after completion of one year from the date of grant, i.e. 30th March 2011 being the vesting date. The options are to be exercised within a period of seven years from the date of vesting.

NOTES FORMING PART OF THE ACCOUNT

During the year 2010-11, the Compensation Committee of the Board of Directors, on 23rd March, 2011, revised the exercise price to ₹12.60/- per share, which was the closing price of the share on the Stock Exchanges on the previous day of such revision i.e. 22nd March, 2011. Consequently due to the revision of price, an amount of ₹600.15 Lacs was shown under Exceptional Item and charged to Profit and Loss Account.

Further the Company received ₹10 Lacs on 30th March 2011 towards exercise of 79,365 Stock Option into equal number of Shares under the ESOP Scheme 2005. The balance of Loan to the Trust outstanding as on 31st March 2011 is ₹97.10 Lacs which was adjusted against Share Capital and Securities Premium Account.

During the year under review 2,72,185 options were exercised by the employees at the price of ₹12.60 per share and the Loan given to trust is reduced to the extent of value of shares transferred from the Trust.

The Compensation Committee of the Board of Directors vide Circular Resolution dt. April 1, 2011 had granted 4,98,450 stock options under ESOP - 2005 Scheme to certain Executives / Officers of the Company which shall be exercisable into equal number of fully paid up Equity Shares of the Company of the Face Value of ₹ 5/- each in one or more tranches on payment of exercise price of ₹10.75 per Equity Share of ₹ 5/- each, being the market price prevailing as on 31st March 2011, on or after completion of one year from the date of grant, i.e. 30th March 2012 being the vesting date. The options are to be exercised within a period of seven years from the date of vesting. The balance of loan to the trust outstanding as on 31st March 2012 is ₹ 62.80 Lacs which is adjusted against the Share Capital and Securities Premium Account.

Subsequent to the Balance Sheet date, the Compensation committee has revised the exercise price of outstanding options from ₹10.75 to ₹ 5.80 per share in view of the drop of market price of the shares of the Company.

- 32 During the Financial Year 2009-10, the Company has instituted ESOP 2009 Scheme. The Compensation Committee of the Board of Directors at its meeting held on 31st March 2010 has granted 10,00,000 Stock Options under ESOP 2009 Scheme to the Non – Executive Independent Directors of the Company which shall be exercisable into equal number of fully paid up Equity Shares of the Company of the Face Value of ₹5/- each in one or more tranches on payment of exercise price of ₹28/- per Equity Share of ₹5/- each, being the market price prevailing as on 30th March 2010, on or after completion of one year from the date of grant, i.e. 30th March 2011 being the vesting date. The options are to be exercised within a period of five years from the date of vesting.

Particulars	Shares arising out of options as at March 31, 2012	Shares arising out of options as at March 31, 2011
Options Outstanding at the beginning of the year	8,09,524	10,00,000
Options relinquished during the year	-	-
Options issued during the year	-	-
Options exercised during the year	59,524	1,90,476
Options Outstanding at the end of the year	7,50,000	8,09,524

Towards streamlining of the implementation of the ESOS 2009, the Company modified the Scheme in terms of the provisions of the SEBI ESOP Guidelines and Scheme, vide Special Resolution passed at the Annual General Meeting held on 30th September, 2009. A Trust called “Asian Electronics Limited Employees’ Welfare Trust, 2009” (The Trust) has been constituted vide Trust Deed dated 12th February, 2011 to administer the Scheme under the directions of the Compensation Committee.

The Compensation Committee of the Board of Directors, on 23rd March, 2011, revised the exercise price to ₹12.60/- per share, which was the closing price of the share on the Stock Exchanges on the previous day of such revision i.e. 22nd March, 2011. Subsequently, the Company allotted 10,00,000 Shares to the Trust on 25th March, 2011 at a price of ₹12.60/- per Equity Share to be eventually allotted to the eligible Directors of the Company on exercise of option by them in due course of time. The Company also given advance of ₹126 Lacs to the Trust for the purpose. During the year 2010-11 the Company received ₹24 Lacs towards exercise of 1,90,476 options in to equivalent number of Shares under the Scheme.

During the year under review Company has received ₹7,50,000 towards exercise of 59,524 stock options in to equivalent number of shares under the scheme at the price of ₹12.60 per share and the Loan given to trust is reduced to the extent of value of shares transferred from the Trust. The balance of loan to the trust outstanding as on 31st March, 2012 is ₹94.50 Lacs which is adjusted against the Share Capital and Securities Premium Account.

The Compensation Committee of the Board of Directors vide Circular Resolution dt. April 1, 2011 had granted 41,80,057 stock options under ESOP - 2005 Scheme to certain Executives / Officers of the Company which shall be exercisable into equal number of fully paid up Equity Shares of the Company of the Face Value of ₹5/- each in one or more tranches on payment of exercise price of ₹10.75 per Equity Share of ₹5/- each, being the market price prevailing as on 31st March 2011, on or after completion of one year from the date of grant, i.e. 30th March 2012 being the vesting date. The options are to be exercised within a period of five years from the date of vesting. However the options were issued to the Trust subsequent to the Balance Sheet date.

Subsequent to the Balance Sheet date, the Compensation committee has revised the exercise price of outstanding options from ₹10.75 to ₹5.80 per share in view of the drop of market price of the shares of the Company.

NOTES FORMING PART OF THE ACCOUNT

- 33 The Company has followed the Intrinsic value method of accounting for the Options granted to Employees under the above mentioned Stock Option Schemes as mentioned in Note Nos. 31 and 32 above. However since the Company has not ascertained the fair value of the above Options granted, disclosure of the impact of the same if any on the Company's proforma net profit, proforma basic earnings per share and proforma diluted earnings per share is not ascertainable.
- 34 The Company's products have warranty clause for a period of 24 months. Provision for warranty claims has not been considered as the amount of claim on sale under warranty is estimated to be not material by the Management.
- 35 Due to current mismatch of inflows and outflows, compounded by delayed recoveries of certain stressed assets, as enumerated in Note No. 37 below, the debt servicing by the Company has been adversely affected. As a result, action has been initiated by some of the lenders of the Company. LIC Mutual Fund and SBI Factors Limited had filed petitions in the Bombay High Court for winding up of the Company for non-payment of their dues. In case of the dues to SBI Factors Limited, the dues were supposed to be paid in the financial year 2012-13, which there is a delay and the company is likely to pay in the coming months. The other lenders are being addressed under the forum of CDR as explained hereinafter. The matters are amicably settled and the consent terms are being filed. Bank of India has served upon the Company a Notice under Section 13(2) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Act, 2002 for repayment of dues. Also other Banks have sent Demand Notices to the Company for repayment of their dues.
- 36 In view of the temporary strain on financial resources which has inter alia resulted in delay in repayment of dues, and also with an objective to bring normalcy to the Company's operations, a reference for Corporate Debt Restructuring (CDR) has been made recently under the CDR mechanism, instituted by Reserve Bank of India, for restructuring corporate debts of viable corporate entities, affected by internal factors or external factors, for the benefit of all stakeholders. The restructuring requests, inter alia, includes approval of the lenders for hiving off the businesses of ESCO and Projects Divisions to two 100% subsidiaries. Pending consideration of such requests, the Company has not yet taken any steps with regard to the non-approval as explained in Note No. 30 above.
- 37 Consequent to a review made by the Management of the various Assets of the Company, the Management is of the opinion that special efforts over a period of time would be needed for recovery of the following stressed assets which would have an impact on the results of the Company for the year under review:-
- (a) Diminution in the value of Investments in Foreign Companies ₹7.77 Lacs, where the local Managements have deserted the Companies and the businesses have been closed down.
 - (b) i. Investment in Unique Waste Plastic Management and Research Company Pvt. Ltd. of ₹4,360.20 Lacs where the pending disputes with minority shareholders has been resolved and now implementation of the project becomes sole mean to recover the value of the Investments held by the Company.
 - ii. Diminution in the value of Investment in Midcom Magnetics Management Private Limited a Joint Venture Company of ₹139.50 Lacs. The Company has exited from the Joint Venture subsequent to the Balance Sheet date. Provision for diminution will be made in the year of exit.
 - (c) Trade Receivables considered good includes ₹8,647.06 Lacs of old Outstanding's where the recovery may happen only after due legal actions and settlements of counter claims, if any, which cannot be determined.
 - (d) Loans and Advances considered good includes ₹3,813.54 Lacs of old debit balances where the same may be recovered in the form of assets or will be settled subject to counter claims, if any, which cannot be determined.
 - (e) Cash and Bank Balances include Rs 22.16 lacs on account of unreconciled Bank balances which may not be recoverable / realizable.
 - (f) Interest amounting to ₹21.79 Lacs Approx, has not been provided on Public Deposits which have matured and claimed but have not been paid.

The losses arising out of the above erosion in value may partially be offset by provisions or payables which may not be paid in view of the non fulfillment of projects supplies or contracts resulting in losses or counterclaims.

Non or delayed recoverability of the above Stressed Assets and inadequacy of accruals have adversely affected the debt servicing by the Company and also led to operating losses and erosion of liquidity. The management is of the view that the above stressed assets of various classes may need provision in due course the extent of which cannot be determined at present. Consequently they have been shown as considered good and no provision has been made for the same.

The management is of the view that the future viability of the company and its 'going concern' assumption would depend on the timely approval of the CDR to the Company's restructuring proposal.

- 38 Regarding impairment the Management is of the opinion that impairment arising out of changes in business model, discontinuation of some products and services and similar reasons should be recognized and are proposed to be transferred to the respective divisions for recovery and an estimate should be made as a block of assets comprising of Fixed Assets, Current Assets and Investments. In the absence of full implementation of the plan, the impairment has not been ascertained and debited to Statement of Profit and Loss.
- 39 Balances of Trade Receivables, Loans and Advances and Trade Payables are subject to confirmations, reconciliation and consequential adjustments, if any, the effects of which are at present unascertainable.

NOTES FORMING PART OF THE ACCOUNT

40 Employee Benefits

a. Defined Contribution Plans

The Company has recognized the following amounts in the Profit and Loss Account for the Defined Contribution Plans:

Particulars	₹ in Lacs	
	2011-2012	2010-2011
Provident Fund	26.64	25.44

b. State Plans:

The Company has recognized the following amounts in the Profit and Loss account for contribution to State Plans:

Particulars	₹ in Lacs	
	2011-2012	2010-2011
Employees State Insurance	6.95	5.17

c. Defined Benefit Plans -

Salaries and Wages are net of write back of ₹5.16 Lacs on account of Gratuity and ₹67.90 Lacs on account of Leave encashment.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed five years or more of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy. The Company has provided for gratuity and leave encashment based on actuarial valuation done as per Projected Unit Credit Method. The details of the Gratuity Fund for it's employees are given below which is certified by an actuary and relied upon by the auditors.

The following tables summarize the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plans.

