



ASIAN ELECTRONICS LIMITED

ANNUAL REPORT

2012-2013

Generating Savings for Generations

A HISTORICAL PERSPECTIVE

Particulars	Year ended March 31				
	2013	2012	2011	2010	2009
	<i>(₹ in lacs except data per share, other information ,no. of shareholders and Ratios)</i>				
Revenue account					
Gross Revenue	2032	8548	14732	22782	21398
Operating profit (PBDIT)	(1059)	(9963)	(4209)	3775	2429
Financial Charges	39	2007	2472	2812	2130
Depreciation	259	387	440	439	461
Exceptional Items	85	-	805	443	698
Provision for taxation					
- Current	-	-	-	-	-
- Deferred	-	-	-	-	-
- F.B.T.	-	-	-	-	33
- Excess Provision written back	-	-	-	213	-
Loss/Profit after tax	(1441)	(12357)	(7926)	294	503
Cash generation	(1182)	(11970)	(6082)	963	266
PBIDT as a percentage of total revenue - before exceptional item	(52.12)	(116.55)	(29)	17	11
PBIDT as a percentage of total revenue - after exceptional item	(56.30)	(116.55)	(34)	15	15
Return on net worth before exceptional item - %	(51.52)	(31.93)	(53.73)	(0.68)	0.75
Return on net worth after exceptional item - %	(54.75)	(31.93)	(48.75)	1.35	2.30
Capital account					
Share capital	1748	1710	1694	1495	1453
Net worth	2632	3945	16260	22383	21756
Loan funds	18817	18692	16860	13366	23885
Net block	2801	3055	3346	3784	4236
Net current assets	6976	7965	17901	20411	35522
Debt-Equity Ratio	7.15	4.74	1.04	0.60	1.09
Per share data					
Earnings per Share of Rs.5/-	(3.74)	(34.85)	(24.48)	0.97	1.68
Book value of Share of Rs.5/-	7	11	46	73	73
Dividend %	Nil	Nil	Nil	Nil	NIL
Other information					
Number of shareholders	46736	49309	51343	50951	45876

Board of Directors

Mr. Arun B. Shah *Executive Chairman*
 Dr. Deepak Divan *Director*
 Mr. D.G. Prasad *Director (up to 08.05.2012)*
 Mr. Suresh Sharma *Additional Director (up to 29.11.2012)*
 Mr. Jim Mitropolous *Director (up to 01.01.2013)*
 Mr. D.B. Shah *Director (w.e.f. 29.11.2012)*
 Mr. Hardik Shah *Additional Director (w.e.f. 06.03.2013)*
 Mr. Rajesh Mehta *Director*
 Mr. S. Neelakanta Iyer *Executive Director & Jt. Chief Executive Officer (Manufacturing Operations)*

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
 ICICI Bank
 Punjab National Bank

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)25946970, (91-22) 25963838
 Fax: (91-22) 25946969
 E-mail: rnt.helpdesk@linkintime.co.in

Registered Office
 107, Sumer Kendra
 1st Floor, P.B. Marg,
 Behind Mahindra Towers,
 Worli, Mumbai – 400018.
 Phone : (91-22) 6610 4888
 Fax: (91-22) 6610 4887
 E-mail: secdept@aelgroup.com

Branch Offices
 Ahmedabad
 Bangalore
 Kolkata
 Chennai
 Delhi
 Hyderabad

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

R & D Unit
 S. No. 46/2, Narhe Road,
 Nr. Sinhagad Springdale School,
 Opp. Bank of Maharashtra,
 Narhegaon, Pune - 411 041.

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

Monday, 12th August, 2013 at 4.30 p.m..

Venue

Victoria Memorial School For Blind, 73,
 Tardeo Road, Opposite Film Centre,
 Tardeo, Mumbai 400 034.

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

Asian Electronics Limited.

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

Phone: (91-22) 6610 4888
Fax: (91-22) 6610 4887
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 48TH ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Eighth Annual General Meeting of the Members of Asian Electronics Ltd. will be held at Victoria Memorial School for Blind, 73, Tardeo Road, Opposite Film Centre, Tardeo, Mumbai 400 034 on Monday the 12th day of August, 2013 at 4.30 P.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 31st March, 2013.
2. To appoint a Director in place of Mr. Rajesh Mehta, 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. Hardik Shah, who was appointed as Additional Director of the Company with effect from 6th March, 2013 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(s), the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 269, 198, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the Act and subject to the approval of Central Government and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Company be accorded to the re-appointment and remuneration of Mr. S. Neelakanta Iyer as the Executive Director & Jt. Chief Executive Officer (Manufacturing Operations) of the Company for a further period of 3 years with effect from 1st June, 2013.

RESOLVED FURTHER THAT the Compensation Committee of the Company be and is hereby authorized to enter into and execute appropriate agreement with Mr. S. Neelakanta Iyer outlining detailed terms and conditions of his appointment as the Executive Director & Jt. Chief Executive Officer (Manufacturing Operations).

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the Executive Director & Jt. Chief Executive Officer (Manufacturing Operations), the Company has no profits or its profits are inadequate, the Company may pay to the Executive Director & Jt. Chief Executive Officer (Manufacturing Operations) remuneration by way of salary, perquisites and other allowances and benefits as may be specified by the Compensation Committee constituted under the supervision of the Board, subject to the receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

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 approval of the Committee and the Board of Directors of the Company, provisions of Section 314(1B) read with Director’s Relatives (Office or Place of Profit) Rules, 2003 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the consent of the Central Government, approval of the members be and is hereby accorded to the appointment and revision in remuneration payable to Mr. Naman A. Shah, son of Mr. Arun B. Shah, Promoter and Executive Chairman of the Company, to hold and continue to hold an Office or Place of Profit as Vice President – Global Marketing (or any other designation and roles which the Board /Committee of the Board may decide from time to time) on the payment of revised remuneration, increments and positions and other terms and conditions as set out in the Explanatory Statement attached to this Notice with effect from 1st September, 2013.

RESOLVED FURTHER THAT the appointment shall be upto retirement age as per the policy of the Company with effect from 1st September, 2013 with remuneration being paid for such reappointment effective 1st September, 2013 on terms and conditions as per Explanatory Statement attached hereto.

RESOLVED FURTHER THAT the revision in remuneration and other terms of appointment of Mr. Naman Shah will be subject to such modification as the Central Government may suggest or require which the Board of Directors are hereby authorized to accept on behalf of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or any Director or Officer to give effect to the aforesaid resolution.

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

RESOLVED THAT pursuant to Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, the applicable provisions

of the Companies Act, 1956 and such other laws, rules, regulations, guidelines or notifications as may be applicable, if any, and subject to approval of Audited Annual Accounts for the financial year 2012-13 by the members of the Company in this Annual General Meeting, the report of the board of directors explaining the reasons of erosion of more than 50% of the peak net worth of the Company as per the audited financial results of the Company for the year ended 31st March, 2013 be and is hereby considered and approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things in such a manner as the Board may deem fit and proper and most beneficial to the Company at their absolute discretion and all their actions done hitherto be and are hereby ratified.”

By Order of the Board of Directors

Regd. Office:

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

Mumbai, 9th July, 2012

For **Asian Electronics Ltd.**

Dhananjay M. Dumbre
Asst. Company Secretary

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 Tuesday the 6th August, 2013 to Monday the 12th August, 2013 [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.

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

ITEM NO. 5

Mr. Hardik Shah was appointed as Additional Director of the Company with effect from 6th March, 2013 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. Hardik Shah for the Directorship of the Company under Section 257 of the Companies Act, 1956. The Board proposes his appointment for your approval.

Mr. Hardik obtained 40th rank all over India in CA Final exam in November 2009, He had also completed Diploma in Information Security Audit (DISA) to specialize in the field of Information security audit conducted by ICAI. Besides he has also passed the final exam of the Company Secretaries Course from the Institute of Company Secretaries of India.

Mr. Hardik Shah is a proprietor of Hardik H Shah & Associates, Practicing Chartered Accountant since September 2010 and also working in affiliation with other firms.

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

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

ITEM NO. 6

Mr. S. Neelakanta Iyer was appointed as Executive Director & Jt. Chief Executive Officer (Manufacturing Operations) at the 46th Annual General Meeting of the members of the Company for a period of 2 years with effect from 1st June, 2011 ending on 30th May, 2013. As a part of the initiative to create enduring guidance for the Company, the Board of Directors of the Company, at their meeting held on 9th July, 2013 has approved the re-appointment of Mr. S. Neelakanta Iyer as Executive Director & Jt. Chief Executive Officer (Manufacturing Operations) for a further period of 3 years with effect from 1st June, 2013, on the terms and conditions as may be specified by the Compensation Committee of the Board of Directors, be approved, if deemed fit and proper.

Mr. S. Neelakanta Iyer, is heading the all India manufacturing operations of the Company. With the ever increasing focus of the Company on improving the efficiencies and economies in manufacturing operations, Mr. Iyer has stood the test of time and has excelled even in the most testing and demanding circumstances. Mr. Iyer has been in the forefront in implementing techniques such as Total Quality Management (TQM), Kaizen etc. in his constant bid towards improving the efficiency of the manufacturing operations. Mr. Iyer has truly succeeded in taking the manufacturing operations to the next level and the Management is

confident that the Company would be able to harness much more benefit of his expertise if he is continued given a wider role in the management of the Company.

No change is proposed for any increase in the existing remuneration of Mr. Neelakanta Iyer, the perquisites and benefits if any will be valued as per Income Tax Act.

The Board of Directors recommends the Resolution at Item No. 6 of the Notice. Approval of the members is necessary in view of provisions of Schedule XIII of the Companies Act, 1956.

Approval of the Central Government will be obtained with regard to remuneration payable to Mr. S. Neelakanta Iyer to comply with the requirement of Schedule XIII of the Companies Act, 1956.

Mr. S. Neelakanta Iyer is concerned and interested in the Resolution at Item No. 6 since it relates to his own appointment and remuneration. None of the other Directors of the Company is, in any way, concerned or interested in the Resolution.

ITEM NO. 7

The Special Resolution relates to revision in remuneration of Mr. Naman Shah who shall be re-designated as Vice President – Global Marketing. Mr. Naman Shah is the son of Mr. Arun Shah, Promoter and Executive Chairman of the Company.

Mr. Naman is Bachelor in Mechatronics Engineering from Lancaster University, U.K. with specialization in Thermodynamics, Power Electronic, Dynamic Control Systems and Digital Electronics, He had handled a special project on Design, build and test a prototype contra-Rotating Horizontal Axis Wind Turbine. He has also completed training for 3 months in Innovolt Inc., U.S.A. in Quantitative and Qualitative Research in the area of Optoelectronics, previous to that that he was in Brain Matics Ltd., Mumbai.

Mr. Naman Shah started his career with the Company from 16th August, 2010 as Management Trainee - Marketing & Finance, after completion of his tenure he was promoted as Manager (Commercial) of the Company, He has developed the ability to innovate business processes to fit the business needs.

His remuneration before revision was ₹ 4,05,500/- per annum which was approved by the Board, The Board of Directors at their meeting held on 9th July, 2013 has approved to promote Mr. Naman Shah as Vice President – Global Marketing and have also approved to revise his remuneration to ₹ 15,00,000/- per annum. Since Mr. Naman is related to the Executive Chairman of the Company, he is deemed to hold an office or place of profit as per the provisions of Section 314 of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003 which requires the approval of the members of the Company. Consent of the Central Government will also be sought for his appointment and revision in remuneration in terms of the Section and Rules.

The Company is continuously in the lookout for well qualified managers particularly in the area of emerging domain and Industry Practice and Mr. Naman Shah, is a suitable candidate both in terms of qualification as well as experience.

The terms of appointment of Mr. Naman Shah are as follows:

1. Date of Effect of revised remuneration: 1st September, 2013.
2. Details of Revised Salary : Revised Remuneration shall be ₹ 15,00,000/- per annum including all perquisites payable to him with effect from September 1, 2013 with power to the Board of Directors to increase the same from time to time up to a limit of ₹ 20,00,000/- per annum inclusive of all perquisites.

3. Within the overall limit as per para 2 above, the appointee shall be entitled to the allowances and perquisites in particular the following allowances, perquisites and benefits as per the policies of the Company.
 - Basic Salary, Allowances including Additional allowance, Leave Travel Concession, Company Leased accommodation or reimbursement of House Rent or House Rent allowance, Performance linked compensation.
 - Company provided car, commutation allowance, education allowance, Telephone rental and other allowances and perquisites as per policies of the Company. Perquisites and benefits will be valued as per Income Tax Act.
4. Other benefits like medical benefits, group medical insurance, group accidental insurance, group life insurance, pension, gratuity and other benefits as per the policies of the Company.
5. Location: The appointee shall be located at Mumbai.
6. Reporting relationship: The appointee will currently report to Mr. Neelakanta Iyer, Executive Director & Jt. C.E.O. (Manufacturing Operations)

The Board of Directors recommends the Resolution at Item No. 7 of the Notice.

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

ITEM NO. 8

In terms of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, if the accumulated losses of an industrial Company, as at the end of any financial year have resulted in erosion of fifty percent or more of its peak net worth during the immediately preceding four financial years, that Company falls under the category of potentially sick Industrial Company and therefore the fact is required to be reported to Board of Industrial and Financial Restructuring (BIFR) within 60 days from the date of finalization of the audited accounts which is the date of this Annual General Meeting.

As per the audited accounts of the Company for the year ended 31st March, 2013 finalized and approved by the board on 30th May, 2013 subject to approval of shareholders, the accumulated losses of the Company as at 31st March, 2013 amounting to ₹ 215.09 Crores have resulted in erosion of more than fifty percent of its peak net worth of ₹ 234.14 Crores during the immediately preceding four financial years.

The Board is already seized of the situation arising on account of erosion of net worth and is taking the necessary steps including discussions with the lenders and a package of financial restructuring under the OTS mechanism which is under consideration with the secured lenders.

The reasons of erosion of net worth are briefly explained here under.

- The global meltdown, which started in September 2008, crippled the economic growth all over the world and as a result various infrastructure and non infrastructure projects were either put on hold or shelved.
- The large amount of working capital of the Company was invested in the oil division of the Company which ceased to be operative since 2008-09 due to which the value of such investments was reduced to a greater extent, subsequently major current assets of the Company were written off as non recoverable.
- The Company has large disputed receivables from MSEB (amounting to ₹ 157.09 Crores) and other municipal corporations and semi government bodies. In some cases, counter claims against the company have been filed by these agencies which have delayed

the recoveries. Coupled with a reduced turnover, this has made recoveries more difficult. The Company has issued legal notices in over 200 cases.

- In view of the above, the Company faced acute working capital shortage, which resulted in to under utilization of production capacity, reduction in sales, frequent staff turnover, The management tried to fill up the vacuum by raising short term debts but the same were consumed in supporting the fixed costs incurred by the Company.
- Due to non achievement of the break-even point and paucity of long term working capital, the Company continued to incur cash losses after the financial year 2010-11, which significantly erode the positive net worth of the Company.

Steps taken and proposed to be taken by the Management:

- The Company had filed a proposal with the Corporate Debt Restructuring (CDR) cell for the restructuring of its Bank Liabilities under consortium. The CDR proposal submitted by the Company was 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 concerned Banks did not execute the master restructuring agreement, therefore the CDR proposal has lapsed.

Now the Company has approached/is in the process of approaching individual Banks for settlement of their dues under One Time Settlement (OTS) basis.

- The Board has approved a scheme of arrangement with the shareholders and creditors of the Company, the company will transfer its non-core assets to reduce debt burden on the company
- The Company is focusing only on manufacturing of quality products in terms reliability and functionality. The Company has shifted its marketing function to hardcore marketing companies led by a teams of highly talented and experienced professionals. The company thus becomes ideologically a “contract manufacturing” company.
- The Company has established Budgeting system for effective cost control, The worker and employees strength is being rationalized to control the personnel cost.
- Besides the aforesaid, the company has also taken several steps for operational restructuring which are expected to lead to higher efficiency/cost savings.

The Board of Directors recommends the Resolution at Item No. 8 of the Notice.

None of the Directors of the Company is interested or deemed to be interested in the proposed resolution.

By Order of the Board of Directors

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

For **Asian Electronics Ltd.**

Dhananjay M. Dumbre
Asst. Company Secretary

Mumbai, 9th July, 2013

Brief resume of Directors being appointed/re-appointment at the Annual General Meeting to be held on 12th August, 2013. 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	Mr. Rajesh Mehta	Mr. S. Neelakanta Iyer	Mr. Hardik Shah
Date of Birth	2nd November, 1960	20th April, 1958	25th April, 1988
Date of Appointment	1st June, 2011	1st June, 2011	6th March, 2013
Expetise in specific General Functional Area	Technology	Manufacturing Operations	Accounts and Finance
Qualification	B.E. (Electrical) Birla Institute of Technology	B.E. (E & TC)	A.C.A, C.S. and Diploma in Information Security Audit (DISA)
List of outside Directorship held (Public Limited Companies)	Integral Technologies Private Limited	1. Midcom Magnetics Management Private Limited 2. Pal Technology Private Limited 3. Karnataka Pyronics Private Limited 4. Lite'Tecniks India Private Limited	N.A.
Chairman/Member of the Committee of the Board of Directors of the Company.	1. Audit Committee, Member 2. Committee for transfer of shares, Member	1. Executive Committee, Member 2. Compensation Committee, Member	1. Audit Committee, Member
Chairman/Member of the Committee of Directors of other companies in which he / she is Director.	Nil	Nil	Nil
a) Audit Committee	N.A.	N.A.	N.A.
b) Share Transfer & Investor Grievances Committee	N.A.	N.A.	N.A.
c) Remuneration Committee	N.A.	N.A.	N.A.
d) Executive Committee	N.A.	N.A.	N.A.
Number of Shares of the Company held on 31-03-2013	NIL	NIL	NIL

By Order of the Board of Directors

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

For **Asian Electronics Ltd.**

Dhananjay M. Dumbre
Asst. Company Secretary

Mumbai, 9th July, 2013

DIRECTORS' REPORT

To the Members

Your Directors present the Forty-Eighth Annual Report on the business and operations of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS

	[Amt in ₹ Lacs]	
Year ending March 31,	<u>2013</u>	<u>2012</u>
Gross revenue	2032	8548
Operating profit (PBIDT)	(1059)	(9963)
Finance Expenses	39	2007
Depreciation	259	387
Profit before tax & Exceptional items	(1356)	(12357)
Exceptional items	85	-
Profit / (Loss) after tax	(1441)	(12357)
Excess provision of Income Tax of earlier year written back.	-	-
Profit after current tax and deferred Tax and Exceptional items	(1441)	(12357)
Balance brought forward	(20068)	(7711)
Balance carried to Balance Sheet	(21509)	(20068)

DIVIDEND

In respect of the year under review, i.e., the year 2012-2013, in the absence of profits your Directors do not propose to declare any dividend.