Profit and Loss account

	2011-12	2010-11
Net employee benefit expense (recognized in Employee Cost)	₹ in Lacs	₹ in Lacs
Current service cost	6.87	7.55
Interest cost on benefit obligation	4.44	4.35
Expected return on plan assets	4.23	5.74
Net actuarial Losses / (Gains) recognized in the year	(1.57)	1.01
Past service cost	-	-
Net benefit expense	5.50	7.18
Actual return on plan assets	4.23	5.74

Balance Sheet

	March 31, 2012	March 31, 2011
Details of benefit obligation:	₹ In Lacs	₹ In Lacs
Defined Benefit Plan obligations	50.73	55.53
Fair value of plan assets	48.93	59.24
	1.80	(3.71)
Less – Unrecognized past service cost	-	-
Plan Liability	1.80	(3.71)

	2011-12	2010-11
Changes in the present value of the defined benefit obligation are as follows:	₹ In Lacs	₹ In Lacs
Opening defined benefit obligation	55.53	54.37
Current service cost	6.87	7.55
Interest cost	4.44	4.35

NOTES FORMING PART OF THE ACCOUNT

	2011-12	2010-11
Benefits paid	(14.54)	(11.75)
Actuarial Losses / (Gains) on obligations	(1.57)	1.01
Closing defined benefit obligation	50.73	55.53

Changes in the fair value of plan assets are as follows:

	March 31, 2012	March 31, 2011
	₹ In Lacs	₹ In Lacs
Opening fair value of plan assets	59.24	65.25
Expected return	4.23	5.73
Contributions by employer	-	0.01
Benefits paid	(14.54)	(11.75)
Actuarial gains / (Losses)	-	-
Closing fair value of plan assets	48.93	59.24

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows.

	March 31, 2012	March 31, 2011
Category of Assets	%	%
Investment with Insurer	100%	100%

The principal assumptions used in determining benefit obligations are shown below:

Particulars	2011-2012	2010-2011
Discount	8.00%	8.00%
Expected rate of return on plan assets	7.15%	8.79%
Expected rate of salary increase	5.00%	5.00%
Mortality Pre-retirement	Indian Assured Lives Mortality (1994-96)	Indian Assured Lives Mortality (1994-96)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

41 Interest in Joint Ventures

The Company has a 50% interest in a Joint Venture Company, Midcom Magnetics Management Pvt. Ltd., incorporated in India, which is involved in research and development of imaging system. The Company has since made an exit in the JV along with the foreign partner and no loss is incurred except erosion in value

The Company's proportionate share of the assets, liabilities, expenses and income of the jointly controlled entity as per Audited Accounts as at 31st March 2012 are as follows:

	(₹ in Lacs)	
Particulars	2011-2012	2010-2011
Reserves and Surplus	133.93	138.63
Secured Loans	-	-
Unsecured Loans	-	-
Deferred Tax Liability	2.83	2.27
Fixed Assets (net)	27.56	29.32
Capital Work in Progress	51.10	51.10
Current Assets		
Inventories	20.32	4.63
Sundry Debtors	67.69	57.73
Cash and Bank	0.77	0.91

NOTES FORMING PART OF THE ACCOUNT

Particulars	2011-2012	2010-2011
Loans and Advances	3.93	3.74
Current Liabilities and Provisions	32.61	4.66
Pre Operative Expenses	-	0.05

(₹ in Lacs)

Particulars	2011-2012	2010-2011
Turnover	87.23	46.76
Expenses		
Consumption of Raw Material	76.93	38.82
Manufacturing, Administrative & Other Expenses	12.79	15.33
Depreciation	1.76	1.76
Profit/(Loss) Before Tax	(4.32)	(9.15)
Provision for Tax	-	-
Profit/(Loss) After Tax	(4.53)	(9.15)
Contingent Liabilities	-	-
Capital Commitments	-	-

42 Earnings Per Share

Particulars	31 st March 2012 (₹ in Lacs)	31 st March 2011 (₹ in Lacs)
Basic / Diluted Earning Per Share		
Numerator used for Calculating Basic Earning Per Share – Net Profit / (Loss) after Tax	(12,356.65)	(7,926.38)
Weighted Average number of shares used as denominator for Calculating Basic Earning Per Share (in Nos)	3,54,53,259	3,23,75,815
Basic / Diluted Earnings Per Share (after extraordinary items)	(34.85)	(24.48)

43 Deferred Tax

In terms of the provisions of the Accounting Standard – 22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, there is a net deferred tax asset on account of accumulated losses and unabsorbed depreciation.

In compliance with provisions of the Accounting Standard and based on General Prudence, the Company has not recognized the deferred tax asset while preparing the accounts of the year under review.

44 Leases

In case of assets taken on Lease**Finance Lease**

Plant & Machinery includes machinery obtained on finance lease. The legal title for the same has passed to the Company. There are no lease payments outstanding.

Operating Lease

Office Premises are obtained on Operating lease. The lease term is for 11 months and thereafter renewable. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. Lease rental expense for the year for the agreements entered into is ₹75.05 Lacs (₹ 91.70 Lacs).

In case of Assets given on Lease**Finance Lease**

There are no Assets given on Finance lease.

Operating Lease

The Company has leased out Plant & Machinery on operating lease. The lease term is for 3 to 10 years and thereafter not renewable. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.



NOTES FORMING PART OF THE ACCOUNT

(₹ in Lacs)

Lease Receivables (from assets given on lease other than MSEDCL)	2011-2012	2010-2011
Not later than one year	14.17	25.25
Later than one year and not later than five years	3.30	17.47
Later than five years	-	-
Total	17.47	42.72

45 Related Parties Disclosure

Name of the related parties where control exists irrespective of whether transactions have occurred or not:

a. Subsidiary

AEL Projects Pvt. Ltd.

AEL ESCO Pvt. Ltd.

b. Joint Venture:

Midcom Magnetics Management Private Limited

c. Associate

Unique Waste Plastic Management And Research Co. Pvt. Ltd.

d. Key Management Personnel

i) Mr. Arun Shah, Executive Chairman

ii) Mr. Neelakanta Iyer from 01.06.2011 onwards.

iii) Mr. Rajesh Mehta from 01.06.2011 onwards.

e. Relatives of Key Management Personnel

Mr. Naman Arun Shah

f. Enterprises over which any person specified in (d) or (e) above is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise

i) Pranamghar (India) Private Limited

ii) Arsh Advisors Pvt. Ltd.

iii) Arun & Co.

iv) Sirius Capital Services Ltd.

v) Dalal Desai and Kumana (Partnership Firm)

vi) Pal Technology Private Limited

vii) Karnataka Pyronics Private Limited from 01.06.2011 onwards.

viii) Lite Tecnicks Private Limited from 01.06.2011 onwards.

ix) Integral Engineering Solutions Private Limited from 01.06.2011 onwards

x) Integral Technologies Private Limited from 01.06.2011 onwards.

xi) Srushti Ecosystems LLP from 01.06.2011 onwards.

Note: Related Party relationship is as identified by the Company and relied upon by the Auditors

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Related Party Disclosure

Transactions during the period	Subsidiaries		Associates		Joint Ventures		Key Management Personnel (KMP)		Relatives of Key Management Personnel		Enterprises over which KMP and their relatives are able to exercise significant influence		Total	
	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11
Sales														
Midcom Magnetics Management Pvt Ltd					404.71	207.51							404.71	207.51
Integral technologies Pvt Ltd											176.46		176.46	-
Pal Technology Pvt Ltd											72.48		72.48	-
Reimbursement of Expenses														
Midcom Magnetics Management Pvt Ltd					34.44	11.56							34.44	11.56
Pranamghar India Pvt Ltd											0.05	4.95	0.05	4.95
AEL ESCO Pvt Ltd	347.07	156.04											347.07	156.04
AEL Projects Pvt Ltd	117.84	178.16											117.84	178.16
Advance Received														
AEL ESCO Pvt Ltd	1,089.03	947.79											1,089.03	947.79
AEL Projects Pvt Ltd	506.85	244.15											506.85	244.15
Advance Paid (Pending adjustment against credit balances)														
Pranamghar India Pvt Ltd											56.17	51.92	56.17	51.92
Unique Waste Plastic Management And Research Co. Pvt. Ltd			1.67	-									1.67	-
Arun & Co.											193.45	67.80	193.45	67.80
Arsh Advisors & Owners Ltd											7.31	-	7.31	-
Managerial Remuneration														
Neelakanta Iyer							15.02	-					15.02	-
Naman Arun Shah									1.20	0.75			1.20	0.75
Purchases of Material														
Midcom Magnetics Management Pvt Ltd					62.98	165.77							62.98	165.77
Integral technologies Pvt Ltd											27.41		27.41	-
Pal Technology Pvt Ltd											119.61		119.61	-
Balance outstanding as at the year end														
Outstanding Payables														
Midcom Magnetics Pvt Ltd					-	(98.08)							-	(98.08)
AEL ESCO Pvt Ltd	(1,281.63)	(753.53)											-	(1,281.63)
AEL Projects Pvt Ltd	(523.29)	(137.01)											-	(523.29)
Neelakanta Iyer							(2.06)						(2.06)	-
Outstanding Receivable (Pending adjustment against credit balances)														
Midcom Magnetics Pvt Ltd					164.56								164.56	-
Pranamghar India Pvt Ltd											325.26	307.15	325.26	307.15
Dalal Desai & Kumana											0.50	0.50	0.50	0.50



Transactions during the period	Subsidiaries		Associates		Joint Ventures		Key Management Personnel (KMP)		Relatives of Key Management Personnel		Enterprises over which KMP and their relatives are able to exercise significant influence		Total	
	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11
Sirus Capital Services Ltd.											4.99	11.03	4.99	11.03
Unique Waste Plastic Management And Research Co. Pvt. Ltd			478.96	477.29									478.96	477.29
Arsh Advisors											109.31	102.00	109.31	102.00
Arun & Co.											211.75	18.30	211.75	18.30
Karnataka Pyronics Pvt Ltd											43.90	-	43.90	-
Lite Tecniks India Pvt Ltd											387.65	-	387.65	-
Pal Technology Pvt Ltd											580.57	-	580.57	-
Integral technologies Pvt Ltd											205.77	-	205.77	-
Totals		635.59	480.63	477.29	666.69	286.76	12.95	-	1.20	0.75	2,522.65	563.66	3,940.00	1,964.05

46 Segment Information

Segment reporting as required under AS – 17 is not applicable for the year under review, as more than 90% of the revenue comes from a single segment of Lighting Products / Systems. There is only one geographical segment.

- 47 The financial statements for the year ended March 31, 2012 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year's figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year's figures does not impact recognition and measurement principles followed for preparation of financial statements.

**As per our report of even date attached
For SORAB S. ENGINEER & CO.**

**Chartered Accountants
(Firm Regn No.: 110417W)**

**C.A. N. D. ANKLESARIA
Partner**

**Membership No. 10250
Mumbai : 29th November, 2012**

For and on Behalf of the Board of Directors

**ARUN B. SHAH
Executive Chairman**

**SADANAND SAHASRABUDHE
Chief Financial Officer**

Mumbai : 29th November, 2012

**RAJESH MEHTA
Executive Director & Jt. CEO**

**DHANANJAY DUMBRE
Asst. Company Secretary**

REPORT OF THE AUDITORS ON CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS REPORT TO THE BOARD OF DIRECTORS OF ASIAN ELECTRONICS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN ELECTRONICS LIMITED, ITS ASSOCIATE AND ITS SUBSIDIARIES.