OPERATIONS

During the year, the Company was able to achieve gross revenue of ₹ 20.32 crores as against ₹ 85.48 crores in the previous year.

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

The Company has undertaken an exercise including creating SPVs (Special Purpose Vehicles) for effective and consolidated recovery of various assets and minimizing the impact on the operations or financial stability of the Company. However, such exercise needs an approval from lenders, shareholders and stakeholders in view of the uncertainty about the impact of any changes to the plans drawn up and timing of implementation, the Company and the management cannot ascertain the final outcome at this juncture.

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 ₹ 4.41 Crores for the year under review as compared to ₹ 10.45 crores in the previous year. Your Company intends to increase contract manufacturing and exports sales.

RESEARCH AND DEVELOPMENT

Asian Technology Center (ATC), the design and development center of the Company 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 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 more than 20 engineers and 5 support staff has more than 100 man-years of experience of working together among them.

Major milestone of the R&D unit are as follows:

- 1) POC samples of LED products are developed using standard component available in the market.
- 2) Completion of pilot batch of Line Monitoring and Controllers for an overseas company in the field of Power Control and Management. The product involves 4-5 multilayer boards, its integration with IP cabinet, testing and basic functioning.
- 3) The sample batch quantities have been put in place for the coming year.
- 4) Some new projects regarding the Line monitoring devices are now into NPI.
- 5) Modified Samples of High Voltage loop management System, whose POC had been evaluated and approved have been sent for evaluation to customer.

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 products on contract basis make 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.

The Company had filed a proposal with the Corporate Debt Restructuring (CDR) cell for the restructuring of its Bank Liabilities under consortium. The CDR proposal submitted by the Company was 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 concerned Banks did not execute the master restructuring agreement, therefore the CDR proposal has lapsed.

Now the Company has approached/is in the process of approaching individual Banks for settlement of their dues under One Time Settlement (OTS) basis.

CAPITAL EXPENDITURE

As at 31st March, 2013, the gross fixed assets stood at ₹ 9960.75 lacs and the net fixed assets at ₹ 2800.60 lacs. Additions to fixed assets during the year Amt ₹ 6.65 Lacs and deductions to the fixed assets during the year amt ₹ 6.34 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: The inventories include a large portion of products meant for oil division which has ceased to be operative and hence not realizable. Also a large volume of components, WIP remained unutilized for such products.

Receivables: The Company has disputed export receivables from M/s Westinghouse Lighting Corporation 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: In many cases, the Company had advanced certain amounts for long term business contracts. The reconciliation for the individual parties is under process and once confirmed suitable action for recovery shall be taken.

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

REGISTERED OFFICE

Pursuant to the approval of members by way of Special Resolution passed at the Annual General Meeting held on 29th December, 2012 the registered office of the Company has been shifted from D-11, Road No.28, Wagle Industrial Estate, Thane – 400604 to 107, Sumer Kendra Building, P.B. Marg, Behind Mahindra Towers, Worli. Mumbai – 400 018.

SHARE CAPITAL

During the year under review, the paid up share capital of the Company was increased consequent upon the allotment of 41,80,057 equity shares to Asian Electronics Limited, Employees Welfare Trust, 2009 under Employees Stock Option Scheme 2009.

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 to 31st March, 2013 have incorporated all these transactions at the book values at the time of transfer 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 those subsidiaries.

Pending approval of secured / unsecured lenders, the Company has, for the time being, shown the said investments under Investment Suspense Account read with Note 10 of the Accounts as on 31st March, 2013. 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 Reports for the financial years 2009-2010 to 2012-13.

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, 2013 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.

AUDITORS' REPORT

As regards observations contained in Auditors' Report dated 30th May, 2013, 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 the following explanation of the Management may be noted:

Sr No.	Subject	Auditor's Comment	Company's response
1	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.
2	Stock Options granted to Directors and Employees under ESOP Schemes of the Company.	The Company has not ascertained the fair value of the Options granted	The current grant of options is at market value or a higher amount. Impact, if any, in future, will be recognized at the time of exercise of the options
3	Actions taken by Secured and unsecured Creditors	No Opinion	The Company is in negotiation with creditors under OTS (One Time Settlement) scheme to settle amicably.
4	Diminution in value of Investments, receivables and other assets	No provision is made	In view of the future potential of the businesses, no diminution in the value of Investment is provided. Impact if any will be ascertained in future
5	Interest on outstanding loans which have been recalled by Banks	No provision is made	The Company is in negotiation with the Banks under OTS proposal (One Time Settlement) to waive off the Interest and some part of the principal amount.
6	Interest on account of delays in payment of various statutory dues like Tax Deducted at Source, Service Tax, ESIC, Customs Duty, Sales Tax, Provident Fund etc.	No provision is made	The final liability is being worked out as on the Balance sheet date, the same shall be provided after finalization.
7	Interest on outstanding 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

Sr No.	Subject	Auditor's Comment	Company's response
8	Managerial remuneration	The same is subject to approval of central government	The Company is in process of obtaining the requisite approval of Central Government.
9	Impairment of the Company's assets in line with Accounting Standard - 28 "Impairment of Assets"	Impairment of the Company's assets and impact thereof on the loss for the year has not been ascertained.	It is proposed to re-organise the businesses in various SPVs. The impairment in various assets of a business if any will be recognized in the Accounts of the Company at the time of transfer of assets to the concerned SPVs.
10	Future viability of the Company as a 'going concern'	Unable to express an opinion on the recoverability / realizability 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'	The Company is exploring various avenues to extricate itself out of the current financial turmoil. A tie up with a multinational is a step in this direction. An Increase in capacity utilization and profitability is viewed as the immediate improvement in the operations of the Company.
11	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, 2013 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 Deposits for 6 months from the date of approval is under process with the concerned ministry. Therefore the management is inclined to believe that the said disqualification does not apply.

OTHER CLARIFICATIONS

The boards of directors have advised a detailed scrutiny of accounts and nature of liability appearing under the head Statutory Dues and have the following explanation:

- a) VAT/Central Sales Tax
Amount payable as on 31st March, 2013 is ₹ 675.50 Lacs. There is a refund due of over ₹ 300 lacs to be adjusted against the demand. For the balance amount an application is being made by the Company for payment in installments.
- b) Tax Deducted at Source:
Amount payable as on 31st March, 2013 is ₹ 127.68 Lacs. There is a refund due of ₹ 163.65 Lacs and the department is advised to adjust the same.
- c) Custom Duty and Service Tax:
Amount payable as on 31st March, 2013 is Nil However, accounting reconciliation is pending.
- d) Provident Fund:
Amount payable as on 31st March, 2013 is ₹ 9.38 Lacs. However same has been paid before June, 2013.

EROSION OF NET WORTH

The accumulated losses of the Company as at 31st March, 2013 amounting to ₹ 215.09 Crores have resulted in erosion of more than fifty percent of its peak net worth of ₹ 234.14 Crores during the immediately preceding four financial years.

The Board is already seized of the situation arising on account of erosion of net worth and is taking the necessary steps including discussions with the lenders and a package of financial restructuring under the OTS mechanism which is under consideration with the secured lenders, for details regarding reasons of erosion and steps taken and proposed to be taken by the management please refer to the explanatory statement pursuant to section 173(2) of the Companies Act, 1956 forming part of the notice of 48th Annual General Meeting.

In terms of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, if the accumulated losses of an industrial Company, as at the end of any financial year have resulted in erosion of fifty percent or more of its peak net worth during the immediately preceding four financial years, that Company falls under the category of potentially sick Industrial Company and therefore the fact is required to be reported to Board of Industrial and Financial Restructuring (BIFR) within 60 days from the date of finalization of the audited accounts which is the date of this Annual General Meeting, the same is required be considered by the shareholders at the General Meeting.

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 :**

Mr. Rajesh Mehta was appointed as an Additional Director with effect from June 1, 2011. He was also appointed whole time director of the Company, designated as Executive Director & Joint Chief

Executive Officer (Technology & Finance) for a period of two years with effect from 1st June, 2011

Mr. Mehta's appointment as Director was approved by the shareholders at the 46th Annual General Meeting (AGM) held on 22nd September, 2011. His appointment as whole time director, designated as Executive Director & Joint Chief Executive Officer (Technology & Finance) and the terms and conditions thereof were also approved by the shareholders at the said AGM

Mr. Rajesh Mehta tendered his resignation as Executive Director & Joint Chief Executive Officer (Technology & Finance) w.e.f. 14th February, 2013, He also conveyed his intention to continue as a non-executive director liable to retire by rotation, The same was approved by the Board at their meeting held on 14th February, 2013.

Therefore in accordance with the provisions of the Articles of Association of the Company and the provisions of Companies Act, 1956, Mr. Rajesh Mehta 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. Hardik Shah was appointed as Additional Director with effect from 6th March, 2013 and holds office up to the date of the forthcoming Annual General Meeting.

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

Mr. S Neelakanta Iyer was appointed as Executive Director and Jt. Chief Executive Officer (Manufacturing Operations) at the 46th Annual General Meeting of the members of the Company for a period of 2 years with effect from 1st June, 2011 ending on 30th May, 2013. The Board of Directors of the Company, at their meeting held on 9th July, 2013 have approved the re-appointment of Mr. S. Neelakanta Iyer as Executive Director and Jt. Chief Executive Officer (Manufacturing Operations) for a period of 3 years with effect from 1st June, 2013 subject to approval of members at the ensuing Annual General Meeting and such other approvals as may be required.

3. Resignation :

Mr. James Mitropoulos has resigned from the post of Director w.e.f. 1st January, 2013. The same was accepted by the Board of Directors of the company at their meeting held on 14th February, 2013. The Board of directors places on record their appreciation for the valuable services rendered by Mr. James Mitropoulos during the tenure of his 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 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 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, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the directors have selected the accounting policies and applied them consistently and made judgments 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 have 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 have prepared the accounts for the financial year ended 31st March, 2013 on 'going concern' basis.

PUBLIC DEPOSITS

During the year under review, the Company had not invited any fixed deposits.

The total outstanding Fixed deposits as on 31st March, 2013 were ₹ 3.49 Crores (831 depositors). Out of which ₹ 0.91 Crores (203 depositors) were not matured up to 31st March, 2013. Unpaid deposits as on 31st March 2013 are ₹ 2.58 Crores (628 depositors). The Company has applied for extension 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.

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, 2013, 98.97% of the Company's total paid-up capital representing 3,92,25,919 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: 9th July, 2013

Arun B. Shah
Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2013.

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 more than 20 engineers and 5 support staff has more than 100 man-years of experience of working together among them.

Benefit derived as a result of the above R & D. : Major milestone of the R&D unit are as follows:

1. POC samples of LED products are developed using standard component available in the market.
2. Completion of pilot batch of Line Monitoring and Controllers for an overseas company in the field of Power Control and Management. The product involves 4-5 multilayer boards, its integration with IP cabinet, testing and basic functioning.
3. The sample batch quantities have been put in place for the coming year.
4. Some new projects regarding the Line monitoring devices are now into NPI.
5. Modified Samples of High Voltage loop management System, who's POC had been evaluated and approved have been sent for evaluation to customer.

Future plan of action : The Company sees a bright future in commercially exploiting the above product.

1. Adopting the New LED technology by introducing the various range of Energy saving of products.
2. To intensify the R&D efforts in power quality improvement and energy conservation products.
3. To develop and introduce variants of the Retrofit Lighting Systems to suit different market segments.
4. To develop and market cost effective intelligent lighting solutions for optimizing energy cost.
5. To develop technologies to use "lighting as a network".

Expenditure on R & D :

(a) Capital	Nil
(b) Recurring	<u>₹ 4.40 lacs</u>
(c) Total	<u>₹ 4.40 lacs</u>
(d) R & D expenditure as a percentage of the total turnover	0.26%

(b) Technology Absorption, Adaptation and Innovation

Efforts, in brief made towards technology absorption, adaptation and innovation. : The Company has introduced various new and improved models of Electronic Ballasts, LED Based products & Power Protection devices for different applications.

Benefit derived as a result of the above efforts. : 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.

Technology Imported during the last 5 years.

(a) Technology Imported	: Not Applicable
(b) Year of Import	: Not Applicable
(c) Status	: Not Applicable

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Activities relating to Exports (Initiatives taken in increasing exports, development of new export markets for products and services, and export plans). : 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.

(b) Foreign Exchange Earned	: ₹ Nil
(c) Foreign Exchange Used	: ₹ 62.68 lacs

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

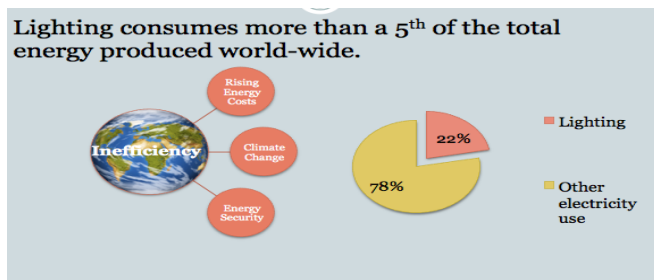
Business Review

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

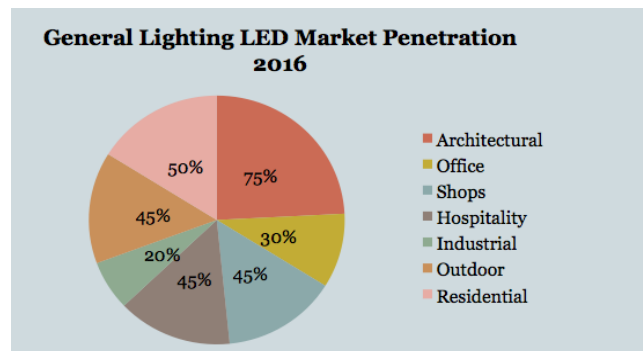
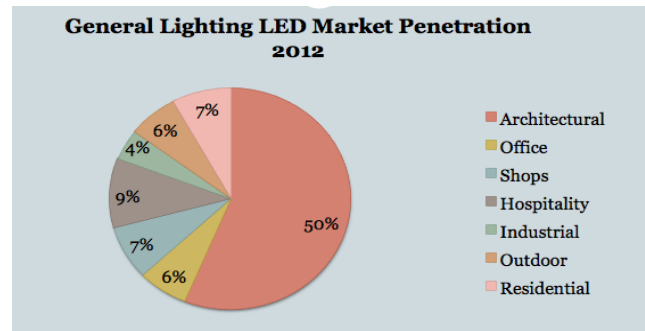
Over the years, the reliability and quality of the AEL’s product has resulted in a strong brand creation.

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 will concentrate only on manufacturing of quality products in terms reliability and functionality. The Company has shifted its market outlook to hardcore marketing companies in India and overseas which is lead by a team of highly talented and experienced professionals. The company thus becomes ideologically a “contract manufacturing” company.

Market Prospects:



Lighting consumes more than a 5th of the total energy produced world-wide. As evident, rising costs of energy coupled with awareness about global warming and energy security has brought about radical changes in the industry which is riding on a wave of energy efficiency. There are six basic types of lighting: incandescent, fluorescent, high intensity discharge, low pressure sodium and compact fluorescent lamp (CFL) and LED. The new trend to save energy and improve illumination has ushered in a wide range of LED 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. Lower consumption of electricity and Longer Life makes LED Lighting Products an attractive buy. 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 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 manufacturing facilities exceed more than 200,000 sq feet which is of global standards.
- ii. The complete backward integration of the manufacturing gives greater advantage on control of lead time, yield and quality of product.
- iii. The technical competence in addition to the ability to innovate has given the company a technological edge.
- iv. The company provides for a unique environment in the form of its Research & Development unit to design, develop and patent the technology of its clients’ whilst protecting its Intellectual Property Rights (IPR).

Weakness:

As per the TEV (Total Enterprise Value) Report carried out by independent agency the business of the Company is subject to following Weaknesses:

- (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 affects the interest of all stakeholders of the company.

Opportunities

The energy crisis world is facing has given an opportunity to establish energy saving practices. The total population of energy efficient lighting products across all segments stands at a dismal figure at a percentage of lower two digits. The existing facilities available with the company are technically capable of achieving capacity of production in pace with the demand..

- i. With advent of energy efficient lighting technology and awakening amongst the masses to adopt energy saving practice the market has potential of achieving a very high growth.
- ii. The power products developed by the company have big potential for exports.
- iii. Wide-spread awareness amongst consumers and policies and initiatives taken by government has opened up new vistas of opportunities.

Threats:-

The major threats which can affect adversely are as follows:

1. Outstanding litigations involving the Company.
The Company is defendants/plaintiff in various legal proceedings incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts. In the event of rulings against the company by courts in these proceedings or levy of penalties by any statutory authorities, the Company may need to make payment to others or book provisions against probable future payments, which could increase Company's expenses and current liabilities.
2. Debt Burden of the Company
The Company has entered into financing agreements with various lenders that grant them certain rights to determine how the Company is operated. Most of these financing arrangements are secured by substantially all of the movable and immovable assets of the Company. Due to failure of the CDR the said secured creditors have initiated action against the Company under The Securitization and Reconstruction of Financial Assets and Enforcement of Security Act, 2002, The Company proposed to settle the issues under One Time Settlement (OTS) platform, but the outcome of such litigations may not necessarily be in favour 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 31.3.2013 ₹ in lacs	Year ended 31.3.2012 ₹ in lacs	Year ended 31.3.2011 ₹ in lacs
CAPITAL			
ASSETS OWNED			
1. Fixed Assets (Net)	3384.37	3758.76	4125.03
2. Investments	11089.46	11088.96	11088.96
3. Current Assets (Net)	6975.51	7964.83	17901.03
5. Miscellaneous Expenditure	-	-	5.04
TOTAL	<u>21449.34</u>	<u>22812.55</u>	<u>33120.06</u>
FINANCED			
1. Loans (Secured)	18310.42	18349.80	16325.97
2. Loans (Unsecured)	506.83	518.03	534.41
3. Net Worth*	2632.09	3944.72	16259.68
TOTAL	<u>21449.34</u>	<u>22812.55</u>	<u>33120.06</u>
* Represented by			
Share Capital	1747.61	1710.18	1693.60
Stock Options outstanding	-	-	-
Equity Share Warrants	-	-	-
Reserves (Net)	884.48	2234.54	14566.08
TOTAL	<u>2632.09</u>	<u>3944.72</u>	<u>16259.68</u>
REVENUE			
INCOME EARNED			
1. Sale of products and services	1824.40	8282.45	14549.02
2. Other Income	207.30	265.39	182.69
TOTAL	<u>2031.70</u>	<u>8547.84</u>	<u>14731.71</u>
INCOME DISTRIBUTED			
1. Materials	1550.98	15184.21	16104.62
2. Employee Cost	628.00	670.58	782.53
3. Administrative, Sales & Other Expenses	911.28	2655.84	2054.49
4. Lease Rent	-	-	-
5. Financial Expenses	38.89	2006.94	2471.97
6. Depreciation	258.61	386.92	439.85
7. Taxation			
Current Tax	-	-	-
Deferred Tax- Charge	-	-	-
Fringe Benefit Tax	-	-	-
Excess provision for Tax of Earlier year written back	-	-	-
8. Exceptional Items	84.89	-	804.63
9. Dividend	-	-	-
10. Retained Income	(1440.95)	(12356.65)	(7926.38)
TOTAL	<u>2031.70</u>	<u>8547.84</u>	<u>14731.71</u>

FINANCIAL POSITION AT A GLANCE

	2012-2013	2011-2012	2010-2011
CAPITAL ACCOUNTS (₹ in lacs)			
Share Capital	1748	1710	1694
Reserves & Surplus	884	2235	14566
Borrowings:- Secured	18310	18350	16326
Unsecured	507	518	534
Gross Block	9961	9960	9864
Net Block	2801	3055	3346
Net Current Assets	6976	7965	17901
REVENUE ACCOUNTS (₹ in lacs)			
Sales and Other Income	2032	8548	14732
Gross Profit before extra-ordinary item, interest and depreciation	(1059)	(9963)	(4210)
Interest	39	2007	2472
Depreciation	259	387	440
Profit before extra-ordinary items and tax	(1356)	(12357)	(7122)
Exceptional Items	85	-	805
(Loss)/Profit after extra-ordinary items and tax	(1441)	(12357)	(7926)
Excess provision of Income Tax of earlier year written back	-	-	-
Net earnings available for appropriation	(1441)	(12357)	(7926)
Dividend amount	-	-	-
Retained earnings	(1441)	(12357)	(7926)
SELECTED INDICATORS			
Return on Capital Employed %	(6.72)	(54.17)	(21.89)
Current Ratio	1.48	1.56	2.68
Earnings per share of ₹ 5/-	(3.74)	(34.85)	(24.48)
Total Borrowings/Shareholder's Funds	7.15	4.78	1.04
Book value per share of ₹ 5/-	6.64	11	46
Dividend %	-	-	-
Fixed Assets Turnover	0.73	2.80	4.40

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 emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for safeguarding and enhancing their wealth.

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, 2013, 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, 2013 comprises of 6 Directors of which 3 are independent. The number of Non-Executive Directors is more than 50% of the total number of Directors. The Company is in compliance with the clause 49 of the listing agreement pertaining to composition of the Board.

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 on the Board is member of more than 10 committees and chairman of more than 5 committees (as specified in clause 49), across all the companies in which he is a Director. The necessary disclosure regarding committee positions have been made by the Directors.

a. Composition of the Board

Name of Director	Note	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 31.3.2013
Mr. Arun B. Shah		Executive, Promoter	8	-	-	33,20,549
Mr. D.G. Prasad	a	Non-Executive, Independent	-	-	-	-
Dr. Deepak Divan		Non-Executive, Independent	2	-	-	-
Mr. Suresh Sharma	b	Non-Executive, Independent	-	-	-	-
Mr. Jim Mitropoulos	c	Non-Executive, Independent	-	-	-	-
Mr. D.B. Shah	d	Non-Executive, Independent	1	-	-	2000
Mr. Hardik Shah	e	Non-Executive, Independent	1	-	-	-
Mr. Rajesh Mehta	f	Non-Executive	2	-	-	-
Mr. S. Neelakanta Iyer		Executive	5	-	-	-

@ Includes private Companies and Alternate Directorships

Notes:

- a) Ceased to be Director w.e.f. 8th May, 2012.
- b) Ceased to be Alternate Director to Mr. Deepak Divan w.e.f. 4th August, 2012 and was appointed as Additional Director w.e.f. 4th August, 2012. Ceased to be Additional Director w.e.f. 16th November, 2012.
- c) Ceased to be Director w.e.f. 1st January, 2013.
- d) Appointed as Additional Director w.e.f. 29th November, 2012. Reappointed as Director by the members at the AGM held on 29th December, 2012.
- e) Appointed as Additional Director w.e.f. 6th March, 2013.
- f) Ceased to be Executive Director w.e.f. 14th February, 2013, continued as Non-Executive Director.

b. Number of Board Meetings:

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

7 th May, 2012	4 th August, 2012	17 th October, 2012
29 th November, 2012	21 st December, 2012	14 th February, 2013
6 th March, 2013		

c. Attendance of Directors:

Name of Director	Meetings Attended	Attended last AGM on 29 th December, 2012
Mr. Arun B. Shah	7	Yes
Mr. D.G. Prasad	1	No
Dr. Deepak Divan	-	No
Mr. Suresh Sharma	1	No
Mr. Jim Mitropoulos	-	No
Mr. D.B. Shah	4	Yes
Mr. Hardik Shah	-	No
Mr. Rajesh Mehta	7	Yes
Mr. S. Neelakanta Iyer	7	Yes

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 comply 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:-

The Audit Committee comprises of experts specializing in accounting / financial management. The Chairman of the Audit Committee is a Non-executive and Independent Director.

As on 1st April, 2012, the Audit Committee comprised of the following Directors:

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

During the year, the Audit Committee was reconstituted on three occasions as detailed below:

On 4th August 2012 Mr. Suresh Sharma was appointed as Chairman of the Audit Committee in place of Mr. D.G. Prasad, who ceased to be a member of the Committee due to resignation w.e.f. 8th May, 2012.

On 29th November 2012 Mr. D.B. Shah was appointed as Chairman of the Audit Committee in place of Mr. Suresh Sharma who ceased to be a member of the Committee w.e.f. 16th November, 2012 due to resignation. Mr. Jim Mitropoulos was also appointed as member of the Committee in place of Mr. Deepak Divan, who ceased to be a member of the Committee w.e.f. 29th November, 2012.

On 6th March, 2013 Mr. Hardik Shah was appointed as member of the Audit Committee in place of Mr. Jim Mitropoulos who ceased to be a member of the Committee w.e.f. 1st January, 2013 due to resignation.

The present composition of the Audit Committee is as follows:

- (1) Mr. D. B. Shah
- (2) Mr. Hardik Shah
- (3) Mr. Rajesh Mehta

Mr. D.B. Shah is the Chairman of the Audit Committee. Mr. Dhananjay Dumbre, Asst. Company Secretary acts as secretary to the Audit Committee.

The role and terms of reference to the Audit Committee cover 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 2012-2013 on 7th May, 2012, 4th August, 2012, 29th November, 2012, 21st December, 2012 and 14th February, 2013.

The attendance of each Audit Committee member is as under:

Name of the Audit Committee Members	Note	No. of meetings attended
Mr. D.G. Prasad	a	1
Dr. Deepak Divan	b	-
Mr. Rajesh Mehta	-	5
Mr. Suresh Sharma	c	1
Mr. D.B. Shah	d	3
Mr. Jim Mitropoulos	e	-
Mr. Hardik Shah	f	-

Note:

- a) Ceased to be the Chairman and member of the Committee w.e.f. 8th May, 2012.
- b) Ceased to be the member of the Committee w.e.f. 29th November, 2012.
- c) Appointed as the Chairman of the Committee w.e.f. 4th August, 2012 and ceased to be the chairman w.e.f. 16th November, 2012
- d) Appointed as Chairman of the Committee w.e.f. 29th November, 2012

- e) Appointed as member of the Committee w.e.f. 29th November, 2012 and ceased to be the member of the committee w.e.f. 1st January, 2013 due to resignation.
- f) Appointed as member of the Committee w.e.f. 6th March, 2013

The meetings were also attended by Executive Chairman – Mr. Arun B. Shah, Executive Director & Jt. Chief Executive Officer (Manufacturing Operations) – Mr. Neelakanta Iyer, Chief Financial Officer – Mr. Sadanand Sahasrabudhe, DGM (Accounts) – Mr. Krishnaraj Kapadia and Mr. Naman Shah as special invitees. The Secretary – Mr. Dhananjay Dumbre attended the Meetings held on 4th August, 2012, 29th November, 2012, 21st December, 2012 and 14th February, 2013.

The Statutory Auditors were invited to the meetings.

(B) Executive Committee:-

The Executive Committee of the Board of Directors as on 1st April, 2012 comprised of the following Directors:

- Mr. Arun B. Shah, Chairman
Mr. D.G. Prasad, Member

During the year, the Executive Committee was reconstituted on two occasions as detailed below:

On 4th August, 2012 Mr. Suresh Sharma was appointed as member of the Executive Committee in place of Mr. D.G. Prasad, who ceased to be a member of the Committee due to resignation w.e.f. 8th May, 2012. Mr. Neelakanta Iyer was also appointed as member of the Executive Committee w.e.f. 8th May, 2012.

Mr. Suresh Sharma ceased to be a member of the Executive Committee w.e.f. 16th November, 2012 due to resignation. In view of the same Mr. D.B. Shah was appointed as member and chairman of the Executive Committee w.e.f. 29th November, 2012.

The present composition of the Executive Committee is as follows:

- (1) Mr. D. B. Shah
- (2) Mr. Arun B. Shah
- (3) Mr. Neelakanta Iyer

Mr. D.B. Shah is the Chairman of the Executive Committee. Mr. Dhananjay Dumbre, Asst. Company Secretary acts as secretary to the Executive Committee.

This Committee deals with 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.

The Executive Committee met three times during the year 2012-2013 on 23rd April, 2012, 24th August, 2012 and 12th October, 2012.

Name of the Executive Committee Members	Note	No. of meetings attended
Mr. Arun B. Shah	a	3
Mr. D.G. Prasad	b	1
Mr. Suresh Sharma	c	-
Mr. Neelakanta Iyer	d	2
Mr. D.B. Shah	e	-

Note:

- a) Ceased to be the Chairman of the Committee w.e.f. 29th November, 2012, but continued as member of the committee.
- b) Ceased to be the member of the Committee w.e.f. 8th May, 2012.
- c) Appointed as the member of the Committee w.e.f. 8th May, 2012 and ceased to be member of the Committee w.e.f. 16th November, 2012.
- d) Appointed as the member of the Committee w.e.f. 8th May, 2012.
- e) Appointed as member and Chairman of the Committee w.e.f. 29th November, 2012

Mr. Dhananjay Dumbre, Asst. Company Secretary acted as Secretary to the Executive Committee from 18th June, 2012, attended the meetings of the Committee held on 24th August, 2012 and 12th October, 2012.

(C) Committee for Transfer of Shares:-

The Committee for Transfer of Shares as on 1st April, 2012 comprised of the following Directors:

Mr. Arun B. Shah, Chairman

Mr. Rajesh Mehta, Member

There was no change in composition of members of the Committee during the year under review.

Mr. Dhananjay Dumbre, Asst. Company Secretary acted as Secretary to the Committee from 18th June, 2012.

During the year under review, 14 meetings were held on 16th April, 2012, 30th April, 2012, 15th May, 2012, 31st May, 2012, 15th June, 2012, 30th June, 2012, 16th July, 2012, 1st October, 2012, 16th October, 2012, 30th November, 2012, 31st December, 2012, 31st January, 2013, 28th February, 2013 and 30th March, 2013.

The attendance of each Transfer Committee Members is as under:

Name	No. of Meetings attended
Mr. Arun Shah	14
Mr. Rajesh Mehta	14

The Secretary: Mr. Dhananjay Dumbre attended all the meetings held after 18th June, 2012.

(D) Shareholders' / Investors' Grievances Committee

- (a) The Shareholders' / Investors' Grievances Committee as on 1st April, 2012 comprised of the following Directors:

- 1) Mr. D.G. Prasad, Chairman

- 2) Mr. Arun B. Shah, Member

Consequent to cessation of Mr. D.G. Prasad as a Director of the Company w.e.f. 8th May, 2012, the Committee was reconstituted and Mr. Suresh Sharma was appointed as Chairman of the Committee w.e.f. 4th August, 2012.

On 16th November, 2012 Mr. Suresh Sharma ceased to be the chairman of the Committee due to resignation, In view of the same Mr. D. B. Shah was appointed as member and chairman of the committee w.e.f. 29th November, 2012.

The present composition of the Shareholders' / Investors' Grievances Committee is as follows:

Mr. D. B. Shah, Chairman

Mr. Arun Shah, Member

During the year under review, the Shareholders' / Investors' Grievances Committee met once on 6th March, 2013.

This meeting was attended by both members Mr. D.B. Shah and Mr. Arun B. Shah. The meeting was also attended by Compliance officer Mr. Dhananjay Dumbre.

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

During the year under review, total 21 investor's complaints / requests were received.

All the complaints / requests received during the year ended 31st March, 2013 were solved within time to the satisfaction of the investors / shareholders and no complaints were pending as on 31st March, 2013 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, 2013.

(E) Remuneration Committee

Matters of remuneration of Executive Directors are considered by the Board of Directors of the Company, where the interested Executive Director(s) do not participate or vote. 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 2012-2013

Name of the Director	Sitting Fees (₹ in lacs)	Salaries, Commission Perquisites (₹ in lacs)	Service Contract, Notice Period, Severance Fees.
Mr. Arun B. Shah	-	-	-
Mr. D.G. Prasad	0.20	-	-
Dr. Deepak Divan	-	-	-
Mr. Suresh Sharma	0.20	-	-
Mr. Jim Mitropoulos	-	-	-
Mr. D.B. Shah	1.80	-	-
Mr. Hardik Shah	-	-	-
Mr. Rajesh Mehta	-	-	Was appointed as Executive Director for a period of 2 years w.e.f. 1 st June, 2013, but he resigned from the post of Executive Director w.e.f. 14 th February, 2013, and continued as Non-Executive Director.
Mr. S. Neelakanta Iyer	-	17.99	-

(F) Compensation Committee

The Compensation Committee as on 1st April, 2012 comprised of the following Directors:

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

Consequent to cessation of Mr. D.G. Prasad as a Director of the Company w.e.f. 8th May, 2012, the Committee was reconstituted and Mr. Suresh Sharma was appointed as Chairman of the Committee w.e.f. 4th August, 2012.

On 16th November, 2012 Mr. Suresh Sharma ceased to be the chairman of the Committee due to resignation, In view of the same, Mr. D. B. Shah was appointed as member and chairman of the committee w.e.f. 29th November, 2012. On the same date, Mr. Neelakanta Iyer was also appointed as member in place of Mr. Deepak Diwan who conveyed his intention to retire from membership of the committee.

The present composition of the Compensation Committee is as follows:

- 1) Mr. D.B. Shah, Chairman
- 2) Mr. Arun B. Shah, Member
- 3) Mr. Neelakanta Iyer, Member

During the year under review, Compensation Committee met once on 21st December, 2012.

This meeting was attended by Mr. D.B. Shah, Mr. Arun B. Shah and Mr. Neelakanta Iyer. The meeting was also attended by secretary to the Committee Mr. Dhananjay Dumbre.

IV. General Body Meetings

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

	Date	Time	Venue
(i) 45 th Annual General Meeting	21 st September, 2010	2 p.m.	Registered Office of the Company at Thane
(ii) 46 th Annual General Meeting	22 nd September, 2011	10 a.m.	Registered Office of the Company at Thane
(iii) 47 th Annual General Meeting	29 th December, 2012	10 a.m.	Anand Banquet Hall, Anand Theatre Compound, Kopri, Near Railway Stn Thane(E), Thane 400603

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
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).