1. We have examined the attached consolidated Balance Sheet of Asian Electronics Limited and its subsidiaries ("Asian Electronics Group") as at 31st March, 2012, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the two subsidiaries, whose financial statements reflect the group's share of total assets of ₹ 16,232.38 Lacs as at 31st March, 2012 (Previous Year ₹ 17,535.49 Lacs), and group's share of total revenue of ₹ 132.18 Lacs for the year ended on that date (Previous Year ₹ 1,330.87 Lacs). These financial statements and other financial information have been audited by another auditor, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in the respect of the subsidiaries is based solely on the reports of the other auditor.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.
5. Attention is invited to the following:
 - i) Note No. 30 regarding transfer of related loans and debentures of ESCO and Project Division aggregating to ₹ 13,871.24 Lacs to two wholly owned subsidiaries. The Lenders have refused to give their approval and have informed the company not to proceed with hiving off of the Assets and not to transfer the Loans / Debentures to the two subsidiaries. Although the Loans / Debentures aggregating to ₹ 13,871.24 Lacs granted by Banks/Financial Institutions to the Company are not reflected in the Books of Account, the Company continues to be liable to the lenders for the Loans / Debentures transferred to the subsidiary companies. Also, the Company has not provided interest on the above Loans / Debentures for the year under review. On the basis of information available to us, we are unable to form an opinion in this matter.
 - ii) No provision has been made for amounts receivable from Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) aggregating to ₹ 4,121.11 Lacs comprising of Written down value of Fixed Assets amounting to ₹ 1769.36 Lacs, Advances amounting to ₹ 512.35 Lacs and Trade Receivables amounting to ₹ 1839.40 Lacs, which is considered good and recoverable by the Management. The above amount is under dispute as disclosed in Note No. 32. The impact of the same on the loss for the year is presently unascertainable.
 - iii) Note Nos. 33 to 35 regarding Stock Options granted to Directors and Employees. Since the Company has not ascertained the fair value of the Options granted, impact of the same on the Proforma Loss, Proforma basic earnings per share and Proforma diluted earnings per share is not ascertainable.
 - iv) Note No.37, wherein as explained, LIC Mutual Fund Fund and SBI Factors Limited Fund had filed petitions in The Bombay High Court for winding up of the company for non-payment of their dues We are informed that the matters have been amicably settled. Also Bank of India has served upon the Company a Notice under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Act, 2002 for repayment of dues and other Banks have also asked the Company for repayment of their dues.
- v. Note No. 39, wherein consequent to review made by the management the following are the observations:
 1. Diminution in the value of Investments in certain companies of ₹ 4507.47 Lacs not reflected in the Financial Statements (AS-13).
 2. Loans aggregating to ₹ 14,711.32 Lacs have been called back by the banks, due to default in repayment of the principal and interest amount. Interest aggregating to ₹ 540.00 Lacs approx, has not been provided on these loans for the quarter ended 31.03.12 and consequently loss for the year has been understated to the same extent. Of the above, balances aggregating to ₹ 2461.84 Lacs have not been confirmed/reconciled. Consequently the aggregate liability due to these Banks is not ascertainable.
 3. Trade Receivables considered good includes ₹ 8647 .06 Lacs of old Outstanding's which may be doubtful of recovery.
 4. Old Debit Balances of ₹ 3813.54 Lacs included in Loans and Advances and ₹ 22.16 Lacs on account of Unreconciled Bank Balances which may not be recoverable / realizable. Interest free advances of ₹ 147.50 Lacs were given during the year to two parties. We are unable to express an opinion on these transactions.
 5. Interest amounting to ₹ 21.79 Lacs approx, has not been provided on Public Deposits which have matured and claimed but have not been paid and consequently loss for the year has been understated to the same extent.
Consequently, although the above have been shown as Considered Good, no provision has been made for the same.
In view of the above, we are unable to express an opinion on the recoverability / realisability of the above mentioned items, the impact of the same on the Loss for the year as well as the future viability of the Company as a 'going concern'.
 6. Managerial remuneration of ₹ 15.02 Lacs paid for the period 1.6.2011 to 31.3.2012 to the executive director is subject to the approval of the central government.
- vi) Financial Statements of the Joint Venture, Midcom Magnetics Management Private Limited have not been considered in the consolidation of accounts of the current and previous years, as per the requirements of Accounting Standard (AS) 27, Financial Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India for the reasons stated in Note No 26 (e).
6. Subject to what has been mentioned in Paragraph 5 above, based on our audit and on the financial information of the components, and to the best of our knowledge and according to the information and explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Asian Electronics Group, as at 31st March, 2012;
 - (b) In the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (c) in the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For SORAB S. ENGINEER & CO.
CHARTERED ACCOUNTANTS
 (Firm Registration No. 110417W)
C.A. N. D. ANKLESARIA
PARTNER
Membership No. 10250

Place: Mumbai
 Date: 29th November, 2012



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Note No	As at 31st March 2012	(₹ in Lacs) As at 31st March 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	1,710.18	1,693.60
(b) Reserves and surplus	3	(314.07)	12,814.54
2 Non-current liabilities			
(a) Long-term borrowings	4	93.46	155.40
(b) Long-term provisions	5	67.72	141.17
3 Current liabilities			
(a) Short-term borrowings	6	18,774.37	18,535.83
(b) Trade payables		5,287.54	3,945.74
(c) Other current liabilities	7	20,938.62	17,953.34
(d) Short-term provisions	8	370.88	564.44
TOTAL		46,928.70	55,804.06
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets		3,032.62	3,231.78
(ii) Intangible assets		22.55	114.12
(iii) Capital work-in-progress		703.59	780.38
	9	3,758.76	4,126.28
(b) Non-current investments	10	4,783.47	4,783.47
(c) Deferred Tax Asset (net)	36	-	-
(d) Long-term loans and advances	11	109.30	135.63
2 Current assets			
(a) Inventories	12	2,127.62	8,364.69
(b) Trade receivables	13	27,671.85	30,701.79
(c) Cash and Cash Equivalents	14	377.09	594.77
(d) Short-term loans and advances	15	8,086.84	7,083.96
(e) Other current assets	16	13.77	13.47
TOTAL		46,928.70	55,804.06
Summary of Significant Accounting Policies	1		
Notes referred to above form an integral part of the Balance Sheet and should be read in conjunction therewith			

As per our report of even date attached
For **SORAB S. ENGINEER & CO.**
Chartered Accountants
(Firm Regn No.: 110417W)
C.A. N. D. ANKLESARIA
Partner
Membership No. 10250
Mumbai : 29th November, 2012

For and on Behalf of the Board of Directors
ARUN B. SHAH
Executive Chairman
SADANAND SAHASRABUDHE
Chief Financial Officer
Mumbai : 29th November, 2012

RAJESH MEHTA
Executive Director & Jt. CEO
DHANANJAY DUMBRE
Asst. Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	Note No.	(₹ in Lacs)	
		For the Year ended 31st March 2012	For the Year ended 31st March 2011
I. Revenue from operations	17	8,414.61	16,089.51
II. Other income	18	265.39	102.11
III. Total Revenue (I + II)		8,680.00	16,191.62
IV. Expenses:			
Cost of Materials Consumed	19	3,267.16	4,211.99
Purchases of Stock in Trade	20	6,703.00	12,522.92
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	21	5,231.52	(262.98)
Employee benefits expenses	22	700.78	980.34
Finance costs	23	2,415.65	4,634.35
Other expenses	24	3,128.74	2,538.36
Depreciation on Assets and Amortization		386.92	439.85
Total expenses		21,833.77	25,064.83
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(13,153.77)	(8,873.21)
VI. Exceptional items		-	-
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		(13,153.77)	(8,873.21)
VIII. Extraordinary Items	25	-	(804.63)
IX. Profit/(Loss) before tax (VII- VIII)		(13,153.77)	(9,677.84)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Short /(excess) provision of Income Tax of earlier years (Net)		-	-
XI Profit/(Loss) for the year (IX-X)		(13,153.77)	(9,677.84)
XII Earnings per equity share:(in ₹)	33		
Nominal Value per Share ₹ 5/- (Previous Year ₹ 5)			
Before Extraordinary Items			
Basic		(37.10)	(27.41)
Diluted		(37.10)	(27.41)
After Extraordinary Items			
Basic		(37.10)	(29.89)
Diluted		(37.10)	(29.89)
Summary of Significant Accounting Policies	1		
Notes referred to above form an integral part of the Statement of Profit and Loss and should be read in conjunction therewith			

As per our report of even date attached
For **SORAB S. ENGINEER & CO.**
Chartered Accountants
(Firm Regn No.: 110417W)
C.A. N. D. ANKLESARIA
Partner
Membership No. 10250
Mumbai : 29th November, 2012

For and on Behalf of the Board of Directors

ARUN B. SHAH
Executive Chairman
SADANAND SAHASRABUDHE
Chief Financial Officer
Mumbai : 29th November, 2012

RAJESH MEHTA
Executive Director & Jt. CEO
DHANANJAY DUMBRE
Asst. Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	(₹ in Lacs)	
	Mar 31, 2012 ₹ in Lacs	Mar 31, 2011 ₹ in Lacs
<u>A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:</u>		
Profit before tax	(13,153.77)	(9,677.84)
Adjustments for:		
Depreciation / Amortization	386.92	439.85
Foreign exchange Loss / (Gain) (Net)	22.30	(69.72)
Misc Expenditure written off	-	0.05
Profit on Sale of Fixed Assets	-	(1.57)
Loss on sale of fixed assets	-	111.59
Interest expenses	2,415.65	4,634.35
Interest Income	(210.93)	(59.24)
Diminution in value of Fixed Assets	161.75	270.21
Exceptional items	-	804.63
Sundry credit balances written back	-	(1.36)
Bad debts written off	637.17	0.68
Operating profit before working capital changes	(9,740.91)	(3,548.37)
Movement in working capital:		
(Increase) / Decrease in Inventories	6,237.07	1,125.76
(Increase) / Decrease in Sundry Debtors	2,370.47	4,848.36
(Increase) / Decrease in Loans and Advances	(1,673.21)	292.12
Increase / (Decrease) in Current Liabilities / Provisions	4,060.07	(4,066.12)
Cash generated from operations	1,253.48	(1,348.25)
Direct Taxes paid (net)	696.36	205.45
Net cash generated from operating activities	(A) 1,949.84	(1,142.80)
<u>B. CASH FLOWS USED IN INVESTING ACTIVITIES:</u>		
Purchase of fixed assets	(181.15)	(27.23)
Proceeds from sale of fixed assets	-	2.62
Purchase of investments	-	(2.00)
Maturity of fixed deposits (net)	-	6.27
Interest received	210.93	59.24
Net cash used in investing activities	(B) 29.78	38.89
<u>C. CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Proceeds from issuance of share capital	41.78	326.03
Proceeds from borrowings	238.54	5,747.64
Repayment of borrowings	(61.94)	(730.78)
Interest paid	(2,415.65)	(4,634.35)
Net cash generated from financing activities	(C) (2,197.30)	708.54
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(217.68)	(395.36)
Cash and cash equivalents at the beginning of the year	594.77	990.13
Cash and cash equivalents at the end of the year	377.09	594.77

As per our report of even date attached

For SORAB S. ENGINEER & CO.

Chartered Accountants
(Firm Regn No.: 110417W)

C.A. N. D. ANKLESARIA
Partner

Membership No. 10250

Mumbai : 29th November, 2012

For and on Behalf of the Board of Directors

ARUN B. SHAH
Executive Chairman

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Chief Financial Officer

Mumbai : 29th November, 2012

RAJESH MEHTA
Executive Director & Jt. CEO

DHANANJAY DUMBRE
Asst. Company Secretary

NOTE 1**SIGNIFICANT ACCOUNTING POLICIES****Nature of Operations**

Asian Electronics Limited (AEL) was established in 1964 is involved in design and manufacturing of Energy Conservation products – specializing in energy efficient lighting solutions.

Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The previous figures are being regrouped wherever necessary for comparative evaluations. The significant accounting policies followed by the Company are stated below:

Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.1. Method of accounting

- a) Revenues and Costs are recognized on accrual basis.
- b) Capital issue expenses are charged to Securities Premium Account.
- c) Warranty period maintenance cost, being insignificant, is accounted when incurred.

1.2. Fixed assets and depreciation

- a) Fixed assets are stated at cost less accumulated depreciation & impairment losses, if any. Cost comprises of all expenses attributable for bringing the assets to their working condition for intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use
- b) Depreciation on fixed assets, other than leased assets, is provided as per useful lives of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher as under :
 - on the fixed assets acquired upto 31.12.1988, on written down value as appearing in the books on 1.1.1989.
 - on the fixed assets acquired after 31.12.1988 on straight line basis, other than assets lying at Chennai Division, which are depreciated on written down value method.
 - assets costing less than Rs.5,000 acquired after 15.12.93 are depreciated at 100%

- c) Leased assets are depreciated on straight line basis over the period of lease.
- d) Patents and Trademarks are amortized over a period of ten years.
- e) Miscellaneous expenditure is written off over a period of five years.
- f) Product Development expenditure are amortized over a period of 3-7 years.
- g) Software is written off over a period of five years.
- h) Goodwill is amortized using straight line method over a period of five years.

However, no costs are incurred in respect of para (c) to (h) during the year, and are applicable for historical assets only.

1.3. Impairment

- a) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- b) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- c) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

1.4. Lease rental*Where the Company is the lessee*

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

These assets are depreciated on the straight line method over the period of lease.

Where the Company is the lessor

Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognized as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account. However, upon termination of operating lease, the assets are removed from the fixed assets and reflected under appropriate head of receivables in accordance with the nature of claim and amount.

1.5. Investment

Investments are divided in the following segments:

- i) Investments in subsidiaries and associate business entities made with a view to long term business benefit.
- ii) Other investments
Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value, save and except what is stated in Note No. 39 below is made to recognize a decline other than temporary in the value of the investments.

1.6. Inventories

Inventories are valued as under:

- Raw materials, Components, stores and spares: Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.
- Finished goods: at lower of cost and net realizable value
- Work in progress: at lower of cost and net realizable value
- Cost in relation to finished goods and work in progress includes cost of material and appropriate share of manufacturing overheads and includes excise duty payable on uncleared finished goods and excise duty paid on goods cleared but unsold.
- Cost of consumable spares purchased during the year is charged to the profit and loss account.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.7. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- a) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and on completion of installation. Sales are recorded net of sales tax but include excise duty.

- b) Income from annual maintenance service contract is recognized on a straight line basis over the period of contracts. Income from other service contracts is recognized on completion of the service rendered.
- c) Income in respect of goods sold on deferred sales basis is recognized as sales at normal sale price. Finance income is recognized over the terms of the payment.
- d) Income from supply/erection of equipments/systems is recognized based on dispatches to customer/work done at project site.
- e) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- f) Dividend is recognized when the shareholders' right to receive payment is established by the balance sheet date.
- g) Revenue from projects is recognized on acceptance of the work under the project by the respective project authorities.

1.8. Retirement and other employee benefits

- a) Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts. . During the year, the Company has initiated the process of transferring the trust assets and benefits to Govt Provident Fund.
- b) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- c) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- d) Actuarial gains / losses are immediately taken to profit and loss account and are not deferred.

1.9. Foreign currency translation

- a) Initial Recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- b) Conversion
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

Forward Exchange Contracts are not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

1.10. Taxes on Income

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets on unabsorbed depreciation and unabsorbed tax losses are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become virtually certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer virtually certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes virtually certain, that sufficient future taxable income will be available.

1.11. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an

equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.12. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

1.13. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.14 Contingent Liabilities, if any, are disclosed by way of notes to accounts.

NOTES FORMING PART OF THE ACCOUNT

Note 2: Share Capital

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number	₹ in Lacs	Number	₹ in Lacs
Authorised				
Equity Shares of ₹ 5/- each	80,000,000	4,000.00	80,000,000	4,000
Equity Shares of ₹ 10/- each	-	-	-	-
Issued				
Equity Shares of ₹ 5/- each	35,453,259	1,772.66	35,453,259	1,772.66
Subscribed & Fully Paid up				
Equity Shares of ₹ 5/- each	35,452,159	1,772.61	35,452,159	1,772.61
Less: Amount recoverable from ESOP Trust	-	(62.43)	-	(79.01)
		1,710.18		1,693.60

a. Reconciliation of number of shares outstanding at the beginning and end of the year

Particulars	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	As at 31.03.2012	No. of Shares	As at 31.03.2011
Shares outstanding at the beginning of the year	35,452,159	1,772.61	30,718,277	1,535.91
Shares Issued during the year			4,733,882	236.70
Shares bought back during the year				
Shares outstanding at the end of the year	35,452,159	1,772.61	35,452,159	1,772.61

b. Rights, Preferences and Restrictions attached to Shares

The Company has one class of shares referred to as equity shares having a par value of ₹ 5 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Shares held by Holding /Ultimate Holding Company and /or its subsidiaries /associates:

There are no Shares held by Holding Company or Ultimate Holding Company or shares held by its subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

d. List of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
ARUN B. SHAH	3,320,549	9.37%	3,320,549	9.37%
RITIKA GEMS PRIVATE LIMITED			2,000,000	5.64%

e. During the last 5 years, the Company has neither issued any Bonus Shares nor allotted any shares pursuant to a contract without payment being received in cash. No shares have been bought back during the last 5 years.

f. Unpaid calls

As per records of the Company, no calls remain unpaid by the directors and officers of the Company as on 31st March, 2012

g. As per records of the Company, no shares have been forfeited by the Company during the year.

NOTES FORMING PART OF THE ACCOUNT

Note 3: Reserves and Surplus

Particulars	As at 31 March 2012 (₹ In Lacs)	As at 31 March 2011 (₹ In Lacs)
a. Capital Redemption Reserve		
As per last Balance Sheet	87.62	87.62
b. Special Reserve		
As per last Balance Sheet	325.00	325.00
c. Capital Reserve		
As per Last Balance Sheet	511.06	321.23
Addition during the year	-	189.83
Closing Balance	511.06	511.06
d. Securities Premium Account		
As per Last Balance Sheet	21,473.55	20,605.38
Add: Addition during the year	-	868.17
	21,473.55	21,473.55
Less: Amount Recoverable from ESOP Trust	(94.89)	(120.09)
	21,378.66	21,353.46
e. Debit Balance of Statement of Profit and Loss.		
Opening balance	(9,462.60)	215.24
(+) Net Profit/(Net Loss) for the year	(13,153.78)	(9,677.84)
Closing Balance	(22,616.37)	(9,462.60)
Total	(314.07)	12,814.54

Note 4: Long Term Borrowings

Particulars	As at 31 March 2012 (₹ In Lacs)	As at 31 March 2011 (₹ In Lacs)
Secured		
(a) Loans from Banks and Financial Institution	-	-
Unsecured		
(a) Deferred payment liabilities		
i. Sales Tax Deferral Scheme	-	-
Public Deposits	93.46	155.40
(b) From Others	-	-
Total	93.46	155.40

Details of Default & Repayment :-

Deposits matured & claimed, but unpaid as on 31.03.12 are ₹ 201.25 lacs. Interest amounting to ₹ 21.79 lacs approx. has not been provided on Public Deposits which have matured & claimed but have not been paid. No interest has been provided on the same after the date of maturity. Public Deposits amounting to ₹ 7.57 lacs are matured but not claimed.

Note 5: Long Term Provisions

Particulars	As at 31 March 2012 (₹ In Lacs)	As at 31 March 2011 (₹ In Lacs)
Provision for employee benefits		
Gratuity	48.93	55.53
Leave Encashment	18.79	85.64
Total	67.72	141.17



NOTES FORMING PART OF THE ACCOUNT

Note 6: Short	Term	Borrowings	
<u>Particulars</u>		As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
<u>Secured</u>			
(a) Loans Repayable on Demand From banks			
Working Capital Loans		13,861.76	13,718.78
LC Payable		4,488.04	4,488.04
<u>Unsecured</u>			
(a) Deposits			
Public Deposits		272.76	242.71
(b) From Others		151.81	86.30
(c) Non Convertible Debentures			
Interest Accrued & Due on NCD's			
Total		18,774.37	18,535.83

Notes :-

Nature of Security

1. Working Capital Facilities of ₹13861.76 lacs (Previous year ₹13718.78 lacs) are secured by :
 - [a] Hypothecation of current assets except Esco receivables.
 - [b] Second charge on immovable properties at 68, MIDC, Satpur, Nasik - 422 007.

Details of Default & Repayment :-

All the loans aggregating to ₹ 18349.80 lacs have been called back by the respective Banks due to default in the repayment of Principal & Interest amount . In absence of confirmations /reconciliations from the Banks, the company is unable to ascertain the exact amount of default.

Note 7: Other Current Liabilities

Particulars	As at 31 March 2012		As at 31 March 2012	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
(a) Current Maturities of Long Term Debt :				
Current Maturities of Long Term Borrowings	859.41		859.22	
Non Convertible Debentures	4,125.00		4,125.00	
Term Loan from IDBI	7,822.50	12,806.91	7,822.50	12,806.72
(b) Interest accrued and due on borrowings		5,561.97		1,993.74
(c) Due to Subsidiaries		-		-
(d) Liability towards Investors Education and Protection Fund under Section 205 C of the Companies Act, 1956 not due :				
Unpaid Dividends		7.87		10.74
(e) Other liabilities		603.78		2,133.77
(f) Other Payables				
Central Excise, Customs Duty, VAT and Service Tax Payable		730.05		256.96
Trade / Security Deposits received		336.45		277.06
Tax Deducted at Source		99.22		57.11
Salary and Reimbursements		198.55		157.56
Provident Fund and other Employee Deductions		23.40		38.66
Advances from Customers		429.88		221.00
(g) Share Application Money		140.55		-
Total		20,938.62		17,953.34

NOTES FORMING PART OF THE ACCOUNT

Notes :-

Nature of Security :-

1. Term Loan of ₹549.55 lacs (Previous Year ₹549.55 lacs) from Bank Of India is secured by first charge by way of Equitable mortgage on the immovable properties of the company at Thane.
2. Term Loan of ₹300 lacs (Previous year ₹300 lacs) from UCO Bank is secured by :
 - (a) Assignment of Letter of Credit of MSEDCL and hypothecation of receivables arising out of MSEDCL lease rentals.
 - (b) Exclusive charge on ESCO receivables subject to first prior charge of IREDA to the extent ₹1800 lacs.
 - (c) Exclusive first mortgage charge on immovable properties and hypothecation charge on movable fixed assets of the company excluding charge created in favour of IREDA.
 - (d) Paripasu second charge on company's current assets excluding ESCO receivables and MSEDCL receivables.
3. Rupee term loan of ₹9.85 lacs (Previous year ₹9.85 lacs) from IREDA is secured by
 - [1] First charge by way of hypothecation of assets acquired out of IREDA's loan and Company's own funds under the scheme, both existing and future.
 - [2] Second charge on the immovable properties of the Company at Nasik.
 - [3] Personal guarantee of the then Chairman.
 - [4] Corporate guarantee of a group Company
 - [5] Hypothecation of receivables from state electricity boards of amount not exceeding ₹1800 lacs

Details of Default & Repayment :-

All the loans have been called back by the respective Banks and Financial Institution due to default in the repayment of Principal & Interest amount aggregating to ₹ 12,806.91 lacs and ₹ 5,561.97 lacs respectively. No Interest has been provided on these loans for the quarter ended 31.03.12.