	<ol style="list-style-type: none"> 3) Approval for revision of Exercise Price for 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 for 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.
29.12.2012	<ol style="list-style-type: none"> 1) Approval of decision of Compensation Committee of the Board of Directors for revision of Exercise Price for 4,98,450 Stock Options granted to eligible executives of the Company under ESOS-2005 Scheme from ₹ 10.75 per share to ₹ 5.80 per share. 2) Approval of decision of Compensation Committee of the Board of Directors for revision of Exercise Price for 41,80,057 Stock Options granted to eligible executives and Directors of the Company under ESOS-2009 Scheme from ₹ 10.75 per share to ₹ 5.80 per share. 3) Approval of decision of Compensation Committee of the Board of Directors for revision of Exercise Price for 7,50,00 Stock Options granted to eligible Directors of the Company under ESOS-2009 Scheme from ₹ 10.75 per share to ₹ 5.80 per share. 4) Approval pursuant to Section 146 of the Companies Act, 1956 and other applicable provisions, for shifting of the Registered office of the Company 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.

- (2) Postal Ballot (under Section 192A):-

None of the business required to be transacted at the AGM was passed by the postal ballot.

- (3) Extraordinary General Meetings held in last 3 years:-

Day	Date	Time	Venue
Monday	6 th July, 2009	11 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:

EGM held on	Whether Special Resolution passed	Summary
6.7.2009	Yes	<ol style="list-style-type: none"> 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. 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. 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. 4) Approval of Special Resolution for modification of CSOS-2009 Scheme for making corrections in the number of Shares to be allotted. 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.

None of the business proposed to be transacted at the EGM held on 6.7.2009 was 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 (a) hiving off of the ESCO funding activities (Energy Saving Company) Division of the Company, (b) hiving off of the Projects Division of the Company and (c) 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 9th July, 2013.

VI. Disclosures

(i) Related party transactions:

A full disclosure of related party transactions, as per the Accounting Standard 18 issued by the Institute of Chartered Accountants of India has been given under Note 47 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 mandatory Accounting Standards 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 two 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 earlier in this report.

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

(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 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, explaining the fact and requesting them in any case to take lenient view and condone the alleged delay on the part of the Company and its Officers in compliance of the SEBI Takeover Regulations and also 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

- Annual General Meeting
 - Date : 12th August, 2013
 - Time : 4.30 p.m.
 - Venue : Victoria Memorial School for Blind, 73, Tardeo Road, Opposite Film Centre, Tardeo, Mumbai 400 034
- Financial Year : 2012-2013
- Book closure date : 6th August, 2013 to 12th August, 2013
- Dividend payment date : Not applicable
- Listing of equity shares : The shares are listed on
 - Bombay Stock Exchange Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and
 - National Stock Exchange of India Ltd. (NSE), "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.

Annual listing fee for the year 2012-2013 (as applicable) has been paid by the Company to BSE and NSE .
- Stock Code : BSE Scrip Code 503940
NSE Trading symbol: ASIANELEC

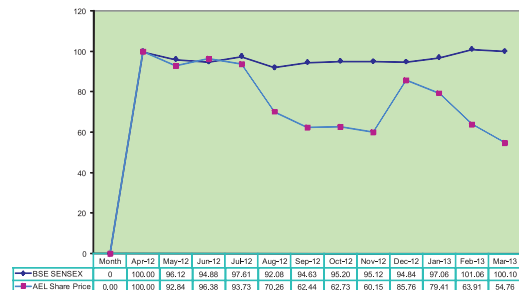
Market Price Data : High/Low in each month of the year ended March 31, 2013 on The Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd are as under.

Month / Year	The Bombay Stock Exchange Limited			National Stock Exchange of India Limited.*		
	High	Low	Volume	High	Low	Volume
	(₹)	(₹)	(Nos.)	(₹)	(₹)	(Nos.)
Apr-12	7.90	5.65	287728	7.70	5.90	351758
May-12	7.23	5.35	557682	7.25	5.40	404467
Jun-12	7.30	5.76	361729	7.20	6.00	294526
Jul-12	7.40	5.30	574027	7.35	5.30	454257
Aug-12	6.00	3.52	866004	6.00	4.30	407459
Sep-12	4.64	3.82	427162	NA	NA	NA
Oct-12	4.80	3.70	473265	NA	NA	NA
Nov-12	4.49	3.66	486678	NA	NA	NA
Dec-12	7.27	4.35	883304	NA	NA	NA
Jan-13	6.10	4.66	549192	NA	NA	NA
Feb-13	4.90	3.76	309029	NA	NA	NA
Mar-13	4.45	2.97	487469	NA	NA	NA
TOTAL			6263269			1912467

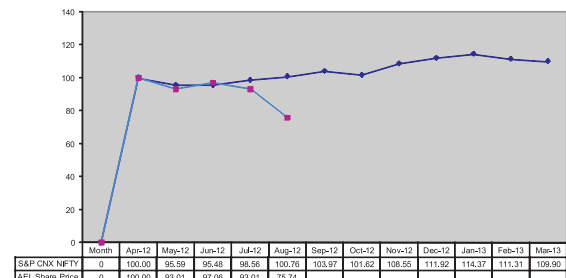
* The Shares of the Company were temporarily suspended for trading on NSE w.e.f. 22nd August, 2012 due to certain non compliances, which inter alia include non submission of audited results for the financial year ended on March 31, 2012, The same were duly submitted to NSE after the due date. Accordingly, the suspension have been revoked and the shares were permitted for trading w.e.f. June 17, 2013.

In view of the same (a) the monthly high/low data for August is calculated based on high/low data available from NSE from 1st August, 2012 to 21st August, 2012 and (b) monthly high/low data is not available for the month of September, 2012 to March 2013.

AEI Share Prices With BSE Sensex for 2012-2013



AEI Share Prices with National Stock Exchange - S&P CNX NIFTY for 2012-13



7. **Registrars & Transfer Agents** : The Company was handling share transfer and other allied matters in-house. 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 27th December, 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 1st February, 2003.
8. **Share Transfer System** : Transfer requests received in physical forms 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.

9. Distribution of Shareholding as on 31st March, 2013:

No of Equity Shares held (Range)	No. of Shareholders	% of Shareholders	No. of Sharesheld	% of ShareHolding
1 to 500	37299	79.80	5969682	15.06
501 to 1000	4672	10.00	3854213	9.72
1001 to 2000	2356	5.04	3610821	9.11
2001 to 3000	856	1.83	2195044	5.53
3001 to 4000	392	0.84	1406037	3.54
4001 to 5000	304	0.65	1442924	3.64
5001 to 10000	490	1.05	3542757	8.90
10001 & above	367	0.79	17610738	44.50
Total:	46736	100.00	39632216	100.00

10. Categories of shareholding as on 31st March, 2013 :

Category	No. of Share-holders	% of Share-Holders	No. of Shares held	% of Share-Holding
Promoters & Group Companies	1	0.00	3320549	8.38
Directors	1	0.00	2000	0.01
Trustee AEL Emp. Welfare Trust 2009	1	0.00	4680057	11.81
Financial Institution / Banks	2	0.01	2420	0.01
Mutual Funds	4	0.01	3200	0.01
F. I. I. s, N.R.I.s & OCBS	334	0.71	780651	1.97
Public	46393	99.27	30843339	77.81
Total	46736	100.00	39632216	100.00

11. Dematerialisation of shares

During the previous years and the year under review 3,92,25,919(98.97%) shares were held in demat form.
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 **107, 1st Floor, Sumer Kendra Bldg, Behind Mahindra Towers, Worli, Mumbai – 400018**, Tel: (91-22) 66104887, Fax: (91-22) 66104888, E-mail: secdept@aelgroup.com Website: www.aelgroup.com

The secretarial department of the Company is located at Registered office as mentioned herein above.

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 ₹ 3,13,734/- 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 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 an 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, 2013, the Company has two Whole-time Directors on the Board whose appointment and remuneration have 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 30th May, 2013 please refer to 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 behavior, 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 9th July, 2013 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.,
107, Sumer Kendra, 1st Floor,
Behind Mahindra Towers,
P.B. Marg, Worli,
Mumbai – 400 018.

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, 2013.

Place: Mumbai
Date: 9th July, 2013

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, 2013, 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: 9th July, 2013

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ASIAN ELECTRONICS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ASIAN ELECTRONICS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the unaudited Returns for the year ended on that date of PAL Technology Division, LMD Division and SMR Division.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Attention is invited to the following:

- i. Note No. 30 regarding transfer of related loans and debentures of ESCO and Project Division aggregating to ₹ 14,279.61 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 ₹ 14,279.61 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 Rs 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. Also the Company has not complied with the Securities and Exchange Board Of India (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999.
- iii. Note No. 35, wherein as explained, LIC NOMURA 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, where there is a delay and the company is likely to pay in the coming months. The other lenders are being addressed under One Time Settlement. Upon settlement of the matters amicably with the lenders including LIC Nomura Mutual Fund, the consent terms will be filed. 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. The said notice has been set aside by DRT and is now being challenged in appeal by the Bank. Other Banks have also asked the Company for repayment of their dues and also issued S.A.R.E.A.E.S.I notices.
- iv. Note No. 37, wherein consequent to review made by the management the following are the observations:
 - a. Diminution in the value of Investments in certain companies of ₹ 4,507.47 Lacs not reflected in the Financial Statements which is not in accordance with Accounting Standard - 13 "Accounting for Investments" referred to in Section 211(3C) of the Act .
 - b. Loans aggregating to Rs 22,399.68 Lacs have been recalled by the banks, due to default in repayment of the principal and interest amounts. Interest aggregating to ₹ 2,835.95 Lacs approx, has not been provided on these loans for the year ended 31.03.2013 and consequently loss for the year has been understated to the same extent. Also no interest has been provided on account of delays in payment of various statutory dues like Tax Deducted at Source, Service Tax, E.SIC, Customs Duty, Sales Tax, Provident Fund etc. amount whereof is not ascertainable. Of the above, balances aggregating to ₹ 7,657.83 Lacs have not been confirmed / reconciled. The Company has approached the Banks for One Time Settlement of the Dues. Consequently the aggregate liability due to these Banks is not ascertainable.
 - c. Trade Receivables considered good includes ₹ 9,979.50 Lacs of old Outstanding's which may be doubtful of recovery.
 - d. Old Debit Balances of ₹ 5,901.13 Lacs included in Loans and Advances and old unreconciled debits in certain Bank Accounts which may not be recoverable / realizable.
 - e. Interest amounting to ₹ 63.55 Lacs approx, has not been provided on Public Deposits for the year including on Deposits which have matured and

are claimed but have not been paid as on 31st March 2013 amounting to ₹ 258.62 Lacs and consequently loss for the year has been understated to the same extent.

Consequently, although the above related items of assets have been shown as Considered Good, no provision has been made for the same.

- v. Managerial remuneration of Rs 17.99 Lacs paid during the year to the Executive Director is subject to the approval of the Central Government.
- vi. Note No. 40 wherein Management has stated that Impairment of the Company's assets and impact thereof on the loss for the year has not been ascertained. Also certain Fixed Assets are no longer under the control of the Company for the reasons stated in Note No. 35. Hence we are unable to ascertain as to whether there is any impairment in line with Accounting Standard - 28 "Impairment of Assets" referred to in Section 211(3C) of the Act.

In view of the above, we are unable to express an opinion on the recoverability / realizability 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'.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, the aforesaid financial statements give the information required by the Act 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 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter:

We draw attention to Note Numbers 38 and 41 regarding Unsecured Interest Free Loans received from certain parties aggregating to ₹ 131.50 Lacs and Balances of Trade Receivables, Loans and Advances and Trade Payables which are subject to confirmations and reconciliations, the effects of which are at present unascertainable.

Attention is also drawn to Note No. 39 regarding non availability of Sales Invoices along with relevant corresponding documents for a part of the year as the same are in the custody of the Government Authorities.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - (d) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (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, 2013 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. Refer Note No. 37(ii)(a).*

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

CA N.D. Anklesaria
(Partner)
(Membership No. 10250)

Place : Mumbai.
Date : 30th May, 2013

BALANCE SHEET AS AT 31ST MARCH 2013

(₹ in Lacs)

Particulars	Note No	31st March 2013	31st March 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	1,747.61	1,710.18
(b) Reserves and surplus	3	884.48	2,234.56
2 Non-current liabilities			
(a) Long-term borrowings	4	14.76	93.46
(b) Long-term provisions	5	62.88	67.73
3 Current liabilities			
(a) Short-term borrowings	6	18,802.49	18,774.37
(b) Trade payables		4,995.98	5,287.52
(c) Other current liabilities	7	9,178.27	8,463.12
(d) Short-term provisions	8	243.99	370.88
TOTAL		35,930.46	37,001.82
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets		2,783.56	3,032.62
(ii) Intangible assets		17.04	22.55
(iii) Capital work-in-progress		583.77	703.59
	9	3,384.37	3,758.76
(b) Non-current investments	10	11,089.46	11,088.96
(c) Long-term loans and advances	11	115.64	109.30
2 Current assets			
(a) Inventories	12	1,499.41	2,127.62
(b) Trade receivables	13	11,592.22	11,440.08
(c) Cash and Cash Equivalents	14	322.56	376.98
(d) Short-term loans and advances	15	7,912.96	8,086.35
(e) Other current assets	16	13.84	13.77
TOTAL		35,930.46	37,001.82
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 Registration No. 110417W

C.A.N.D. ANKLESARIA
Partner
Membership No. 10250
Mumbai, 30th May, 2013

For and on Behalf of the Board of Directors

ARUN B. SHAH
Executive Chairman

SADANAND SAHASRABUDHE
Chief Financial Officer

Mumbai, 30th May, 2013

NEELAKANTA IYER
Executive Director & Jt. CEO

DHANANJAY DUMBRE
Asst. Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note No.	(₹ in Lacs)	
		31st March, 2013	31st March 2012
I. Revenue from operations	17	1,824.40	8,282.45
II. Other income	18	207.30	265.39
III. Total Revenue (I + II)		2,031.70	8,547.84
IV. Expenses:			
Cost of Materials Consumed	19	1,265.19	3,267.16
Purchases of Stock in Trade	20	(29.54)	6,685.53
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in -Trade	21	315.33	5,231.52
Employee benefits expenses	22	628.00	670.58
Finance costs	23	38.89	2,006.94
Other expenses	24	911.28	2,655.86
Depreciation on Assets and Amortization		258.61	386.92
Total expenses		3,387.76	20,904.51
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(1,356.06)	(12,356.67)
VI. Exceptional items	25	84.89	-
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		(1,440.95)	(12,356.67)
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) before tax (VII- VIII)		(1,440.95)	(12,356.67)
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)		(1,440.95)	(12,356.67)
XII Earnings per equity share:(in ₹)			
Nominal Value per Share ₹5/- (Previous Year ₹5)			
Before Extraordinary Items			
Basic		(3.74)	(34.85)
Diluted		(3.74)	(34.85)
After Extraordinary Items			
Basic		(3.74)	(34.85)
Diluted		(3.74)	(34.85)
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 Registration No. 110417W

For and on Behalf of the Board of Directors

ARUN B. SHAH
Executive Chairman

NEELAKANTA IYER
Executive Director & Jt. CEO

C.A.N.D. ANKLESARIA
Partner
Membership No. 10250
Mumbai, 30th May, 2013

SADANAND SAHASRABUDHE
Chief Financial Officer

DHANANJAY DUMBRE
Asst. Company Secretary

Mumbai, 30th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	(₹ in Lacs)	
	31st March, 2013	31st March, 2012
<u>A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:</u>		
Profit before tax	(1,440.95)	(12,356.65)
Adjustments for:		
Depreciation / Amortization	258.61	386.92
Foreign exchange Loss / (Gain) (Net)	(49.39)	22.30
Profit on Sale of Fixed Assets	(0.78)	-
Interest expenses	38.89	2,006.94
Interest Income	(65.98)	(210.93)
Diminution in value of Fixed Assets	121.55	161.75
Bad debts written off	0.12	637.17
Operating profit before working capital changes	(1,137.93)	(9,352.50)
Movement in working capital:		
(Increase) / Decrease in Inventories	628.21	6,237.06
(Increase) / Decrease in Sundry Debtors	(102.87)	1,068.32
(Increase) / Decrease in Loans and Advances	123.01	(1,673.22)
Increase / (Decrease) in Current Liabilities / Provisions	291.85	4,566.04
Cash generated from operations	(197.73)	845.70
Direct Taxes paid (net)	44.01	696.36
Net cash generated from operating activities	(A) (153.72)	1,542.06
<u>B. CASH FLOWS USED IN INVESTING ACTIVITIES:</u>		
Purchase of fixed assets	(8.38)	(181.14)
Proceeds from sale of fixed assets	3.38	-
Purchase of investments in Joint venture Companies	-	-
Purchase of investments	(0.50)	-
Sale of Investments	-	-
Income from Investments	-	-
Maturity of fixed deposits (net)	-	-
Interest received	65.98	210.93
Net cash used in investing activities	(B) 60.48	29.79
<u>C. CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Proceeds from issuance of share capital	128.32	41.79
Proceeds from borrowings	28.12	238.54
Repayment of borrowings	(78.70)	(61.94)
Interest paid	(38.89)	(2,006.94)
Dividend paid	-	-
Net cash generated from financing activities	(C) 38.85	(1,788.55)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(54.39)	(216.71)
Cash and cash equivalents at the beginning of the year	376.98	593.69
Cash and cash equivalents at the end of the year	322.59	376.98

As per our report of even date attached

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

C.A.N.D. ANKLESARIA
Partner
Membership No. 10250
Mumbai, 30th May, 2013

For and on Behalf of the Board of Directors

ARUN B. SHAH
Executive Chairman

SADANAND SAHASRABUDHE
Chief Financial Officer

Mumbai, 30th May, 2013

NEELAKANTA IYER
Executive Director & Jt. CEO

DHANANJAY DUMBRE
Asst. Company Secretary

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

Asian Electronics Limited (AEL) 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 Standards 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 year's 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. However no capital expenses were incurred during the year.
- 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 31st December, 1988, on written down value as appearing in the books on 1st January, 1989.
 - on the fixed assets acquired after 31st December, 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 15th December, 1993 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) Product Development expenditure are amortized over a period of 3-7 years.
 - f) Software is written off over a period of five years.
 - g) Goodwill is amortized using straight line method over a period of five years.