In absence of confirmations /reconciliations from the Banks & Financial Institution, the company is unable to ascertain the exact amount of default.

Note 8: Short Term Provisions**Particulars****Provision for employee benefits**

Gratuity

Leave Encashment

Provision - Others

Provision for Commission

Total

	As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
	1.79	0.36
	6.26	7.31
	362.83	556.77
	370.88	564.44

NOTES FORMING PART OF THE ACCOUNT

(₹ in Lacs)

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			IMPAIRMENT		NET BLOCK	
	Upto 31st March 2011	Upto 31st March 2012	Deductions/Transfers	Upto 31st March 2011	Provided during the Period	Written Back during the Period	Upto 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
<u>Tangible Assets</u>										
Free Hold Land	2.95	2.95	-	-	-	-	-	-	2.95	2.95
Lease Hold	6.09	6.09	-	1.99	0.07	-	2.06	-	4.03	4.10
Factory Building	1,115.51	1,115.51	-	395.86	35.99	-	431.85	-	683.66	719.65
Flat	6.21	6.21	-	0.80	-	-	0.80	5.41	-	-
Plant & Machinery	7,483.90	7,579.74	-	3,544.95	230.65	-	3,775.60	1,558.37	2,245.77	2,380.58
Furniture & Fixtures	242.32	242.67	-	177.18	8.53	-	185.71	4.89	52.05	60.25
Vehicle / Cycle	148.01	148.01	-	83.46	20.10	-	103.56	0.31	44.14	64.24
<u>Intangible Assets</u>										
Goodwill	119.00	119.00	-	97.74	4.25	-	101.99	-	17.01	21.26
Patents & Trademarks	25.84	25.84	-	19.99	1.70	-	21.69	-	4.15	5.85
Product Development Cost	712.21	712.21	-	625.85	85.19	-	711.04	-	1.17	86.37
Software	2.21	2.21	-	1.55	0.44	-	1.99	-	0.22	0.65
TOTAL	9,864.25	9,960.44	-	4,949.37	386.92	-	5,336.29	1,568.98	3,055.17	3,345.90
Previous Year	9,867.29	9,864.25	5.94	4,514.42	439.85	4.89	4,949.37	1,568.98	3,345.90	

NOTES FORMING PART OF THE ACCOUNT

Note 10: Non Current Investments

Particulars	Nominal Value	Number of Shares	As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
A Trade Investments (At Cost)				
Investments in Fully Paid Equity Shares				
In Joint Ventures (Unquoted)				
Equity shares of Midcom Magnetics Management Pvt.Ltd.	₹ 10	20,000	139.50	139.50
In Others (Unquoted)				
(Refer Note 39 (a) and (b))				
Asian Electronics LLC, Delaware, USA.	USD 1	10,000	4.54	4.54
Global Energy Management (Europe) Ltd.	GBP 1	4,750	3.23	3.23
Unique Waste Plastic Management And Research Company Private Limited	₹ 10	2,450,000	4,360.20	4,360.20
Asian Retail Lighting Ltd	₹ 10	1,451,040	276.00	276.00
Total			4,783.47	4,783.47
a Aggregate Book Value of Investments				
Particulars			As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
Aggregate amount of quoted investments				
Aggregate amount of unquoted investments			4,783.47	4,783.47
Aggregate provision for diminution in value of investments				
b Disclosure as per AS 13 - Accounting for Investments				
Particulars			As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
Long Term Investments			4,783.47	4,783.47
Current Investments				
Total			4,783.47	4,783.47

**Note 11: Long Term Loans and Advances
(Unsecured, considered good)**

Particulars	As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
a. Security Deposits		
To Others	109.30	135.63
Total	109.30	135.63

**Note 12: Inventories (Valued at lower of cost or net realisable value)
(as taken, valued and certified by the management)**

Particulars	As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
a. Raw Materials	1,251.33	2,256.88
b. Work-in-progress	2,457.66	3,329.85
c. Finished goods	4,031.63	4,393.68
d. Trading Stock	-	3,997.28
	7,740.62	13,977.69
Less : Provision for Inventory	(5,613.00)	(5,613.00)
Total	2,127.62	8,364.69



NOTES FORMING PART OF THE ACCOUNT

Note 13: Trade Receivables

(Unsecured, considered good unless otherwise stated)

Particulars

	As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	25,844.16	29,621.53
Considered doubtful	13,115.54	13,115.54
	<u>38,959.70</u>	<u>42,737.07</u>
Less: Provision for Doubtful Debts	13,115.54	13,115.54
	<u>25,844.16</u>	<u>29,621.53</u>
Others	1,827.69	1,080.26
Total	<u>27,671.85</u>	<u>30,701.79</u>

Note 14: Cash and Cash Equivalents

Particulars

	As at 31 March 2012 (₹ in Lacs) (₹ in Lacs)		As at 31 March 2011 (₹ in Lacs) (₹ in Lacs)	
Cash and cash equivalents				
a. Cash on Hand		4.20		24.54
b. Cheques in Hand		-		-
c. Balances with Banks on Current Accounts with Scheduled Banks	66.85		235.33	
with Unscheduled Banks	0.12	<u>66.97</u>	0.12	<u>235.45</u>
		<u>71.17</u>		<u>259.99</u>
Other Bank Balances				
a. Balances held for unpaid Dividends		7.86		10.74
b. Bank Deposits as Margin money		19.09		0.30
c. Bank Deposits		<u>278.97</u>		<u>323.74</u>
		<u>305.92</u>		<u>334.78</u>
Total		<u>377.09</u>		<u>594.77</u>

Note 15: Short term loans and advances

(Unsecured, considered good)

Particulars

	As at 31 March 2012 (₹ in Lacs) (₹ in Lacs)		As at 31 March 2011 (₹ in Lacs) (₹ in Lacs)	
Advances Recoverable in Cash or in Kind				
To Employees	11.85		11.87	
To Others - considered good	544.99		957.28	
To Others - considered doubtful	199.59	756.43	199.59	1,168.74
Intercorporate Deposits		295.53		3.38
Security Deposits		200.66		230.34
Prepaid Expenses		11.95		24.10
Balances with Government Authorities considered good	290.19		343.60	
considered doubtful	95.05	385.24	95.05	438.65
Advance paid to supplier considered good	6,521.14		4,606.50	
considered doubtful	1,039.16	7,560.30	1,039.16	5,645.66
Advance tax paid		210.53		906.89
Less : Provision for Doubtful Advances		<u>(1,333.80)</u>		<u>(1,333.80)</u>
Total		<u>8,086.84</u>		<u>7,083.96</u>

Note 16: Other Current Assets

Sr. Particulars

No.

	As at 31 March 2012 (₹ in Lacs)	As at 31 March 2011 (₹ in Lacs)
Interest Accrued on Loans	13.77	13.47

NOTES FORMING PART OF THE ACCOUNT

Note 17: Revenue from operations

Particulars	(₹ in Lacs)	
	For the year ended 31 March 2012	For the year ended 31 March 2011
Sale of Products		
Manufactured goods	2,508.22	4,283.63
Less: Excise duty	224.34	402.04
Sale of manufactured goods (net of excise)	2,283.88	3,881.59
Other Operating Revenues		
Trading Sales	5,956.33	10,912.55
Lease Rent and Maintenance Charges	47.54	221.28
Scrap and sundry sales	23.61	38.15
Insurance Claim Received	11.49	1.17
Maintenance and Support	47.40	115.94
Interest Received on Esco Sales	44.36	847.94
Sundry Balance Written back	-	1.17
Foreign Exchange Income	-	69.72
Total	8,414.61	16,089.51

Note 18: Other Income

Particulars	For the year ended 31 March 2012		For the year ended 31 March 2011	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Interest Income				
Interest from Banks on Deposits	23.68		19.45	
Interest on Loans and Advances	16.61		0.18	
Interest on Overdue Trade Receivables	10.23		30.87	
Interest on Income Tax Refund	160.41	210.93	8.74	59.24
Other Non Operating Income				
Prior Period Items (Net)	18.88		-	
Miscellaneous Income	35.59	54.46	42.87	42.87
Total		265.39		102.11

Note 19: Cost of Materials Consumed

Particulars	(₹ in Lacs)	
	For the year ended 31 March 2012	For the year ended 31 March 2011
Cost of Materials Consumed		
Raw Materials Consumed		
Stock at the beginning of the year	2,256.88	3,521.23
Add: Purchases (Net)	2,236.22	3,171.17
Less: Sale of Raw Materials	(65.46)	(424.15)
	4,427.64	6,268.25
Less: Stock at the end of the year	1,251.33	2,256.88
Total - **	3,176.31	4,011.37
Stores and Spares Consumed	12.63	145.27
Packing Material Consumed	78.22	55.35
Total	3,267.16	4,211.99

** Net of Write Off of Obsolete Inventory of Raw Materials aggregating to ₹ 385.98/- Lacs in the current year.



NOTES FORMING PART OF THE ACCOUNT

Note 20: Purchases of Stock in Trade

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Cost of Traded Materials	6,703.00	12,522.92

Note 21: Changes in Inventories

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
(₹ in Lacs)		
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade (Increase)/Decrease in Stock		
Opening Stocks		
Finished Goods - Manufactured	4,393.68	4,698.48
Stock- in-Trade - Projects	3,997.28	2,929.75
Work-in-Progress	3,329.85	3,829.60
	<u>11,720.81</u>	<u>11,457.83</u>
Less: Closing Stocks :		
Finished Goods - Manufactured	4,031.63	4,393.68
Stock- in-Trade - Projects	-	3,997.28
Work-in-Progress	2,457.66	3,329.85
	<u>6,489.29</u>	<u>11,720.81</u>
Total - **	<u>5,231.52</u>	<u>(262.98)</u>

** Includes Write off of Obsolete Inventories of WIP and Stock In Trade amounting to respectively ₹ 451.70 lacs & ₹ 6276.08 lacs respectively in the current year.

Note 22: Employee Benefit Expenses

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
(₹ in Lacs)		
Salaries and Wages	628.04	909.27
Contributions to Provident and other funds	47.03	43.99
Staff welfare Expenses	25.71	27.08
Total	<u>700.78</u>	<u>980.34</u>

Note 23: Finance Costs

Particulars	For the year ended 31 March 2012		For the year ended 31 March 2011	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Interest expense				
On Term Loans	108.06		1,673.06	
On Working Capital Loans	317.97		470.72	
On Debentures	408.38		-	
On Others	57.60	892.01	691.26	2,835.04
Bank Charges		1,523.64		1,799.31
Total		<u>2,415.65</u>		<u>4,634.35</u>

NOTES FORMING PART OF THE ACCOUNT

Note 24: Other Expenses

Particulars	For the year ended 31 March 2012		For the year ended 31 March 2011	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Excise Duty		115.64		138.04
Installation and Maintenance Charges		378.65		435.13
Power and Fuel		75.13		74.25
Insurance		27.04		31.97
Rent		77.98		99.58
Rates and Taxes		12.07		21.15
Repairs				
To Machinery	3.26		72.81	
To Buildings	6.03		0.92	
To Others	158.74		235.26	
		168.03		308.99
Commission and Brokerage		68.82		152.10
Communication Expenses		38.09		47.23
Freight and Forwarding Expenses		189.93		254.44
Sales Promotion		12.63		20.08
Directors' Sitting Fees		5.72		6.44
Travelling and Conveyance Expenses		108.70		153.45
Legal & Professional Charges		131.43		158.97
Bad debts/irrecoverable advances		637.17		0.72
Claims Paid		212.63		-
Foreign Exchange Loss		22.30		-
Diminution in Value of Fixed Assets		161.75		381.80
Provision for Doubtful Debts and Receivables		-		-
VAT Expenses		405.32		-
Non-Performing-Sales Penalty		95.12		-
Payments to Auditors				
Audit Fees	30.60		30.60	
Reimbursement of Expenses	0.23		0.08	
		30.83		30.68
Miscellaneous Expenses		153.76		223.34
Total		3,128.74		2,538.36

Note 25 : Extraordinary Items

Particulars	(₹ in Lacs)	
	For the year ended 31 March 2012	For the year ended 31 March 2011
Expense on Employee Stock Option Scheme (ESOP)	-	804.63
	-	804.63



NOTES TO ACCOUNTS

26. Principles of Consolidation:

- The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 “Consolidated Financial Statements” (CFS).
- The consolidated financial statements have been prepared using uniform accounting policies in accordance with the generally accepted accounting principles.
- The financial statements of the Company and its wholly owned subsidiaries companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter Company balances and transactions and unrealized profits and losses have been fully eliminated.
- The difference between cost to the Company of its investments in the wholly owned subsidiaries / companies and its share of the equity of the wholly owned subsidiaries companies, at the dates on which the investments in the wholly owned subsidiaries companies are made, is recognized as Goodwill or Capital Reserve as the case may be.
- The Consolidated Financial Statements (CFS) comprise of financial statements of Asian Electronics Limited and its wholly owned subsidiaries as on 31st March 2012, which are as under:

Name of the Company	Subsidiary / Joint Venture / Associate	Country of Incorporation	% Shareholding & Voting Power
AEL Projects Pvt. Ltd.	Subsidiary	India	100%
AEL ESCO Pvt. Ltd.	Subsidiary	India	100%

In view of the exit made after the date of the Balance Sheet, the Financial Statements of Joint Venture Midcom Magnetics Management Pvt. Ltd. have not been considered in the consolidation of accounts for the Current & Previous year. Hence previous year's figures are not comparable.

- The accounts of an Associate Company (Unique Waste Plastic Management and Research Company Private Limited) have not been considered for the purpose of consolidation as the Company intends to dispose off the investments in the near future and also the Company has no effective management control over the associate. Accordingly, the accounting as per the “Equity method” is discontinued and the carrying value of the investment as at April 1, 2009 has been regarded at cost.

27. Capital and Other Commitments

Particulars

Estimated amount of contracts remaining to be executed on capital account and other commitments not provided for (net of advances).

2011-12
₹ in Lacs

2010-11
₹ in Lacs

-

-

28. Contingent Liabilities not provided for

Particulars

Claims against the Company not acknowledged as debts – Refer Note
Guarantees given by the bankers on behalf of the Company
Corporate Guarantee given by the Company on behalf of a third party
Bills/LC discounted with banks
Disputed income tax demand

2011-12
₹ in Lacs

2010-11
₹ in Lacs

1232.55

1077.20

40.02

1169.02

300.00

300.00

697.26

657.26

-

2,973.57

2269.83

6,177.05

Note:

The above claims include a dispute with a finance company relating to lease transactions entered in the year 1997. These disputes were under arbitration. During the year 2005-2006, awards were given by the arbitrator directing the Company to compensate the finance company for the losses suffered by them due to disallowances of certain claims in their assessment of income under Income Tax Act. The award also stipulated that the finance company should refund the amount along with interest to the Company on succeeding in getting the claim in further appeals made by them. The Company's Arbitration Petition in the High Court of Bombay for setting aside the award passed by the Honorable Arbitrator on 23rd March 2006 has been dismissed. Aggrieved by the said order the Company has preferred an appeal in the Second Bench of the Honorable High Court of Mumbai, which was also dismissed. Aggrieved by the said order of the 2nd Bench of the High Court, the Company has filed Special Leave Petitions (Civil) No. 14865/2007 and No. 15093/2007. The Honorable Supreme Court granted an interim stay (which is since vacated without adjudication) on the impugned orders on deposit of ₹ 2 crores with the Supreme Court Registry which the Company has deposited. The matter is pending in the Supreme Court

- Trade Payables include principal amount of ₹ 16.49 Lacs (₹ 84.50 Lacs) due to the suppliers covered by “The Micro Small and Medium Enterprises Development Act, 2006”.
- The Management has certified that there is no interest paid/payable during the year by the Company to such suppliers. (Previous year – ₹ Nil).

- (c) Micro Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2012 are as under –

Ashoka Industries, Swami Samarth Electronics Pvt. Ltd, Sarang Enterprises, Sheetal Thermocol Packers, Nisha Enterprises, Sa Enterprises, M-Tech Trading Co., Shubham Engineering, Libra Industries, Pramod Fibre-Plast Pvt Ltd, Shree Fabs, Shalaka Polymers, Kalpana Enterprises, Suprim Engineering, Bright Light Company, Sai Ashish Enterprises, Impakt Packaging, Hira Plastics Industries, Devyani Enterprises, Shiva Enterprises, Kunal Enterprises, Arya Enterprises, See Ram Industries, Aashirwad Press Tools, Bhamre Saw Mill, Chafekar Engineering Works, Shree Raj Packaging, Pushkraj Packaging, A.B. Stamping, Swati Packagers, Bhagyashree Eng. Pvt. Ltd., Garima Enterprises, Printa Chem, Jai Sadguru Industries, Kamal Industries, Perfect Engraving Works, Shaunak Enterprises, M. M. Woodland Pvt. Ltd, Manisha Packaging.

The above information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

30. (i) As per approval of the shareholders of the Company under Section 293 (1) (a) of the Companies Act, 1956, obtained through postal ballot on 22nd May, 2010, the Company has effective from Oct 1st 2009, transferred the businesses of the following divisions to two 100% subsidiaries as under, subject to requisite approvals being obtained from the concerned Statutory Authorities and the Company's lenders and creditors:
- Business of ESCO Division, i.e. financing of Projects / Products to customers on energy saving basis, and all activities related thereto together with all related assets, liabilities and entitlements at book values as at the time of transfer on a going concern basis.
 - Business of Projects Division, i.e. State Electricity Board Projects and all activities related thereto together with all related assets, liabilities and entitlements at book values as at the time of transfer on a going concern basis.
- (ii) In accordance with the accounting principles, the accounts have incorporated all such transactions at book values at the time of transfer and the difference between the book values of identified Assets and Liabilities of ESCO Division amounting to ₹ 5,174.34 Lacs and of Projects Division amounting to ₹ 1,129.15 Lacs is shown as an Investment in the subsidiaries. However pending allotment of shares by the two subsidiary companies the Company has for the time being shown the said investments under Investment Suspense Account in Note 10 of the Standalone Accounts.
- (iii) The Company had applied for approvals of Secured / Unsecured Lenders. However one of the lenders has informed the Company that they are not agreeable to the transfer of the businesses of the two divisions to the two 100% subsidiaries and has declined to give its approval. Besides, the Lead bank of the Consortium for Working Capital has informed the Company not to proceed with hiving-off of assets without the written consent of the Consortium Banks. Consequently, the Company continues to be liable to the lenders for the Term Loans and Unsecured Redeemable Non-Convertible Debentures transferred to the subsidiary companies. The Company has not provided interest on the above for the year under review. Therefore, the company will continue to be liable to the lenders for the following:

Liabilities of ESCO Division

- Term loan and interest due thereon to IDBI for Rs 1714.75 lacs which is secured by way of:
 - First charge on movable properties of the Company by way of hypothecation.
 - First charge by way of equitable mortgage on the immovable properties of the Company at Nasik.
 - Hypothecation of receivables pertaining to ESCO Division subject to first prior charge of IREDA to the extent of ₹1800 lacs.
- Term loan and interest due thereon to IDBI for Rs 7221.41 lacs which is secured by way of:
 - First charge on immovable and movable properties of the Company located at 68, MIDC, Satpur Nashik by way of extension of pari-passu first charge with UCO Bank in respect of its Term loan of ₹6000 lacs (outstanding as on 31 Mar 2012 is Rs. 300.00 Lacs) excluding exclusive charge created in favour of IREDA on the Solar Plant acquired out of assistance of ₹1971 lacs sanctioned by IREDA
 - Exclusive first charge of ESCO receivables (except MSEDCL receivables) under deferred sales and all new ESCO contracts for Energy Efficient Lighting Systems to be funded by IDBI under this loan
 - Charge on MSEDCL receivables is subject to first prior charge in favor of UCO Bank in respect of its Rupee Term Loan of ₹ 6000 lacs (Outstanding as on 31 Mar 2012 is ₹ 300.00 Lacs) and first prior charge in respect of IREDA to the extent of ₹1800 lacs.

Liabilities of Projects Division

Unsecured Redeemable Non – Convertible Debentures and interest thereon issued to LIC Mutual Fund Asset Management Company Limited amounting to ₹ 5343.45 Lacs. However, after the Balance Sheet date, the Company has arrived at settlement of the claim to pay ₹ 20 Crores prior to March 2014.

- The Wholly Owned Subsidiary Companies (Transferee Companies) may opt to revalue the assets and appropriate the costs incurred based on fair market value including goodwill and may therefore adjust premium on transfer upon completion of exercise.
31. The Company has given certain assets on operating lease, other than those assets given to MSEDCL which are in dispute as explained in Note no. 32 below, some of which are acquired on lease. Future lease rentals receivable against the said assets on lease as on March 31, 2012 is ₹ 17.47 Lacs. (Previous Year ₹ 42.72 Lacs). The Company has not considered the future lease rentals receivable on these leased assets in the current financial statement.

32. During the financial year 2006-07, the contract for Lease Equipment with Maharashtra State Electricity Distribution Company Ltd. ("MSEDCL") had been terminated w.e.f. 18th December, 2006 in view of the breach of the terms of the said contract by MSEDCL. The Company had initiated arbitration proceedings under the agreement, and arbitration proceedings are in progress. The Company has lodged a claim of ₹ 157.09 crores including the value of Leased Equipments. Consequently, during the financial year 2008-09, the Company had treated the book value (as at 1st April 2008) of the Leased Equipments, being Fixed Assets, amount outstanding for Lease Rent and Advances up to the date of termination aggregating to ₹ 4120.93 Lacs as Claims Receivables from MSEDCL and shown separately under Current Assets considering it as good and recoverable. Balance outstanding as on 31st Mar 2012 is ₹ 4,121.11 Lacs.

The Company has not recognized income from the operating lease under the said contract after 18th December, 2006. The total amount of such lease rentals not recognized by the Company for the year is ₹ 621.90 lacs, amount not recognized as revenues till 31st March 2012 from the date of dispute is ₹ 9,526.17 lacs. Total rental recoverable from MSEDCL under dispute is ₹ 11,369.67 Lacs.