However, no costs are incurred in respect of para (c) to (g) 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 of equipments/systems is recognized based on dispatches to customer.
- e) Income from erection of equipments/systems is recognized based on work done at project site.
- f) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- g) Dividend is recognized if the same is approved before the date of finalization of accounts.
- h) 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 previous 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. However during the year no such contracts were entered or outstanding.

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 and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax 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 virtual 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	31st March, 2013		31st March, 2012	
	Number	(₹ in Lacs)	Number	(₹ in Lacs)
Authorised				
Equity Shares of ₹ 5/- each	<u>80,000,000</u>	<u>4,000.00</u>	<u>80,000,000</u>	<u>4,000</u>
Issued				
Equity Shares of ₹ 5/- each	39,633,316	1,981.67	35,453,259	1,772.66
Subscribed & Fully Paid up				
Equity Shares of ₹ 5/- each	39,632,216	1,981.61	35,452,159	1,772.61
Less: Amount recoverable from ESOP Trust		(234.00)		(62.43)
		<u>1,747.61</u>		<u>1,710.18</u>

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

Particulars	31.03.2013		31.03.2012	
	No. of Shares	(₹ in Lacs)	No. of Shares	(₹ in Lacs)
Shares outstanding at the beginning of the year	35,452,159	1,772.61	35,452,159	1,772.61
Shares Issued during the year	4,180,057	209.00	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<u>39,632,216</u>	<u>1,981.61</u>	<u>35,452,159</u>	<u>1,772.61</u>

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	31st March, 2013		31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
ARUN B. SHAH	3,320,549	8.38%	3,320,549	9.37%
TRUSTEE AEL EMP. WELFARE TRUST 2009	4,680,057	11.81%	N.A.	N.A.

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, 2013

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	31st March, 2013 (₹ in Lacs)	31 March, 2012 (₹ 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	<u>511.06</u>	<u>511.06</u>
d. Securities Premium Account		
As per Last Balance Sheet	21,473.56	21,473.56
Add: Addition during the year	33.44	-
	<u>21,507.00</u>	<u>21,473.55</u>
Less: Amount Recoverable from ESOP Trust	(37.44)	(94.89)
Closing Balance	<u>21,469.56</u>	<u>21,378.67</u>
d. Debit Balance of Statement of Profit and Loss.		
Opening balance	(20,067.81)	(7,711.14)
(+) Net Profit/(Net Loss) for the year	(1,440.95)	(12,356.67)
Closing Balance	<u>(21,508.76)</u>	<u>(20,067.81)</u>
Total	<u>884.48</u>	<u>2,234.54</u>

Note 4 : Long Term Borrowings

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Unsecured		
Deposits	-	-
Public Deposits	14.76	93.46
Total	<u>14.76</u>	<u>93.46</u>

Details of Default & Repayment :-

Deposits matured & claimed, but unpaid as on 31.03.13 are ₹ 258.62 lacs. Interest amounting to ₹ 63.55 lacs approx. has not been provided on Public Deposits for the year including on Deposits which have matured & claimed but have not been paid. No interest has been provided on the same after the date of maturity.

Note 5: Long Term Provisions

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Provision for employee benefits		
Gratuity	40.63	48.94
Leave Encashment	22.25	18.79
Total	<u>62.88</u>	<u>67.73</u>

NOTES FORMING PART OF THE ACCOUNT

Note 6: Short Term Borrowings

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Secured		
(a) Loans Repayable on Demand From banks		
Working Capital Loans	13,822.38	13,861.76
LC Payable	4,488.04	4,488.04
Unsecured		
(a) Deposits		
Public Deposits	334.69	272.76
(b) From Others	157.38	151.81
Total	18,802.49	18,774.37

Notes :

Nature of Security

1. Working Capital Facilities of ₹ 13,822.38 lacs (Previous year ₹ 13,861.76 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 ₹ 18,310.42 lacs (previous year ₹ 18,349.80 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	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
(a) Current Maturities of Long Term Debt :		
Current Maturities of Long Term Borrowings	866.23	859.41
(b) Interest accrued and due on borrowings	3,229.85	3,229.85
(c) Due to Subsidiary Companies	2,350.05	1,804.92
(d) Liability towards Investors Education and Protection Fund under Section 205 C of the Companies Act, 1956 not due :		
Unpaid Dividends	4.73	7.87
(e) Other liabilities	1,003.64	743.53
(f) Other Payables		
Central Excise, Customs Duty, VAT and Service Tax Payable	752.05	757.30
Trade / Security Deposits received	129.77	336.45
Tax Deducted at Source	127.68	56.32
Salary and Reimbursements	208.77	198.55
Provident Fund and other Employee Deductions	28.20	39.04
Advances from Customers	477.30	429.88
Total	9,178.27	8,463.12

NOTES FORMING PART OF THE ACCOUNT

Notes :-

Nature of Security :-

1. Term Loan of ₹ 549.56 lacs (Previous Year ₹ 549.56 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 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
4. Vehicle Loan of ₹ 6.82 Lacs (Previous Year Nil) from Mahindra and Mahindra Financial Services Ltd. is secured by hypothecation of Vehicle. The above Loan is repayable in monthly instalments over a period of 3 years.

Details of Default & Repayment :-

All the above loans with the exception of Vehicle Loan 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 & ₹ 3,229.85 lacs (previous year ₹ 859.41 lacs & ₹ 3,229.85 lacs) respectively. No Interest has been provided on these loans for the year ended 31st March 2013.

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

31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
10.10	1.79
2.80	6.26
231.09	362.83
243.99	370.88

NOTES FORMING PART OF THE ACCOUNT

NOTE 9: FIXED ASSETS

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			IMPAIRMENT		NET BLOCK	
	Upto 31st March 2012	Additions	Deductions/Transfers	Upto 31st March 2013	Provided during the Period	Depreciation on Sales	Upto 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012
Tangible Assets										
Free Hold Land	2.95	-	-	2.95	-	-	-	-	-	2.95
Lease Hold	6.09	-	-	6.09	0.07	-	2.13	-	-	3.96
Factory Building	1,115.52	-	-	1,115.52	36.92	-	468.77	-	-	646.75
Flat	6.21	-	-	6.21	-	-	0.80	5.41	-	-
Plant & Machinery	7,579.74	1.63	0.55	7,580.82	199.82	0.17	3,975.25	1,558.37	2,047.20	2,245.77
Furniture & Fixtures	242.67	-	-	242.67	6.02	-	191.74	4.89	46.04	52.06
Vehicle / Cycle	148.01	5.02	5.79	147.24	10.27	3.56	110.27	0.31	36.66	44.14
TOTAL - Tangible Assets	9,101.19	6.65	6.34	9,101.50	253.10	3.73	4,748.96	1,568.98	2,783.56	3,032.62
Intangible Assets										
Goodwill	119.00	-	-	119.00	3.40	-	105.40	-	13.60	17.01
Patents & Trademarks	25.84	-	-	25.84	1.55	-	23.23	-	2.61	4.15
Product Development Cost	712.21	-	-	712.21	0.35	-	711.38	-	0.83	1.18
Software	2.20	-	-	2.20	0.21	-	2.20	-	0.00	0.21
TOTAL - Intangible Assets	859.25	-	-	859.25	5.51	-	842.21	-	17.04	22.55
TOTAL	9,960.44	6.65	6.34	9,960.75	258.61	3.73	5,591.16	1,568.98	2,800.60	3,055.17
Previous Year	9,864.26	96.19	-	9,960.44	386.92	-	5,336.30	1,568.98	3055.17	-

NOTES FORMING PART OF THE ACCOUNT

Particulars	Nominal Value	Number of Shares	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
A Trade Investments (At Cost)				
Investments in Fully Paid Equity Shares In Others (Unquoted) (Refer Note No. 37)				
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
Asian Retail Lighting Ltd	₹ 10	1,451,040	276.00	276.00
In Associates (Unquoted)				
AEL LED Co.Private Limited	₹ 10	5,000	0.50	-
Unique Waste Plastic Management And Research Company Private Limited	₹ 10	2,450,000	4,360.20	4,360.20
Midcom Magnetics Management Pvt.Ltd.	₹. 10	20,000	139.50	139.50
In Wholly Owned Subsidiaries (Unquoted)				
AEL ESCO Private Limited	₹ 10	10,000	1.00	1.00
AEL Projects Private Limited	₹ 10	10,000	1.00	1.00
In Investment Suspende				
AEL ESCO Private Limited			5,174.34	5,174.34
AEL Projects Private Limited			1,129.15	1,129.15
Total			11,089.46	11,088.96
a Aggregate Book Value of Investments				
Particulars			31st March, 2013 (₹ in Lacs)	31 March, 2012 (₹ in Lacs)
Aggregate amount of quoted investments			-	-
Aggregate amount of unquoted investments			11,089.46	11,088.96
Aggregate provision for diminution in value of investments (Refer Note No.37)			-	-
b Disclosure as per AS 13 - Accounting for Investments				
Particulars			31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Long Term Investments			11,089.46	11,088.96
Current Investments			-	-
Total			11,089.46	11,088.96

NOTES FORMING PART OF THE ACCOUNT

Note 11: Long Term Loans and Advances

(Unsecured, considered good)

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
a. Security Deposits		
To Others	115.64	109.30
Total	115.64	109.30

Note 12: Inventories (Valued at lower of cost or net realisable value)

(as taken, valued and certified by the management)

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
a. Raw Materials	938.45	1,251.33
b. Work-in-progress	2,530.88	2,457.66
c. Finished goods	3,643.08	4,031.63
d. Trading Stock	-	-
	7,112.41	7,740.62
Less : Provision for Inventory	(5,613.00)	(5,613.00)
Total	1,499.41	2,127.62

Note 13: Trade Receivables

(Unsecured, considered good unless otherwise stated)

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	11,174.38	9,612.39
Considered doubtful	13,115.54	13,115.54
	24,289.92	22,727.93
Less: Provision for Doubtful Debts	13,115.54	13,115.54
	11,174.38	9,612.39
Others	417.84	1,827.69
Total	11,592.22	11,440.08

NOTES FORMING PART OF THE ACCOUNT

Note 14: Cash and Cash Equivalents

Particulars	31st March, 2013		31st March, 2012	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Cash and cash equivalents				
a. Cash on Hand		7.51		4.20
b. Cheques in Hand		-		-
c. Balances with Banks on Current Accounts				
with Scheduled Banks	72.45	72.45	66.74	
with Unscheduled Banks	-	-	0.12	66.86
		79.96		71.06
Other Bank Balances				
a. Balances held for unpaid Dividends		4.73		7.86
b. Bank Deposits as Margin money		225.93		19.09
c. Bank Deposits		11.94		278.97
		242.60		305.92
Total		322.56		376.98

Particulars	31st March, 2013		31st March, 2012	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Advances Recoverable in Cash or in Kind				
To Employees	10.49		11.85	
To Others - Considered Good	584.40		544.99	
To Others - Considered Doubtful	199.59	794.48	199.59	756.43
Intercorporate Deposits		319.72		295.53
Security Deposits		308.12		200.66
Prepaid Expenses		11.61		11.95
Balances with Government Authorities				
Considered Good	173.47		290.19	-
Considered Doubtful	95.05	268.52	95.05	385.24
Advances To Group Companies		1,949.70		1,704.76
Advances paid to Suppliers				
Considered Good	4,389.42		4,816.38	
Considered Doubtful	1,039.16	5,428.58	1,039.16	5,855.54
Advance tax / Tax Deducted at Source (Net of provision of ₹ 4.81 lacs (Previous Year ₹ 6.58 lacs))		166.03		210.04
Less : Provision for Doubtful Advances		(1,333.80)		(1,333.80)
Total		7,912.96		8,086.35

Note 16: Other Current Assets

Particulars	31st March, 2013	31 March, 2012
	(₹ in Lacs)	(₹ in Lacs)
Interest Accrued on Loans	13.84	13.77

NOTES FORMING PART OF THE ACCOUNT

Note 17: Revenue from operations

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Sale of Products		
Manufactured goods	1,767.50	2,485.54
Less: Excise duty	104.47	224.34
Sale of manufactured goods (net of excise)	1,663.03	2,261.20
Trading Sales	16.03	5,956.33
Other Operating Revenues		
Lease Rent and Maintenance Charges	-	0.60
Scrap and sundry sales	55.99	23.61
Insurance Claim Received	0.47	11.49
Maintenance and Support	39.49	29.22
Foreign Exchange Income	49.39	-
Total	1,824.40	8,282.45

Note 18: Other Income

Particulars	31st March, 2013 (₹ in Lacs)		31st March, 2012 (₹ in Lacs)	
Interest Income				
Interest from Banks on Deposits	51.28		23.68	
Interest on Loans and Advances	0.11		16.61	
Interest on Overdue Trade Receivables	5.20		10.23	
Interest on Income Tax Refund	9.39	65.98	160.41	210.93
Other Non Operating Income				
Prior Period Items (Net)	-		18.88	
Miscellaneous Income	141.32	141.32	35.58	54.46
Total		207.30		265.39

NOTES FORMING PART OF THE ACCOUNT

Note 19: Cost of Materials Consumed

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Cost of Materials Consumed		
Raw Materials Consumed		
Stock at the beginning of the year	1,251.33	2,256.88
Add: Purchases (Net)	1,024.65	2,236.22
Less: Sale of Raw Materials	(94.73)	(65.46)
	<u>2,181.25</u>	<u>4,427.64</u>
Less: Stock at the end of the year	938.46	1,251.33
Total **	<u>1,242.79</u>	<u>3,176.31</u>
Stores and Spares Consumed	1.60	12.63
Packing Material Consumed	20.80	78.22
Total	<u>1,265.19</u>	<u>3,267.16</u>

** Net of Write Off of Obsolete Inventory of Raw Materials aggregating to Nil in the current year.
(Previous Year ₹ 385.98 Lacs)

Note 20: Purchases of Stock in Trade

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Cost of Traded Materials	(29.54)	6,685.53

Note 21: Changes in Inventories

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade (Increase)/Decrease in Stock		
Opening Stocks		
Finished Goods - Manufactured	4,031.63	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>
Less: Closing Stocks :		
Finished Goods - Manufactured	3,643.08	4,031.63
Stock- in-Trade - Projects	-	-
Work-in-Progress	2,530.88	2,457.66
	<u>6,173.96</u>	<u>6,489.29</u>
Total **	<u>315.33</u>	<u>5,231.52</u>

** Includes Write off of Obsolete Inventories of WIP and Stock In Trade amounting to Nil (Previous Year ₹ 451.70 lacs & ₹ 6276.08 lacs respectively)

NOTES FORMING PART OF THE ACCOUNT

Note 22: Employee Benefit Expenses

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Salaries and Wages	581.95	597.91
Contributions to Provident and other funds	29.15	47.03
Staff Welfare Expenses	16.90	25.64
Total	628.00	670.58

Note 23: Finance Costs

Particulars	31st March, 2013 (₹ in Lacs)		31st March, 2012 (₹ in Lacs)	
Interest expense				
On Term Loans	-		108.06	
On Working Capital Loans	-		317.97	
On Others	21.15	21.15	57.60	483.63
Bank Charges		17.74		1,523.31
Total		38.89		2,006.94

Note 24: Other Expenses

Particulars	31st March, 2013		31st March, 2012	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Excise Duty		59.22		115.64
Installation and Maintenance Charges		144.95		26.13
Power and Fuel		61.08		75.09
Insurance		28.47		27.02
Rent		61.72		75.05
Rates and Taxes		14.75		12.07
Repairs				
To Machinery	3.21		3.26	
To Buildings	4.57		6.03	
To Others	53.01		158.75	
		60.79		168.04
Commission and Brokerage		9.10		68.82
Communication Expenses		24.55		37.57
Freight and Forwarding Expenses		74.90		189.91
Sales Promotion		1.66		12.63
Directors' Sitting Fees		2.20		5.72
Travelling and Conveyance Expenses		66.34		102.05
Legal & Professional Charges		49.14		126.37
Bad debts/irrecoverable advances		0.12		637.17
Claims Paid		-		212.63
Foreign Exchange Loss		-		22.30
Diminution in Value of Fixed Assets		121.55		161.75
VAT Expenses		-		405.32
Payments to Auditors				
Audit Fees	20.00		30.00	
Reimbursement of Expenses	-		0.23	
		20.00		30.23
Miscellaneous Expenses		110.74		144.35
Total		911.28		2,655.86

NOTES FORMING PART OF THE ACCOUNT

Note 25 : Extraordinary Items

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Expense on Employee Stock Option Scheme (ESOP)	84.89	-
	84.89	-

Note 26

Installed capacities and production

Class of Goods	Unit	Installed Capacity	Unit	Production
CFL	Nos.	46,80,000 <i>46,80,000</i>	Nos.	- <i>2,28,050</i>
Ballast	Nos.	24,96,000 <i>24,96,000</i>	Nos.	44,595 <i>35,670</i>
Streetlight And Highbay	Nos.	1,56,000 <i>1,56,000</i>	Nos.	87,870 <i>91,775</i>
Retrofit and Conventation	Nos.	15,60,000 <i>15,60,000</i>	Nos.	612,117 <i>39,28,491</i>
Retrofit Systems, power products & Parts thereof (Export)	Nos.	3,12,000 <i>3,12,000</i>	Nos.	12,802 <i>51,222</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 (2012-13)	₹ In lacs (2012-13)	Quantity (2011-12)	₹ in lacs (2011-12)
CFL	Nos.	121,315	19.54	4,00,723	389.68
Ballast	Nos.	43,672	97.51	21,263	117.41
Streetlight And Highbay	Nos.	87,924	166.08	91,900	341.18
Retrofit And Conventation	Nos.	627,366	938.53	39,95,397	1,052.64
Retrofit Systems, power products & Parts thereof (Export)	Nos.	12,942	441.37	51,160	360.29
Trading Sales comprising of retrofit parts			-		5956.33
Total			1663.03		8217.53