33. During the financial year 2005-2006, the Company had instituted Employees' Stock Option Plan - 2005. The Compensation Committee of the Board evaluates the performances and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfillment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's Shares at a price determined on the date of grant of options. The particulars of option granted during the financial year 2005-06 and outstanding as at 31st March 2012 are as under:

Particulars	Shares arising out of options March 31, 2012	Shares arising out of options as at March 31, 2011
Options Outstanding at the beginning of the year	2,72,185	3,51,550
Options relinquished during the year	-	-
Options issued during the year	4,98,450	-
Options exercised during the year	2,72,185	79,365
Options Outstanding at the end of the year	4,98,450	2,72,185

The Company modified the Scheme in terms of the provisions of the SEBI ESOP Guidelines and Scheme. A Trust called "Asian Electronics Limited Employees' Welfare Trust" (The Trust) has been constituted vide Trust Deed dated 25th January, 2007 to administer the Scheme under the directions of the Compensation Committee.

The Company has already allotted 8,50,000 Shares to the Trust on 31st March, 2007 at a price of ₹ 86.50 per Equity Share to be eventually allotted to the employees of the Company on exercise of option by them in due course of time. The Company has also given advance of ₹ 735.25 Lacs to the Trust for the purpose.

The Compensation Committee of the Board of Directors at its meeting held on 31st March 2010 had granted 3,51,550 stock options under ESOP - 2005 Scheme to certain Executives / Officers of the Company which shall be exercisable into equal number of fully paid up Equity Shares of the Company of the Face Value of ₹ 5/- each in one or more tranches on payment of exercise price of ₹ 28/- per Equity Share of ₹ 5/- each, being the market price prevailing as on 30th March 2010, on or after completion of one year from the date of grant, i.e. 30th March 2011 being the vesting date. The options are to be exercised within a period of seven years from the date of vesting.

During the year 2010-11, the Compensation Committee of the Board of Directors, on 23rd March, 2011, revised the exercise price to ₹ 12.60/- per share, which was the closing price of the share on the Stock Exchanges on the previous day of such revision i.e. 22nd March, 2011. Consequently due to the revision of price, an amount of ₹ 600.15 Lacs was shown under Exceptional Item and charged to Profit and Loss Account.

Further the Company received ₹ 10 Lacs on 30th March 2011 towards exercise of 79,365 Stock Option into equal number of Shares under the ESOP Scheme 2005. The balance of Loan to the Trust outstanding as on 31st March 2011 is ₹ 97.10 Lacs which was adjusted against Share Capital and Securities Premium Account.

During the year under review 2,72,185 options were exercised by the employees at the price of ₹ 12.60 per share and the Loan given to trust is reduced to the extent of value of shares transferred from the Trust.

The Compensation Committee of the Board of Directors vide Circular Resolution dt. April 1, 2011 had granted 4,98,450 stock options under ESOP - 2005 Scheme to certain Executives / Officers of the Company which shall be exercisable into equal number of fully paid up Equity Shares of the Company of the Face Value of ₹ 5/- each in one or more tranches on payment of exercise price of ₹ 10.75 per Equity Share of ₹ 5/- each, being the market price prevailing as on 31st March 2011, on or after completion of one year from the date of grant, i.e. 30th March 2012 being the vesting date. The options are to be exercised within a period of seven years from the date of vesting. The balance of loan to the trust outstanding as on 31st March 2012 is ₹ 62.80 Lacs which is adjusted against the Share Capital and Securities Premium Account.

Subsequent to the Balance Sheet date, the Compensation committee has revised the exercise price of outstanding options from ₹ 10.75 to ₹ 5.80 per share in view of the drop of market price of the shares of the Company.

34. During the Financial Year 2009 - 10, the Company has instituted ESOP 2009 Scheme. The Compensation Committee of the Board of Directors at its meeting held on 31st March 2010 has granted 10,00,000 Stock Options under ESOP 2009 Scheme to the Non - Executive Independent Directors of the Company which shall be exercisable into equal number of fully paid up Equity Shares of the Company of the Face Value of ₹ 5/- each in one or more tranches on payment of exercise price of ₹ 28/- per Equity Share of ₹ 5/- each, being the market price prevailing as on 30th March 2010, on or after completion of one year from the date of grant, i.e. 30th March 2011 being the vesting date. The options are to be exercised within a period of five years from the date of vesting.

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Particulars	Shares arising out of options as at March 31, 2012	Shares arising out of options as at March 31, 2011
Options Outstanding at the beginning of the year	8,09,524	10,00,000
Options relinquished during the year	-	-
Options issued during the year	-	-
Options exercised during the year	59,524	1,90,476
Options Outstanding at the end of the year	7,50,000	8,09,524

Towards streamlining of the implementation of the ESOS 2009, the Company modified the Scheme in terms of the provisions of the SEBI ESOP Guidelines and Scheme, vide Special Resolution passed at the Annual General Meeting held on 30th September, 2009. A Trust called "Asian Electronics Limited Employees' Welfare Trust, 2009" (The Trust) has been constituted vide Trust Deed dated 12th February, 2011 to administer the Scheme under the directions of the Compensation Committee.

The Compensation Committee of the Board of Directors, on 23rd March, 2011, revised the exercise price to ₹ 12.60/- per share, which was the closing price of the share on the Stock Exchanges on the previous day of such revision i.e. 22nd March, 2011. Subsequently, the Company allotted 10,00,000 Shares to the Trust on 25th March, 2011 at a price of ₹ 12.60/- per Equity Share to be eventually allotted to the eligible Directors of the Company on exercise of option by them in due course of time. The Company has also given advance of ₹ 126 Lacs to the Trust for the purpose. During the year 2010-11 the Company received ₹ 24 Lacs towards exercise of 1,90,476 options in to equivalent number of Shares under the Scheme.

During the year under review Company has received ₹ 7,50,000 towards exercise of 59,524 stock options in to equivalent number of shares under the scheme at the price of ₹ 12.60 per share and the Loan given to trust is reduced to the extent of value of shares transferred from the Trust. The balance of loan to the trust outstanding as on 31st March, 2012 is ₹ 94.50 Lacs which is adjusted against the Share Capital and Securities Premium Account.

The Compensation Committee of the Board of Directors vide Circular Resolution dt. April 1, 2011 had granted 41,80,057 stock options under ESOP - 2005 Scheme to certain Executives / Officers of the Company which shall be exercisable into equal number of fully paid up Equity Shares of the Company of the Face Value of ₹ 5/- each in one or more tranches on payment of exercise price of ₹ 10.75 per Equity Share of ₹ 5/- each, being the market price prevailing as on 31st March 2011, on or after completion of one year from the date of grant, i.e. 30th March 2012 being the vesting date. The options are to be exercised within a period of five years from the date of vesting. However the options were issued to the Trust subsequent to the Balance Sheet date.

Subsequent to the Balance Sheet date, the Compensation committee has revised the exercise price of outstanding options from ₹ 10.75 to ₹ 5.80 per share in view of the drop of market price of the shares of the Company.

35. The Company has followed the Intrinsic value method of accounting for the Options granted to Employees under the above mentioned Stock Option Schemes as mentioned in Note Nos. 33 and 34 above. However since the Company has not ascertained the fair value of the above Options granted, disclosure of the impact of the same if any on the Company's proforma net profit, proforma basic earnings per share and proforma diluted earnings per share is not ascertainable.
36. The Company's products have warranty clause for a period of 24 months. Provision for warranty claims has not been considered as the amount of claim on sale under warranty is estimated to be not material.
37. Due to current mismatch of inflows and outflows, compounded by delayed recoveries of certain stressed assets, as enumerated in Note No. 39 below, the debt servicing by the Company has been adversely affected. As a result, action has been initiated by some of the lenders of the Company. LIC Mutual Fund and SBI Factors Limited had filed petitions in the Bombay High Court for winding up of the Company for non-payment of their dues. In case of the dues to SBI Factors Limited, the dues were supposed to be paid in the financial year 2012-13, which there is a delay and the company is likely to pay in the coming months. The other lenders are being addressed under the forum of CDR as explained hereinafter. The matters are amicably settled and the consent terms are being filed. Bank of India has served upon the Company a Notice under Section 13(2) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Act, 2002 for repayment of dues. Also other Banks have sent Demand Notices to the Company for repayment of their dues
38. In view of the temporary strain on financial resources which has inter alia resulted in delay in repayment of dues, and also with an objective to bring normalcy to the Company's operations, a reference for Corporate Debt Restructuring (CDR) has been made recently under the CDR mechanism, instituted by Reserve Bank of India, for restructuring corporate debts of viable corporate entities, affected by internal factors or external factors, for the benefit of all stakeholders. The restructuring requests, inter alia, includes approval of the lenders for hiving off the businesses of ESCO and Projects Divisions to two 100% subsidiaries. Pending consideration of such requests, the Company has not yet taken any steps with regard to the non-approval as explained in Note No. 30 above.
39. Consequent to a review made by the Management of the various Assets of the Company, the Management is of the opinion that special efforts over a period of time would be needed for recovery of the following stressed assets which would have an impact on the results of the Company for the year under review:-
 - (a) Diminution in the value of Investments in Foreign Companies ₹ 7.77 Lacs, where the local Managements have deserted the Companies and the businesses have been closed down.
 - (b) i. Investment in Unique Waste Plastic Management and Research Company Pvt. Ltd. of ₹ 4,360.20 Lacs where the pending disputes with minority shareholders has been resolved and now implementation of the project becomes sole mean to recover the value of the Investments held by the Company.



- ii. Diminution in the value of Investment in Midcom Magnetics Management Private Limited a Joint Venture Company of ₹ 139.50 Lacs. The Company has exited from the Joint Venture subsequent to the Balance Sheet date. Provision for diminution will be made in the year of exit.
- (c) Trade Receivables considered good includes ₹ 8,647.06 Lacs of old Outstanding's where the recovery may happen only after due legal actions and settlements of counter claims, if any, which cannot be determined.
- (d) Loans and Advances considered good includes ₹ 3,813.54 Lacs of old debit balances where the same may be recovered in the form of assets or will be settled subject to counter claims, if any, which cannot be determined.
- (e) Cash and Bank Balances include Rs 22.16 lacs on account of unreconciled Bank balances which may not be recoverable / realizable.
- (f) Interest amounting to ₹21.79 Lacs Approx, has not been provided on Public Deposits which have matured and claimed but have not been paid.

The losses arising out of the above erosion in value may partially be offset by provisions or payables which may not be paid in view of the non fulfillment of projects supplies or contracts resulting in losses or counterclaims.

Non or delayed recoverability of the above Stressed Assets and inadequacy of accruals have adversely affected the debt servicing by the Company and also led to operating losses and erosion of liquidity. The management is of the view that the above stressed assets of various classes may need provision in due course the extent of which cannot be determined at present. Consequently they have been shown as considered good and no provision has been made for the same.

The management is of the view that the future viability of the company and its 'going concern' assumption would depend on the timely approval of the CDR to the Company's restructuring proposal.

- 40. Regarding impairment the Management is of the opinion that impairment arising out of changes in business model, discontinuation of some products and services and similar reasons should be recognized and are proposed to be transferred to the respective divisions for recovery and an estimate should be made as a block of assets comprising of Fixed Assets, Current Assets and Investments. In the absence of full implementation of the plan, the impairment has not been ascertained and debited to Statement of Profit and Loss.
- 41. Balances of Sundry Debtors, Loans and Advances and Sundry Creditors are subject to confirmations, reconciliation and consequential adjustments, if any, the effects of which are at present unascertainable.

42. Employee Benefits

a. Defined Contribution Plans

The Company has recognized the following amounts in the Profit and Loss Account for the Defined Contribution Plans:

Particulars	₹ in Lacs)	
	2011-2012	2010-2011
Provident Fund	26.64	25.44

b. State Plans:

The Company has recognized the following amounts in the Profit and Loss account for contribution to State Plans:

Particulars	₹ in Lacs)	
	2011-2012	2010-2011
Employees State Insurance	6.95	5.17

c. Defined Benefit Plans -

Salaries and Wages include ₹ 48.03 Lacs towards provision made in respect of accumulated leave encashment.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed five years or more of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy. The Company has provided for gratuity and leave encashment based on actuarial valuation done as per Projected Unit Credit Method. The details of the Gratuity Fund for it's employees are given below which is certified by an actuary and relied upon by the auditors.

The following tables summarize the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plans.

Profit and Loss account

Net employee benefit expense (recognized in Employee Cost)	₹ in Lacs	
	2011-2012	2010-2011
Current service cost	6.87	7.55
Interest cost on benefit obligation	4.44	4.35
Expected return on plan assets	4.23	5.74
Net actuarial Losses / (Gains) recognized in the year	(1.57)	1.01
Past service cost	-	-
Net benefit expense	5.50	7.18
Actual return on plan assets	4.23	5.74

Balance Sheet

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Details of benefit obligation:	March 31, 2012	March 31, 2011
	₹ In Lacs	₹ In Lacs
Defined Benefit Plan obligations	50.73	55.53
Fair value of plan assets	48.93	59.24
	1.80	(3.71)
Less – Unrecognized past service cost	-	-
Plan Liability	1.80	(3.71)

Changes in the present value of the defined benefit obligation are as follows:

	2011-12	2010-11
	₹ In Lacs	₹ In Lacs
Opening defined benefit obligation	55.53	54.37
Current service cost	6.87	7.55
Interest cost	4.44	4.35
Benefits paid	(14.54)	(11.75)
Actuarial Losses / (Gains) on obligations	(1.57)	1.01
Closing defined benefit obligation	50.73	55.53

Changes in the fair value of plan assets are as follows:

	March 31, 2012	March 31, 2011
	₹ In Lacs	₹ In Lacs
Opening fair value of plan assets	59.24	65.25
Expected return	4.23	5.73
Contributions by employer	-	0.01
Benefits paid	(14.54)	(11.75)
Actuarial gains / (Losses)	-	-
Closing fair value of plan assets	48.93	59.24

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows.

Category of Assets	March 31, 2012	March 31, 2011
	%	%
Investment with Insurer	100%	100%

The principal assumptions used in determining benefit obligations are shown below:

Particulars	2011-2012	2010-2011
Discount	8.00%	8.00%
Expected rate of return on plan assets	7.15%	8.79%
Expected rate of salary increase	5.00%	5.00%
Mortality Pre-retirement	Indian Assured Lives Mortality (1994-96)	Indian Assured Lives Mortality (1994-96)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

43. Earnings Per Share

Particulars	31st March 2012	31st March 2011
	(₹ in Lacs)	(₹ in Lacs)
Basic / Diluted Earning Per Share		
Numerator used for Calculating Basic Earning Per Share – Net Profit / (Loss) after Tax	(13,153.77)	(9,677.84)
Weighted Average number of shares used as denominator for Calculating Basic Earning Per Share (in Nos)	3,54,53,259	3,23,75,815
Basic / Diluted Earnings per Share (after extraordinary items)	(37.10)	(29.89)

44. Deferred Tax

In terms of the provisions of the Accounting Standard – 22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, there is a net deferred tax asset on account of accumulated losses and unabsorbed depreciation.

In compliance with provisions of the Accounting Standard and based on General Prudence, the Company has not recognized the deferred tax asset while preparing the accounts of the year under review.

45. Leases

In case of assets taken on Lease

Finance Lease

Plant & Machinery includes machinery obtained on finance lease. The legal title for the same has passed to the Company. There are no lease payments outstanding.

Operating Lease



Office Premises are obtained on Operating lease. The lease term is for 11 months and thereafter renewable. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. Lease rental expense for the year for the agreements entered into is ₹ 77.98 Lacs (₹ 99.58 Lacs).

In case of Assets given on Lease

Finance Lease

There are no Assets given on Finance lease.

Operating Lease

The Company has leased out Plant & Machinery on operating lease. The lease term is for 3 to 10 years and thereafter not renewable. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements

	(₹ in Lacs)	
	2011-2012	2010-2011
Lease Receivables (from assets given on lease other than MSEDCL)		
Not later than one year	14.17	25.25
Later than one year and not later than five years	3.30	17.47
Later than five years	-	-
Total	17.47	42.72

46. Related Parties Disclosure

Name of the related parties where control exists irrespective of whether transactions have occurred or not:

a. **Joint Venture:**

Midcom Magnetics Management Private Limited

b. **Associate**

Unique Waste Plastic Management And Research Co. Pvt. Ltd.

c. **Key Management Personnel**

- i) Mr. Arun Shah, Executive Chairman
- ii) Mr. Neelakanta Iyer from 01.06.2011 onwards.
- iii) Mr. Rajesh Mehta from 01.06.2011 onwards.

d. **Relatives of Key Management Personnel**

Mr. Naman Arun Shah

e. **Enterprises over which any person specified in (b) or (c) above is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise**

- i) Pranamghar (India) Private Limited
- ii) Arsh Advisors Pvt. Ltd.
- iii) Arun & Co.
- iv) Sirius Capital Services Ltd.
- v) Dalal Desai and Kumana (Partnership Firm)
- vi) Pal Technology Private Limited
- vii) Karnataka Pyronics Private Limited from 01.06.2011 onwards.
- viii) Lite Tecnicks Private Limited from 01.06.2011 onwards.
- ix) Integral Engineering Solutions Private Limited from 01.06.2011 onwards.
- x) Integral Technologies Private Limited from 01.06.2011 onwards.
- xi) Srushti Ecosystems LLP from 01.06.2011 onwards.

Note: Related Party relationship is as identified by the Company and relied upon by the Auditors.

Related Party Disclosure

Transactions during the period	Subsidiaries		Associates		Joint Ventures		Key Management Personnel (KMP)		Relatives of Key Management Personnel		Enterprises over which KMP and their relatives are able to exercise significant influence		Total	
	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11
Sales														
Midcom Magnetics Management Pvt Ltd					404.71	207.51							404.71	207.51
Integral technologies Pvt Ltd												176.46	176.46	-
Pal Technology Pvt Ltd												72.48	72.48	-
Reimbursement of Expenses														
Midcom Magnetics Management Pvt Ltd					34.44	11.56							34.44	11.56

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Transactions during the period	Subsidiaries		Associates		Joint Ventures		Key Management Personnel (KMP)		Relatives of Key Management Personnel		Enterprises over which KMP and their relatives are able to exercise significant influence		Total	
	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11	Mar/12	Mar/11
Pranamghar India Pvt Ltd											0.05	4.95	0.05	4.95
Advance Paid (Pending adjustment against credit balances)														
Pranamghar India Pvt Ltd											56.17	51.92	56.17	51.92
Unique Waste Plastic Management And Research Co. Pvt. Ltd			1.67	-									1.67	-
Arun & Co.											193.45	67.80	193.45	67.80
Arsh Advisors & Owners Ltd											7.31	-	7.31	-
Managerial Remuneration														
Neelakanta Iyer							15.02	-					15.02	-
Naman Arun Shah									1.20	0.75			1.20	0.75
Purchases of Material														
Midcom Magnetics Management Pvt Ltd					62.98	165.77							62.98	165.77
Integral technologies Pvt Ltd											27.41		27.41	-
Pal Technology Pvt Ltd											119.61		119.61	-
Balance outstanding as at the year end														
Outstanding Payables														
Midcom Magnetics Pvt Ltd					-	(98.08)							-	(98.08)
Neelakanta Iyer							(2.06)						(2.06)	-
Outstanding Receivable (Pending adjustment against credit balances)														
Midcom Magnetics Pvt Ltd					164.56								164.56	-
Pranamghar India Pvt Ltd											325.26	307.15	325.26	307.15
Dalal Desai & Kumana											0.50	0.50	0.50	0.50
Sirus Capital Services Ltd.											4.99	11.03	4.99	11.03
Unique Waste Plastic Management And Research Co. Pvt. Ltd			478.96	477.29									478.96	477.29
Arsh Advisors											109.31	102.00	109.31	102.00
Arun & Co.											211.75	18.30	211.75	18.30
Karnataka Pyronics Pvt Ltd											43.90	-	43.90	-
Lite Tecniks India Pvt Ltd											387.65	-	387.65	-
Pal Technology Pvt Ltd											580.57	-	580.57	-
Integral technologies Pvt Ltd											205.77	-	205.77	-
Totals		0.00	480.63	477.29	666.69	286.76	12.95	0.00	1.20	0.75	2,522.65	563.66	3,684.13	1,328.46

47. Segment Information

Segment reporting as required under AS – 17 is not applicable for the year under review, as more than 90% of the revenue comes from a single segment of Lighting Products / Systems. There is only one geographical segment.

48. The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year's figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year's figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our report of even date attached

For **SORAB S. ENGINEER & CO.**

Chartered Accountants
(Firm Regn No.: 110417W)

C.A. N. D. ANKLESARIA
Partner

Membership No. 10250
Mumbai : 29th November, 2012

For and on Behalf of the Board of Directors

ARUN B. SHAH
Executive Chairman

SADANAND SAHASRABUDHE
Chief Financial Officer
Mumbai : 29th November, 2012

RAJESH MEHTA
Executive Director & Jt. CEO

DHANANJAY DUMBRE
Asst. Company Secretary



ASIAN ELECTRONICS LIMITED

Registered Office : D-11, Road No. 28, Wagle Industrial Estate, Thane 400 604.

ATTENDANCE SLIP

I hereby record my presence at the 47th Annual General Meeting of Asian Electronics Limited held on Saturday, the 29th day of December, 2012 at 10.00 a.m at Anand Banquet Hall, Anand Theatre Building, Near Railway Station, Kopri, Thane (E), Thane - 400603.

I am attending this Meeting in my capacity as :

Shareholder	
-------------	--

Proxy	
-------	--

Representative	
----------------	--

(Please tick whichever is applicable)

D.P. Id *	
Client Id *	

Ledger Folio	
--------------	--

(Signature)

Note: Please bring this attendance slip to the Meeting.

ASIAN ELECTRONICS LIMITED

ENTRY PASS

(To be retained throughout the Meeting)

Ledger Folio No.

DP Id *

Client Id *

Name of Shareholder



ASIAN ELECTRONICS LIMITED

Registered Office : D-11, Road No. 28, Wagle Industrial Estate, Thane 400 604.

PROXY

I/We of being a Member/Members of Asian Electronics Limited hereby appoint of or failing him of or failing him of as my/our proxy to attend and vote for me/us on my/our behalf at the 47th Annual General Meeting of the Company to be held on Saturday, the 29th day of December, 2012 at 10.00 a.m. and at any adjournment thereof.

Dated this day of, 2012

Ledger Folio No.	
------------------	--

DP Id *	
Client Id *	

Affix
15 paise
Revenue
Stamp

* Applicable to investors holding shares in Electronic Form

NOTE : The Proxy Form duly completed, stamped and signed must be deposited at the Registered Office of the Company **not less than 48 hours** before the time of holding the meeting

BOOK-POST



If undelivered, please return to :

ASIAN ELECTRONICS LIMITED

107, Sumer Kendra, 1st Floor, P. B. Marg
Behind Mahindra Towers, Worli,
Mumbai - 400 018, India.