Details of Finished Goods

	Unit	Opening Stock		Closing Stock	
		Quantity (2012-13)	₹ in Lacs (2012-13)	Quantity (2012-13)	₹ in Lacs (2012-13)
CFL	Nos	1,21,451	51.19	136	2.59
Ballast	Nos	17,026	7.44	17949	9.05
Streetlight And Highbay	Nos	54	0.95	0	0
Retrofit And Conventation	Nos	28,875	367.53	13,626	28.78
Retrofit Systems & Parts thereof (Export)	Nos	304	4.52	164	2.66
Machinery to solid waste Management (Fully provided)	Nos	2	3,600	2	3,600
Total			4,031.63		3,643.08

NOTES FORMING PART OF THE ACCOUNT

Consumption of raw materials		Quantity (2012-13)	₹ In lacs (2012-13)	Quantity (2011-12)	₹ in lacs (2011-12)
Tube rods	Nos.	162,281	74.08	3,64,208	175.01
Others			1,168.71		3001.30
Total			1,242.79		3176.31

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 (2012-13)	% of total consumption	₹ in Lacs (2011-12)
Imported	19.39%	241.19	21.89%	695.18
Indigenous	80.61%	1,001.60	78.11%	2481.13
Total	100.00%	1,242.79	100.00%	3176.31
Stores and spares				
Imported	-	-	-	-
Indigenous	100%	1.60	100%	12.63
Total	100%	1.60	100%	12.63

26.1 Expenditure in foreign currency (Accrual basis)

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Travelling expenses	-	-
Total	-	-

26.2 Value of Imports Calculated on CIF basis

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Raw materials	62.68	359.90
Capital goods	-	-
	62.68	359.90

26.3 Net Dividend remitted in foreign exchange

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Number of non- resident shareholders	327	353
Number of Equity Shares held	771,751	6,92,291
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	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Exports at FOB value	440.00	1045.13
Others	-	-
	440.00	1045.13

27 Capital and other Commitments

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ 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	2012-13	2011-12
	₹ in Lacs	₹ in Lacs
Claims against the Company not acknowledged as debts – Refer Note (a)	1791.24	1,232.55
Disputed Income Tax demand – Refer Note (b)	2471.01	-
Disputed Excise Duty demand	180.42	-
Guarantees given by the bankers on behalf of the Company	54.51	40.02
Corporate Guarantee given by the Company on behalf of a third party	300.00	300.00
Bills/LC discounted with banks	697.26	697.26
Loans and Debentures Liability Transferred to ESCO and Projects Division	14,279.61	14,279.61
	19,774.05	16,549.44

Note:

- a. 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 Honourable 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 Honourable 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.
- b. The Company has not provided for disputed Income Tax liability of ₹ 2471.01 lacs (Previous year ₹ NIL) arising from disallowances made in A.Y.2010-11, appeal for which is pending with the Commissioner of Income Tax (Appeals) Mumbai.
- 29 (a) Trade payables include principal amount of ₹ 5.98 Lacs (Previous Year ₹ 16.49 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, 2013 are as under –
- A.B. Stamping, Aashirwad Press Tools, Arya Enterprises, Ashoka Industries, Bhagyashree Eng. Pvt. Ltd., Bhamre Saw Mill, Bright Light Company, Chafekar Engineering Works, Devyani Enterprises, Garima Enterprises, Hira Plastics Industries, Impakt Packaging, Jai Sadguru Industries, Kalpana Enterprises, Kamal Industries, Kunal Enterprises, Libra Industries, M. M. Woodland Pvt Ltd, Manisha Packaging, M-Tech Trading Co., Nisha Enterprises, Perfect Engraving Works, Pramod Fibre-Plast Pvt Ltd, Printa Chem, Pushkraj Packaging, Sa Enterprises, Sai Ashish Enterprises, Sarang Enterprises, See Ram Industries, Shalaka Polymers, Shaunak Enterprises, Sheetal Thermocol Packers, Shiva Enterprises, Shree Fabs, Shree Raj Packaging, Shubham Engineering, Suprim Engineering, Swami Samarth Electronics Pvt Ltd, Swati Packagers.
- 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 continued to show 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 giving-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 Rs.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 31st March, 2013 is ₹ 300 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 favour of UCO Bank in respect of its Rupee Term Loan of ₹ 6000 lacs (Outstanding as on 31st March, 2013 is ₹ 300 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. During the year, the Company has arrived at settlement of the claim to pay ₹ 2000.00 Lacs 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 and outstanding as at 31st March, 2013 are as under:

Particulars	Shares arising out of options as at 31 st March, 2013	Shares arising out of options as at 31 st March, 2012
Options Outstanding at the beginning of the year	4,98,450	2,72,185
Options relinquished during the year	-	-
Options issued during the Year	-	4,98,450
Options exercised during the Year	4,98,450	2,72,185
Options Outstanding at the end of the Year	-	4,98,450

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 had 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 had 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 2011-12 2,72,185 options were exercised by the employees at the price of ₹ 12.60 per share and the Loan given to trust was 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 ₹ 12.60 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 was ₹ 62.80 Lacs which was adjusted against the Share Capital and Securities Premium Account.

During the year under review in view of the falling market price of the equity shares of the Company, the Compensation committee vide its Circular Resolution No. 1/2012-13 dt. 7th May, 2012 decided to revise the exercise price of the outstanding 4,98,450 options from the existing ₹ 10.75 per share to ₹ 5.80 per share with retrospective effect. Consequently due to the revision of price, an amount of ₹ 33.89 Lacs was shown under Exceptional Item and charged to Profit and Loss Account.

Further on 2nd August, 2012 the Company received applications from the eligible employees towards exercise of 4,98,450 Stock Option into equal number of Shares under the ESOP Scheme 2005. The balance of Loan to the Trust outstanding as on 31st July, 2012 was ₹ 28,91,010 which was adjusted against Share Capital and Securities Premium Account.

There are no Options outstanding as on 31st March, 2013.

- 32 During the Financial Year 2009-10, the Company had 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 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.

The particulars of option granted and outstanding as at March 31, 2013 are as under:

Particulars	Shares arising out of options as at 31 st March, 2013	Shares arising out of options as at 31 st March, 2012
Options Outstanding at the beginning of the Year	7,50,000	8,09,524
Options relinquished during the Year	-	-
Options issued during the Year	41,80,057	-
Options exercised during the Year	2,50,000	59,524
Options Outstanding at the end of the Year	46,80,057	7,50,000

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 gave 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 financial year 2011-12 Company 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 was 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 was ₹ 94.50 Lacs which was adjusted against the Share Capital and Securities Premium Account.

NOTES FORMING PART OF THE ACCOUNT

The Compensation Committee of the Board of Directors vide Circular Resolution dt. 1st April, 2011 had granted 41,80,057 stock options under ESOP - 2009 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.

During the year under consideration in view of the falling market price of the equity shares of the Company, the Compensation committee vide its Circular Resolution No. 2/2012-13 dt. 7th May, 2012 decided to revise the exercise price of 41,80,057 options granted on 1st April, 2011 from the existing ₹ 10.75 per share to ₹ 5.80 per share with retrospective effect.

The Compensation committee also decided vide its Circular Resolution No. 3/ 2012-13 dt 7th May, 2012 to revise the exercise price of the outstanding 7,50,000 options from the existing ₹ 12.60 per share to ₹ 5.80 per share with retrospective effect. Consequently due to the revision of price, an amount of ₹ 51 Lacs is shown under Exceptional Item and charged to Profit and Loss Account.

The revision of the price was done on the basis of closing market price of the share on previous trading day i.e. on 4th May, 2012 on National Stock Exchange where maximum number of shares of the company were traded on that day.

The Board of Directors of the Company vide their Circular Resolution No. 1/2012-13 dt. 4th July, 2012 allotted 41, 80,057 equity shares of ₹ 5 each at premium of ₹ 0.80 per Share to the Trustees of Asian Electronics Limited Employees' Welfare Trust, 2009 under ESOP Scheme 2009. The said allotment was done by way of advance amount of ₹ 242.44 Lacs granted to the Trustees of Asian Electronics Limited Employees' Welfare Trust, 2009 .

Options outstanding under ESOP 2009 as on 31st March, 2013 were 46,80,057.

- 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. The Company has not complied with the Securities and Exchange Board Of India (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999.
- 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 Nomura 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, where there is a delay and the company is likely to pay in the coming months. The other lenders are being addressed under One Time Settlement. Upon settlement of the matters amicably with the lenders including LIC Nomura Mutual Fund, the consent terms will be 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 their dues. The notice has been set aside by DRT and is now being challenged in appeal by the bank. Also other Banks have sent Demand Notices to the Company for repayment of their dues. Also some other banks have issued SARFAESI notices.
- 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, the Company has approached the Banks for One Time Settlement (OTS) of the dues. 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 (i) 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. Diminution of value if any in the Investments 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 means to recover the value of the Investments held by the Company.
 - c. Diminution in the value of Investment in Midcom Magnetics Management Private Limited of ₹ 139.50 Lacs.
 - d. Trade Receivables considered good includes ₹ 9979.50 Lacs of old Outstandings where the recovery may happen only after due legal actions and settlements of counter claims, if any, which cannot be determined.

NOTES FORMING PART OF THE ACCOUNT

- e. Loans and Advances considered good includes ₹ 5901.13 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.
- f. Cash and Bank Balances include old unreconciled debits in certain bank accounts which may not be recoverable / realizable.
- (ii) a. Interest amounting to ₹ 63.55 Lacs approximately has not been provided on Public Deposits for the year including on deposits which have matured and are claimed but not paid as on 31st March, 2013 amounting to ₹ 258.62 Lacs
- b. Loans aggregating to ₹ 22,399.68 Lacs have been re-called by the banks, due to default in repayment of the principal and interest amounts. Interest amounting to ₹ 2835.95 Lacs approximately has not been provided for the year on these loans. Also no interest has been provided on account of delays in payment of various statutory dues like Tax Deducted at Source, Service Tax, ESIC, Custom Duty, Sales Tax, Provident Fund etc, amount whereof is not ascertainable.

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 Company's OTS proposal.

- 38 Unsecured interest free loans aggregating to ₹ 131.50 Lacs received from various parties and outstanding in the books of account as on 31st March, 2013, are subject to reconciliation and confirmation
- 39 Sales invoices along with the relevant corresponding documents are not in the possession of the Company as the same are in the custody of the government authorities.
- 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 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.

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:

		(₹ in Lacs)
Particulars	2012-2013	2011-2012
Provident Fund	22.45	26.64

b. State Plans:

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

		(₹ in Lacs)
Particulars	2012-2013	2011-2012
Employees State Insurance	6.64	6.95

c. Defined Benefit Plans -

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 Gratuity Liability is funded with Life Insurance Corporation of India. The details of the Gratuity Fund for its 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.

NOTES FORMING PART OF THE ACCOUNT

Profit and Loss account

	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Net employee benefit expense (recognized in Employee Cost)		
Current service cost	5.86	6.87
Interest cost on benefit obligation	4.06	4.44
Expected return on plan assets	3.62	4.23
Net actuarial Losses / (Gains) recognized in the year	(2.00)	(1.57)
Past service cost		-
Net benefit expense	8.31	5.50
Actual return on plan assets	3.62	4.23

Balance Sheet

	31 st March, 2013 ₹ In Lacs	31 st March, 2012 ₹ In Lacs
Details of benefit obligation:		
Defined Benefit Plan obligations	48.50	50.73
Fair value of plan assets	38.40	48.93
Less – Unrecognized past service cost		-
Plan Liability	10.10	1.80

	2012-13 ₹ In Lacs	2011-12 ₹ In Lacs
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	50.73	55.53
Current service cost	5.86	6.87
Interest cost	4.06	4.44
Benefits paid	(14.15)	(14.54)
Actuarial Losses / (Gains) on obligations	2.00	(1.57)
Closing defined benefit obligation	48.50	50.73

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

	31 st March, 2013 ₹ In Lacs	31 st March, 2012 ₹ In Lacs
Opening fair value of plan assets	48.93	59.24
Expected return	3.62	4.23
Contributions by employer	NIL	NIL
Benefits paid	(14.15)	(14.54)
Actuarial gains / (Losses)		-
Closing fair value of plan assets	38.40	48.93

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

Category of Assets	31 st March, 2013 %	31 st March, 2012 %
Investment with Insurer	100%	100%

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

Particulars	2012-13	2011-12
Discount	8.00%	8.00%
Expected rate of return on plan assets	7.40%	7.15%
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.

NOTES FORMING PART OF THE ACCOUNT

43 Interest in Joint Ventures

The Company had 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 exited from the JV during the year.

44 Earnings Per Share

Particulars	31 st March, 2013 (₹ in Lacs)	31 st March, 2012 (₹ in Lacs)
Basic / Diluted Earning Per Share		
Numerator used for Calculating Basic Earning Per Share – Net Profit / (Loss) after Tax	(1,440.95)	(12,356.65)
Weighted Average number of shares used as denominator for Calculating Basic Earning Per Share (in Nos)	3,85,44,256	3,54,53,259
Basic / Diluted Earnings Per Share (after extraordinary items)	(3.74)	(34.85)

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 ₹ 61.72 Lacs (Previous Year - ₹ 75.05 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.

Lease Receivables (from assets given on lease other than MSEDCL)	2012-2013 (₹ in Lacs)	2011-2012 (₹ in Lacs)
Not later than one year	3.30	14.17
Later than one year and not later than five years	-	3.30
Later than five years	-	-
Total	3.30	17.47

46 Related Parties Disclosure

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

a. **Subsidiary**

AEL Projects Private Ltd.

AEL ESCO Private Ltd.

b. **Associate**

Unique Waste Plastic Management And Research Co. Private Ltd.

Midcom Magnetics Management Private Ltd.

AEL LED Co. Private Ltd.

NOTES FORMING PART OF THE ACCOUNT

c. Key Management Personnel

- i) Mr. Arun Shah, Executive Chairman
- ii) Mr. Neelakanta Iyer.
- iii) Mr. Rajesh Mehta. (Upto 14th February 2013)

d. Relatives of Key Management Personnel

Mr. Naman Arun Shah

- e. Enterprises over which any person specified in (c) or (d) 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 Private 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.
- viii) Lite Tecnicks India Private Limited.
- ix) Integral Engineering Solutions Private Limited. (Upto 14th February 2013)
- x) Integral Technologies Private Limited. (Upto 14th February 2013)
- xi) Srushti Ecosystems LLP. (Upto 14th February 2013)

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

Related Party Disclosure

(₹ in Lacs)

Transactions during the period	Subsidiaries		Associates		Key Management Personnel (KMP)		Relatives of Key Management Personnel		Enterprises over which KMP and their relatives are able to exercise significant influence		Total	
	Mar/13	Mar/12	Mar/13	Mar/12	Mar/13	Mar/12	Mar/13	Mar/12	Mar/13	Mar/12	Mar/13	Mar/12
Sales												
Midcom Magnetics Management Pvt Ltd			42.01	404.71							42.01	404.71
Integral technologies Pvt Ltd									2.38	176.46	2.38	176.46
Pal Technology Pvt Ltd									130.21	72.48	130.21	72.48
Reimbursement of Expenses												
Midcom Magnetics Management Pvt Ltd			8.86	34.44							8.86	34.44
Pranamghar India Pvt Ltd									-	0.05	-	0.05
AEL ESCO Pvt Ltd	487.19	347.07									487.19	347.07
AEL Projects Pvt Ltd	31.50	117.84									31.50	117.84
Advance Received												
AEL ESCO Pvt Ltd	1,477.03	1,089.03									1,477.03	1,089.03
AEL Projects Pvt Ltd	44.30	506.85									44.30	506.85
Arun& Co.									105.13	-	105.13	-
Advance Paid												
Pranamghar India Pvt Ltd									5.21	56.17	5.21	56.17
Unique Waste Plastic Management And Research Co. Pvt. Ltd			0.05	1.67							0.05	1.67
Arun& Co.									-	193.45	-	193.45
Arsh Advisors & Owners Ltd									-	7.31	-	7.31
Integral technologies Pvt Ltd									109.57	-	109.57	-
Managerial Remuneration												
Neelakanta Iyer					17.99	15.02					17.99	15.02
Naman Arun Shah							2.49	1.20			2.49	1.20
Purchases of Material												
Midcom Magnetics Management Pvt Ltd			41.41	62.98							41.41	62.98
Integral technologies Pvt Ltd									0.32	27.41	0.32	27.41
Pal Technology Pvt Ltd									25.09	119.61	25.09	119.61
Investments Made												
AEL LED Co. Pvt Ltd.			0.50	-							0.50	-

Transactions during the period	Subsidiaries		Associates		Key Management Personnel (KMP)		Relatives of Key Management Personnel		Enterprises over which KMP and their relatives are able to exercise significant influence		Total	
	Mar/13	Mar/12	Mar/13	Mar/12	Mar/13	Mar/12	Mar/13	Mar/12	Mar/13	Mar/12	Mar/13	Mar/12
Balance outstanding as at the year end												
Outstanding Payables												
AEL ESCO Pvt Ltd	(1,814.68)	(1,281.63)									(1,814.68)	(1,281.63)
AEL Projects Pvt Ltd	(535.37)	(523.29)									(535.37)	(523.29)
Neelakanta Iyer					(0.26)	(2.06)					(0.26)	(2.06)
Outstanding Receivable												
Midcom Magnetics Management Pvt Ltd			180.50	164.56								
Pranamghar India Pvt Ltd									330.47	325.26	330.47	325.26
Dalal Desai & Kumana									0.50	0.50	0.50	0.50
Sirius Capital Services Ltd.									4.99	4.99	4.99	4.99
Unique Waste Plastic Management And Research Co. Pvt. Ltd			479.01	478.96							479.01	478.96
Arsh Advisors									109.31	109.31	109.31	109.31
Arun & Co.									106.96	211.75	106.96	211.75
Karnataka Pyronics Pvt Ltd									49.47	43.90	49.47	43.90
Lite Tecniks India Pvt Ltd									387.01	387.65	387.01	387.65
Pal Technology Pvt Ltd									723.64	580.57	723.64	580.57
Integral technologies Pvt Ltd									329.59	205.77	329.59	205.77
Totals	(310.04)	255.87	710.33	742.61	17.72	12.95	2.49	1.20	2,419.85	2,522.65	2,659.86	3,370.73

48 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.

49 Previous Year figures have been regrouped / rearranged wherever necessary to make them comparable with those of the current year.

As per our report of even date attached

For and on Behalf of the Board of Directors

For SORAB S. ENGINEER & CO.
Chartered Accountants
(Firm Regn No.: 110417W)

ARUN B. SHAH
Executive Chairman

NEELAKANTA IYER
Executive Director & Jt. CEO

C.A. N. D. ANKLESARIA
Partner
Membership No. 10250

SADANAND SAHASRABUDHE
Chief Financial Officer

DHANANJAY DUMBRE
Asst. Company Secretary

Mumbai : 30th May, 2013

Mumbai : 30th May, 2013

REPORT OF THE AUDITORS ON CONSOLIDATED FINANCIAL STATEMENTS

- To
- the Board of Directors of Asian Electronics Limited**
- We have audited the accompanying Consolidated Financial Statements of ASIAN ELECTRONICS LIMITED (the "Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
- Management's Responsibility for the Consolidated Financial Statements**
- The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- Auditors' Responsibility**
- Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
- An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.
- Basis for Qualified Opinion**
- Attention is invited to the following:
- i. Note No. 30 regarding transfer of related loans and debentures of ESCO and Project Division aggregating to ₹ 14,279.61 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 ₹ 14,279.61 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 ₹ 4,110.27 Lacs comprising of Written down value of Fixed Assets amounting to ₹ 1769.36 Lacs, Advances amounting to ₹ 501.51 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. 31. The impact of the same on the loss for the year is presently unascertainable
 - iii. Note Nos 32 to 34 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. Also the Company has not complied with the Securities and Exchange Board of India (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999.
 - iv. Note No.36, wherein as explained, LIC NOMURA 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, where there is a delay and the company is likely to pay in the coming months. The other lenders are being addressed under One Time Settlement. Upon settlement of the matters amicably with the lenders including LIC Nomura Mutual Fund, the consent terms will be filed. 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. The said notice has been set aside by DRT and is now being challenged in appeal by the Bank. Other Banks have also asked the Company for repayment of their dues and also issued SAREAESI notices.
 - v. Note No. 38, wherein consequent to review made by the management the following are the observations:
 - a. Diminution in the value of Investments in certain companies of ₹ 4,507.47 Lacs not reflected in the Financial Statements which is not in accordance with Accounting Standard - 13 "Accounting for Investments" referred to in Section 211(3C) of the Act .
 - b. Loans aggregating to Rs 36,654.30 Lacs have been recalled by the banks, due to default in repayment of the principal and interest amounts. Interest aggregating to ₹ 5,615.32 Lacs approx, has not been provided on these loans for the year ended 31.03.2013 and consequently loss for the year has been understated to the same extent. Also no interest has been provided on account of delays in payment of various statutory dues like Tax Deducted at Source, Service Tax, ESIC, Customs Duty, Sales Tax, Provident Fund etc. amount whereof is not ascertainable. Of the above, balances aggregating to ₹ 7,657.83 Lacs have not been confirmed / reconciled. The Company has approached the Banks for One Time Settlement of the Dues. Consequently the aggregate liability due to these Banks is not ascertainable.
 - c. Trade Receivables considered good includes ₹ 9,979.50 Lacs of old Outstandings which may be doubtful of recovery.
 - d. Old Debit Balances of ₹ 5,901.13 Lacs included in Loans and Advances and old unreconciled debits in certain Bank Accounts which may not be recoverable / realizable.
 - e. Interest amounting to ₹ 63.55 Lacs approx, has not been provided on Public Deposits for the year including on Deposits which have matured and are claimed but have not been paid as on 31st March 2013 amounting to ₹258.62 Lacs and consequently loss for the year has been understated to the same extent.

Consequently, although the above related items of assets have been shown as Considered Good, no provision has been made for the same.

- vi. *Managerial remuneration of Rs 17.99 Lacs paid during the year to the Executive Director is subject to the approval of the Central Government.*
- vii. *Note No. 41 wherein Management has stated that Impairment of the Company's assets and impact thereof on the loss for the year has not been ascertained. Also certain Fixed Assets are no longer under the control of the Company for the reasons stated in Note No. 36. Hence we are unable to ascertain as to whether there is any impairment in line with Accounting Standard - 28 "Impairment of Assets" referred to in Section 211(3C) of the Act.*

In view of the above, we are unable to express an opinion on the recoverability / realizability 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'.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above* the aforesaid 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 state of affairs of the Group as at 31st March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date

Emphasis of Matter

We draw attention to Note Numbers 39 and 42 regarding Unsecured Interest Free Loans received from certain parties aggregating to ₹ 131.50 Lacs and Balances of Trade Receivables, Loans and Advances and Trade Payables which are subject to confirmations and reconciliations, the effects of which are at present unascertainable.

Attention is also drawn to Note No. 40 regarding non availability of Sales Invoices along with relevant corresponding documents for a part of the year as the same are in the custody of the Government Authorities.

Our opinion is not qualified in respect of this matter.

Other Matters

We did not audit the financial statements of the two subsidiaries, whose financial statements reflect total assets (net) of ₹ 15,272.90 Lacs as at 31st March, 2013 (Previous year ₹ 16,232.38 Lacs) and total revenues of ₹ 129.77 Lacs for the year ended on that date (Previous year ₹ 132.18 Lacs), which were prepared by the Management. The same has been considered for the purpose of consolidation and accepted by us as correct. Any adjustment to their balances on completion of audit could have consequential effect on the attached Consolidated Financial Statements.

Our opinion is not qualified in respect of these matters.

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

CA N.D. Anklesaria
(Partner)
(Membership No. 10250)

Place : Mumbai.
Date : 30th May, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

(₹ in Lacs)

Particulars	Note No	31st March, 2013	31 March 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	1,747.61	1,710.18
(b) Reserves and surplus	3	(2,068.00)	(314.03)
2 Non-current liabilities			
(a) Long-term borrowings	4	14.76	93.46
(b) Long-term provisions	5	62.88	67.72
3 Current liabilities			
(a) Short-term borrowings	6	18,802.49	18,774.37
(b) Trade payables		4,996.09	5,287.50
(c) Other current liabilities	7	21,098.04	20,938.62
(d) Short-term provisions	8	243.99	370.88
TOTAL		<u>44,897.86</u>	<u>46,928.70</u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets		2,783.56	3,032.62
(ii) Intangible assets		17.04	22.55
(iii) Capital work-in-progress		583.77	703.59
	9	<u>3,384.37</u>	<u>3,758.76</u>
(b) Non-current investments	10	4,783.97	4,783.47
(c) Long-term loans and advances	11	115.64	109.30
2 Current assets			
(a) Inventories	12	1,499.41	2,127.62
(b) Trade receivables	13	26,765.37	27,671.85
(c) Cash and Cash Equivalents	14	322.66	377.09
(d) Short-term loans and advances	15	8,012.60	8,086.84
(e) Other current assets	16	13.84	13.77
TOTAL		<u>44,897.86</u>	<u>46,928.70</u>
	1		

Summary of Significant Accounting Policies

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 : 30th May, 2013

For and on Behalf of the Board of Directors

ARUN B. SHAH
Executive Chairman

SADANAND SAHASRABUDHE
Chief Financial Officer
Mumbai : 30th May, 2013

NEELAKANTA IYER
Executive Director & Jt. CEO

DHANANJAY DUMBRE
Asst. Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(₹ in Lacs)

Particulars	Note No.	31st March,2013	31st March 2012
I. Revenue from operations	17	1,954.17	8,414.61
II. Other income	18	207.30	265.39
III. Total Revenue (I + II)		2,161.47	8,680.00
IV. Expenses:			
Cost of Materials Consumed	19	1,265.99	3,267.16
Purchases of Stock in Trade	20	(29.54)	6,703.00
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in -Trade	21	315.33	5,231.52
Employee benefits expenses	22	644.04	700.78
Finance costs	23	43.06	2,415.65
Other expenses	24	1,311.39	3,128.75
Prior Period Expenses		112.56	-
Depreciation on Assets and Amortization		258.61	386.92
Total expenses		3,921.44	21,833.78
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(1,759.97)	(13,153.78)
VI. Exceptional items	25	84.89	-
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		(1,844.86)	(13,153.78)
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) before tax (VII- VIII)		(1,844.86)	(13,153.78)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Short /(excess) provision of Income Tax of earlier years (Net)		-	-
(4) Fringe Benefit tax		-	-
XI Profit/(Loss) for the year (IX-X)		(1,844.86)	(13,153.78)
XII Earnings per equity share:(in ₹)			
Nominal Value per Share ₹5/- (Previous Year ₹5)			
Before Extraordinary Items			
Basic		(4.79)	(37.10)
Diluted		(4.79)	(37.10)
After Extraordinary Items			
Basic		(4.79)	(37.10)
Diluted		(4.79)	(37.10)
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
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DHANANJAY DUMBRE
Asst. Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

Particulars	31 st March, 2013	31 st March, 2012
<u>A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:</u>		
Profit before tax	(1,844.86)	(13,153.78)
Adjustments for:		
Depreciation / Amortization	258.61	386.92
Foreign exchange Loss / (Gain) (Net)	(49.39)	22.30
Profit on Sale of Fixed Assets	(0.78)	-
Interest expenses	43.06	2,415.65
Interest Income	(65.98)	(210.93)
Diminution in value of Fixed Assets	121.55	161.75
Bad debts written off	35.93	637.17
Operating profit before working capital changes	(1,501.86)	(9,740.92)
Movement in working capital:		
(Increase) / Decrease in Inventories	628.21	6,237.07
(Increase) / Decrease in Sundry Debtors	919.94	2,370.47
(Increase) / Decrease in Loans and Advances	23.83	(1,673.26)
Increase / (Decrease) in Current Liabilities / Provisions	(263.72)	4,060.07
Cash generated from operations	(193.60)	1,253.43
Direct Taxes paid (net)	44.01	696.36
Net cash generated from operating activities	(A) (149.59)	1,949.79
<u>B. CASH FLOWS USED IN INVESTING ACTIVITIES:</u>		
Purchase of fixed assets	(8.38)	(181.14)
Proceeds from sale of fixed assets	3.38	-
Purchase of investments	(0.50)	-
Interest received	65.98	210.93
Net cash used in investing activities	(B) 60.48	29.79
<u>C. CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Proceeds from issuance of share capital	128.32	41.79
Proceeds from borrowings	28.12	238.54
Repayment of borrowings	(78.70)	(61.94)
Interest paid	(43.06)	(2,415.65)
Dividend paid	-	-
Net cash generated from financing activities	(C) 34.68	(2,197.26)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(54.43)	(217.68)
Cash and cash equivalents at the beginning of the year	377.09	594.77
Less :- Adjustments On Consolidation (Refer Note No.23(I)(f))	-	-
Cash and cash equivalents at the end of the year	322.66	377.09

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

Chartered Accountants
(Firm Regn No.: 110417W)

C.A. N. D. ANKLESARIA
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DHANANJAY DUMBRE
Asst. Company Secretary

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

Asian Electronics Limited (AEL) 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 Standards 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 year's 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. However no capital expenses were incurred during the year.
- 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 31st December, 1988, on written down value as appearing in the books on 1st January, 1989.
 - on the fixed assets acquired after 31st December, 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 15th December, 1993 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) Product Development expenditure are amortized over a period of 3-7 years.
- f) Software is written off over a period of five years.
- g) Goodwill is amortized using straight line method over a period of five years.

However, no costs are incurred in respect of para (c) to (g) 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. 38 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 of equipments/systems is recognized based on dispatches to customer.
- e) Income from erection of equipments/systems is recognized based on work done at project site.
- f) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- g) Dividend is recognized if the same is approved before the date of finalization of accounts.
- h) 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 previous 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. However during the year no such contracts were entered or outstanding.

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 and deferred tax. Current income 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 virtual 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	31 st March, 2013		31 st March, 2012	
	Number	(₹ in Lacs)	Number	(₹ in Lacs)
Authorised				
Equity Shares of ₹ 5/- each	80,000,000	4,000.00	80,000,000	4,000.00
Issued				
Equity Shares of ₹ 5/- each	39,633,316	1,981.67	35,453,259	1,772.66
Subscribed & Fully Paid up				
Equity Shares of Rs. 5/- each	39,632,216	1,981.61	35,452,159	1,772.61
Less: Amount recoverable from ESOP Trust		(234.00)		(62.43)
		1,747.61		1,710.18

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

Particulars	31 st March, 2013 No. of Shares	31 st March, 2013 (₹ in Lacs)	31 st March, 2012 No. of Shares	31 st March, 2012 (₹ in Lacs)
Shares outstanding at the beginning of the year	35,452,159	1,772.61	35,452,159	1,772.61
Shares Issued during the year	4,180,057	209.00	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	39,632,216	1,981.61	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	31 st March, 2013		31 st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
ARUN B. SHAH	3,320,549	8.38%	3,320,549	9.37%
TRUSTEE AEL EMP. WELFARE TRUST 2009	4,680,057	11.81%	N.A.	N.A.

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, 2013

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	31 st March, 2013 (₹ in Lacs)	31 st March, 2012 (₹ 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	511.06
Addition during the year	-	-
Closing Balance	511.06	511.06
d. Securities Premium Account		
As per Last Balance Sheet	21,473.56	21,473.56
Add: Addition during the year	33.44	-
	21,507.00	21,473.56
Less: Amount Recoverable from ESOP Trust	(37.440)	(94.89)
Closing Balance	21,469.56	21,378.67
e. Debit Balance of Statement of Profit and Loss.		
Opening balance	(22,616.38)	(9,462.60)
(+) Net Profit/(Net Loss) for the year	(1,844.86)	(13,153.78)
Closing Balance	(24,461.24)	(22,616.38)
Total	(2,068.00)	(314.03)

Note 4: Long Term Borrowings

Particulars	31 st March, 2013 (₹ in Lacs)	31 st March, 2012 (₹ in Lacs)
Unsecured		
Deposits	-	-
Public Deposits	14.76	93.46
Total	14.76	93.46

Details of Default & Repayment :-

Deposits matured & claimed, but unpaid as on 31st March, 2013 are ₹ 258.62 lacs. Interest amounting to ₹ 63.55 lacs approx. has not been provided on Public Deposits for the year including on Deposits which have matured & claimed but have not been paid. No interest has been provided on the same after the date of maturity.

Note 5: Long Term Provisions

Particulars	31 st March, 2013 (₹ in Lacs)	31 st March, 2012 (₹ in Lacs)
Provision for employee benefits		
Gratuity	40.63	48.93
Leave Encashment	22.25	18.79
Total	62.88	67.72

NOTES FORMING PART OF THE ACCOUNT

Note 6 : Short Term Borrowings

<u>Particulars</u>	31st March, 2013 (₹ in Lacs)	31 st March, 2012 (₹ in Lacs)
Secured		
(a) Loans Repayable on Demand From banks		
Working Capital Loans	13,822.38	13,861.76
LC Payable	4,488.04	4,488.04
Unsecured		
(a) Deposits		
Public Deposits	334.69	272.76
(b) From Others	157.38	151.81
Total	18,802.49	18,774.37

Notes :-

Nature of Security

1. Working Capital Facilities of ₹ 13,822.38 lacs (Previous year ₹ 13,861.76 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 ₹ 18,310.42 lacs (previous year ₹ 18,349.80 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

<u>Particulars</u>	31st March, 2013		31st March, 2012	
	(₹ in Lacs)	(₹ in Lacs)	(in Lacs)	(in Lacs)
(a) Current Maturities of Long Term Debt :				
Current Maturities of Long Term Borrowings	866.23		859.41	
Non-Convertible Debentures	4,100.00		4,125.00	
Term Loan From IDBI	7,822.50	12,788.73	7,822.50	12,806.91
(b) Interest accrued and due on borrowings		5,561.97		5,561.97
(c) Liability towards Investors Education and Protection Fund under Section 205 C of the Companies Act, 1956 not due :				
Unpaid Dividends		4.73		7.87
(d) Other liabilities		1,018.84		744.32
(e) Other Payables				
Central Excise, Customs Duty, VAT and Service Tax Payable		752.05		730.05
Trade / Security Deposits received		129.77		336.45
Tax Deducted at Source		127.68		99.22
Salary and Reimbursements		208.77		198.55
Provident Fund and other Employee Deductions		28.20		23.40
Advances from Customers		477.30		429.88
Total		21,098.04		20,938.62

NOTES FORMING PART OF THE ACCOUNT

Notes :-

Nature of Security :-

1. Term Loan of ₹ 549.56 lacs (Previous Year ₹ 549.56 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) Pari-passu 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
4. Vehicle Loan of ₹ 6.82 Lacs (Previous Year Nil) from Mahindra and Mahindra Financial Services Ltd. is secured by hypothecation of Vehicle.
5. The above Loan is repayable in monthly instalments over a period of 3 years.
 - 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 31st March, 2013 is ₹ 300 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 favour of UCO Bank in respect of its Rupee Term Loan of ₹ 6000 lacs (Outstanding as on 31st March, 2013 is ₹ 300 Lacs) and first prior charge in respect of IREDA to the extent of ₹ 1800 lacs.

Details of Default & Repayment :-

All the above loans with the exception of Vehicle Loan have been called back by the respective Banks and Financial Institution due to default in the repayment of Principal & Interest amount aggregating to ₹ 12,781.91 lacs & ₹ 5,561.97 lacs (previous year ₹ 12,806.91 lacs & ₹ 5,561.97 lacs) respectively. No Interest has been provided on these loans for the year ended 31st March, 2013.

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

	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Gratuity	10.10	1.79
Leave Encashment	2.80	6.26
Provision - Others		
Provision for Commission	231.09	362.83
Total	243.99	370.88

NOTES FORMING PART OF THE ACCOUNT

NOTE 9: FIXED ASSETS

(₹ in Lacs)

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			IMPAIRMENT		NET BLOCK	
	Upto 31st March 2012	Additions	Deductions/Transfers	Upto 31st March 2013	Upto 31st March 2012	Provided during the Period	Depreciation on Sales	Upto 31st March 2013	As at 31st March 2013	As at 31st March 2012
Tangible Assets										
Free Hold Land	2.95	-	-	2.95	-	-	-	-	2.95	2.95
Lease Hold	6.09	-	-	6.09	2.06	0.07	-	2.13	3.96	4.03
Factory Building	1,115.52	-	-	1,115.52	431.85	36.92	-	468.77	646.75	683.67
Flat	6.21	-	-	6.21	0.80	-	-	0.80	5.41	-
Plant & Machinery	7,579.74	1.63	0.55	7,580.82	3,775.60	199.82	0.17	3,975.25	1,558.37	2,047.20
Furniture & Fixtures	242.67			242.67	185.72	6.02	-	191.74	4.89	46.04
Vehicle / Cycle	148.01	5.02	5.79	147.24	103.56	10.27	3.56	110.27	0.31	36.66
TOTAL - Tangible Assets	9,101.19	6.65	6.34	9,101.50	4,499.59	253.10	3.73	4,748.96	1,568.98	2,783.56
Intangible Assets										
Goodwill	119.00	-	-	119.00	101.99	3.40	-	105.40	-	13.60
Patents & Trademarks	25.84	-	-	25.84	21.68	1.55	-	23.23	-	2.61
Product Development Cost	712.21	-	-	712.21	711.03	0.35	-	711.38	-	0.83
Software	2.20	-	-	2.20	1.99	0.21	-	2.20	-	0.21
TOTAL - Intangible Assets	859.25	-	-	859.25	836.69	5.51	-	842.21	-	17.04
TOTAL	9,960.44	6.65	6.34	9,960.75	5,336.29	258.61	3.73	5,591.16	1,568.98	2,800.60
Previous Year	9,864.26	96.19	-	9,960.44	4,949.38	386.92	-	5,336.30	1,568.98	3,055.17

NOTES FORMING PART OF THE ACCOUNT

Note 10: Non Current Investments

Particulars	Nominal Value	Number of Shares	31 st March, 2013	31 st March, 2012
			(₹ in Lacs)	(₹ in Lacs)
A Trade Investments (At Cost)				
Investments in Fully Paid Equity Shares				
In Others (Unquoted)				
(Refer Note No.37)				
Asian Electronics LLC, Delaware, USA.	USD 1	10,000	4.54	4.54
Global Energy Management (Europe) Ltd.	GBP 1.00	4,750	3.23	3.23
Asian Retail Lighting Ltd	₹ 10	1,451,040	276.00	276.00
In Associates (Unquoted)				
AEL LED Co.Limited	₹ 10	5,000	0.50	
Unique Waste Plastic Management And Research Company Private Limited	₹ 10	2,450,000	4,360.20	4,360.20
Equity shares of Midcom Magnetics Management Pvt.Ltd.	₹ 10	20,000	139.50	139.50
Total			<u>4,783.97</u>	<u>4,783.47</u>
a Aggregate Book Value of Investments				
Particulars			31st March, 2013	31st March, 2012
			(₹ in Lacs)	(₹ in Lacs)
Aggregate amount of quoted investments				
Aggregate amount of unquoted investments			4,783.97	4,783.47
Aggregate provision for diminution in value of investments				
b Disclosure as per AS 13 - Accounting for Investments				
Particulars			31st March, 2013	31st March, 2012
			(₹ in Lacs)	(₹ in Lacs)
Long Term Investments			4,783.97	4,783.47
Current Investments				
Total			<u>4,783.97</u>	<u>4,783.47</u>

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

Particulars	31 st March, 2013	31 st March, 2012
	(₹ in Lacs)	(₹ in Lacs)
Security Deposits:		
To Others	115.64	109.30
Total	<u>115.64</u>	<u>109.30</u>

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

Particulars	31 st March, 2013	31 st March, 2012
	(₹ in Lacs)	(₹ in Lacs)
a. Raw Materials	938.45	1,251.33
b. Work-in-progress	2,530.88	2,457.66
c. Finished goods	3,643.08	4,031.63
d. Trading Stock	-	-
	<u>7,112.41</u>	<u>7,740.62</u>
Less : Provision for Inventory	(5,613.00)	(5,613.00)
Total	<u>1,499.41</u>	<u>2,127.62</u>

NOTES FORMING PART OF THE ACCOUNT

Note 13: Trade Receivables

(Unsecured, considered good unless otherwise stated)

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	26,347.53	25,844.16
Considered doubtful	13,177.69	13,115.54
	<u>39,525.22</u>	<u>38,959.70</u>
Less: Provision for Doubtful Debts	13,177.69	13,115.54
	<u>26,347.53</u>	<u>25,844.16</u>
Others	417.84	1,827.69
Total	<u><u>26,765.37</u></u>	<u><u>27,671.85</u></u>

Note 14: Cash and Cash Equivalents

Particulars

Particulars	31st March, 2013		31st March, 2012	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Cash and cash equivalents				
a. Cash on Hand		7.51		4.20
b. Cheques in Hand		-		-
c. Balances with Banks on Current Accounts with Scheduled Banks	72.55		66.85	
with Unscheduled Banks	-	72.55	0.12	66.97
		<u>-</u>		<u>-</u>
		<u>80.06</u>		<u>71.17</u>
Other Bank Balances				
a. Balances held for unpaid Dividends		4.73		7.86
b. Bank Deposits as Margin money		225.93		19.09
c. Bank Deposits		11.94		278.97
		<u>242.60</u>		<u>305.92</u>
Total		<u><u>322.66</u></u>		<u><u>377.09</u></u>

Note 15: Short term loans and advances

(Unsecured, considered good)

Particulars

Particulars	31st March, 2013		31st March, 2012	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Advances Recoverable in Cash or in Kind				
To Employees	10.49		11.85	
To Others - Considered Good	584.39		544.99	
To Others - Considered Doubtful	199.59	794.47	199.59	756.43
Other Advances - Lease Rent Receivable from Torrent Power		17.15		-
Intercompany Deposits		401.72		295.53
Security Deposits		308.12		200.66
Prepaid Expenses		11.62		11.95
Balances with Government Authorities				-
Considered Good	173.47		290.19	
Considered Doubtful	95.05	268.52	95.05	385.24
Advances To Group Companies		1,949.70		1,704.76
Advances paid to Suppliers				
Considered Good	4,389.42		4,816.38	
Considered Doubtful	1,039.16	5,428.58	1,039.16	5,855.54
Advance tax paid		166.52		210.53
Less : Provision for Doubtful Advances		<u>(1,333.80)</u>		<u>(1,333.80)</u>
Total		<u><u>8,012.60</u></u>		<u><u>8,086.84</u></u>

Note 16: Other Current Assets

Sr. No.

Particulars

	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Interest Accrued on Loans	13.84	13.77

NOTES FORMING PART OF THE ACCOUNT

Note 17: Revenue from operations

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Sale of Products		
Manufactured goods	1,767.50	2,508.22
Less: Excise duty	104.47	224.34
Sale of manufactured goods (net of excise)	1,663.03	2,283.88
Trading Sales	16.03	5,956.33
Other Operating Revenues		
Lease Rent and Maintenance Charges	36.56	47.54
Scrap and sundry sales	55.99	23.61
Insurance Claim Received	0.47	11.49
Maintenance and Support	44.36	47.40
Foreign Exchange Income	49.39	-
Interest Received on Esco Sales	88.34	44.36
Total	1,954.17	8,414.61

Note 18: Other Income

Particulars	31st March, 2013		31st March, 2012	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Interest Income				
Interest from Banks on Deposits	51.28		23.68	
Interest on Loans and Advances	0.11		16.61	
Interest on Overdue Trade Receivables	5.20		10.23	
Interest on Income Tax Refund	9.39	65.98	160.41	210.93
Other Non Operating Income				
Prior Period Items (Net)	-		18.88	
Miscellaneous Income	141.32	141.32	35.58	54.46
Total		207.30		265.39

Note 19: Cost of Materials Consumed

Particulars	31st March, 2013 (₹ in Lacs)	31 March, 2012 (₹ in Lacs)
Cost of Materials Consumed		
Raw Materials Consumed		
Stock at the beginning of the year	1,251.33	2,256.88
Add: Purchases (Net)	1,025.45	2,236.22
Less: Sale of Raw Materials	(94.74)	(65.46)
	2,182.04	4,427.64
Less: Stock at the end of the year	938.46	1,251.33
Total **	1,243.59	3,176.31
Stores and Spares Consumed	1.60	12.63
Packing Material Consumed	20.80	78.22
Total	1,265.99	3,267.16

Note :-

** Net of Write Off of Obsolete Inventory of Raw Materials aggregating to Nil in the current year.(Previous Year ₹ 385.98 Lacs)

NOTES FORMING PART OF THE ACCOUNT

Note 20: Purchases of Stock in Trade

Particulars	31st March, 2013 (₹ in Lacs)	31 March, 2012 (₹ in Lacs)
Cost of Traded Materials	(29.54)	6,703.00

Note 21: Changes in Inventories

Particulars	31st March, 2013 (₹ in Lacs)	31 March, 2012 (₹ in Lacs)
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade (Increase)/Decrease in Stock		
Opening Stocks		
Finished Goods - Manufactured	4,031.63	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>
Less: Closing Stocks :		
Finished Goods - Manufactured	3,643.08	4,031.63
Stock- in-Trade - Projects	-	-
Work-in-Progress	2,530.88	2,457.66
	<u>6,173.96</u>	<u>6,489.29</u>
Total - **	<u>315.33</u>	<u>5,231.52</u>

** Includes Write off of Obsolete Inventories of WIP and Stock In Trade amounting to Nil (Previous Year ₹451.70 lacs & ₹6276.08 lacs respectively)

Note 22: Employee Benefit Expenses

Particulars	31st March, 2013 (₹ in Lacs)	31 March, 2012 (₹ in Lacs)
Salaries and Wages	597.96	628.04
Contributions to Provident and other funds	29.15	47.03
Staff welfare Expenses	16.93	25.71
Total	<u>644.04</u>	<u>700.78</u>

Note 23: Finance Costs

Particulars	31st March, 2013		31 March, 2012	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Interest expense				
On Term Loans	-		108.06	
On Working Capital Loans	-		317.97	
On Debentures	-		408.38	
On Others	21.15	21.15	57.60	892.01
Bank Charges		21.91		1,523.64
Total		<u>43.06</u>		<u>2,415.65</u>

NOTES FORMING PART OF THE ACCOUNT

Note 24: Other Expenses

Particulars	31st March, 2013		31 March, 2012	
	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)
Excise Duty		59.22		115.64
Installation and Maintainance Charges		150.25		378.65
Power and Fuel		61.11		75.13
Insurance		28.47		27.04
Rent		63.07		77.98
Rates and Taxes		14.75		12.07
Repairs				
To Machinery	3.21		3.26	
To Buildings	4.57		6.03	
To Others	394.35		158.74	
		402.13		168.03
Commission and Brokerage		13.00		68.82
Communication Expenses		24.70		38.09
Freight and Forwarding Expenses		74.95		189.93
Sales Promotion		1.91		12.63
Directors' Sitting Fees		2.20		5.72
Travelling and Conveyance Expenses		72.11		108.70
Legal & Professional Charges		53.72		131.43
Bad debts/irrecoverable advances		35.93		637.17
Claims Paid		-		212.63
Foreign Exchange Loss		-		22.30
Diminution in Value of Fixed Assets		121.55		161.75
VAT Expenses		-		405.32
Non-Performing-Sales Penalty				95.12
Payments to Auditors				
Audit Fees	20.65		30.60	
Reimbursement of Expenses	-		0.23	
		20.65		30.83
Miscellaneous Expenses		111.67		153.77
Total		1,311.39		3,128.75

Note 25 : Exceptional Items

Particulars	31st March, 2013 (₹ in Lacs)	31 March, 2012 (₹ in Lacs)
Expense on Employee Stock Option Scheme (ESOP)	84.89	-
	<u>84.89</u>	<u>-</u>

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 2013, 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%

- The accounts of the Associate Companies (Unique Waste Plastic Management and Research Company Private Limited, Midcom Magnetics Management Private Limited and AEL LED Company Pvt. Ltd.) have not been considered for the purpose of consolidation as the Company intends to dispose off the investments in these Companies in the near future and also the Company has no effective management control over these associates. Accordingly, the accounting as per the “Equity method” is discontinued and the carrying value of the investments as at 1st April, 2009, 1st April, 2012 and 16th November, 2012 respectively have been regarded at cost.

27. Capital and other Commitments

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Estimated amount of contracts remaining to be executed on capital account and other commitments and not provided for (net of advances).	-	-

28. Contingent Liabilities not provided for

Particulars	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
Claims against the Company not acknowledged as debts – Refer Note (a)	1791.24	1,232.55
Disputed Income Tax demand – Refer Note (b)	2471.01	-
Disputed Excise Duty demand	180.42	-
Guarantees given by the bankers on behalf of the Company	54.51	40.02
Corporate Guarantee given by the Company on behalf of a third party	300.00	300.00
Bills/LC discounted with banks	697.26	697.26
	5494.44	2269.83

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 Honourable 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 Honourable 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.
 - The Company has not provided for disputed Income Tax liability of ₹ 2471.01 lacs (Previous year ₹ NIL) arising from disallowances made in A.Y.2010-11, appeal for which is pending with the Commissioner of Income Tax (Appeals) Mumbai.
- (a) Trade payables include principal amount of ₹ 5.98 Lacs (Previous Year ₹ 16.49 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 31st March, 2013 are as under –

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

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 1st October, 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 continued to show 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 ₹ 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 ₹ 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 31st March, 2013 is ₹ 300 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 31st March, 2013 is ₹ 300 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. During the year, the Company has arrived at settlement of the claim to pay ₹ 2000.00 Lacs 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. 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 ₹ 4110.27 Lacs as Claims Receivables from MSEDCL and shown separately under Current Assets considering it as good and recoverable. Balance outstanding as on 31st March, 2013 is ₹ 4,110.27 Lacs which has been grouped under Current Assets.

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 ₹ 4.50 Lacs, amount not recognized as revenues till 31st March, 2013 from the date of dispute is ₹ 9,530.67 Lacs. Total rental recoverable from MSEDCL under dispute is ₹ 11,369.67 Lacs.

32. 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 and outstanding as at 31st March, 2013 are as under:

Particulars	Shares arising out of options as at 31st March, 2013	Shares arising out of options as at 31st March, 2012
Options Outstanding at the beginning of the year	4,98,450	2,72,185
Options relinquished during the year	-	-
Options issued during the Year	-	4,98,450
Options exercised during the Year	4,98,450	2,72,185
Options Outstanding at the end of the Year	-	4,98,450

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 had 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 had 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 2011-12 2,72,185 options were exercised by the employees at the price of ₹ 12.60 per share and the Loan given to trust was reduced to the extent of value of shares transferred from the Trust.

The Compensation Committee of the Board of Directors vide Circular Resolution dt. 1st April, 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 ₹ 12.60 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 was ₹ 62.80 Lacs which was adjusted against the Share Capital and Securities Premium Account.

During the year under review in view of the falling market price of the equity shares of the Company, the Compensation committee vide its Circular Resolution No. 1/2012-13 dt. 7th May, 2012 decided to revise the exercise price of the outstanding 4,98,450 options from the existing ₹ 10.75 per share to ₹ 5.80 per share with retrospective effect. Consequently due to the revision of price, an amount of ₹ 33.89 Lacs was shown under Exceptional Item and charged to Profit and Loss Account.

Further on 2nd August, 2012 the Company received applications from the eligible employees towards exercise of 4,98,450 Stock Option into equal number of Shares under the ESOP Scheme 2005. The balance of Loan to the Trust outstanding as on 31st July, 2012 was ₹ 28,91,010 which was adjusted against Share Capital and Securities Premium Account.

There are no Options outstanding as on 31st March, 2013.

33. During the Financial Year 2009-10, the Company had 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 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.

The particulars of option granted and outstanding as at 31st March, 2013 are as under:

Particulars	Shares arising out of options as at 31st March, 2013	Shares arising out of options as at 31st March, 2012
Options Outstanding at the beginning of the Year	7,50,000	8,09,524
Options relinquished during the Year	-	-
Options issued during the Year	41,80,057	-
Options exercised during the Year	2,50,000	59,524
Options Outstanding at the end of the Year	46,80,057	7,50,000

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 gave 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 financial year 2011-12 Company 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 was 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 was ₹ 94.50 Lacs which was adjusted against the Share Capital and Securities Premium Account.

The Compensation Committee of the Board of Directors vide Circular Resolution dt. 1st April, 2011 had granted 41,80,057 stock options under ESOP - 2009 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.

During the year under consideration in view of the falling market price of the equity shares of the Company, the Compensation committee vide its Circular Resolution No. 2/2012-13 dt. May 7, 2012 decided to revise the exercise price of 41,80,057 options granted on 1st April, 2011 from the existing ₹ 10.75 per share to ₹ 5.80 per share with retrospective effect.

The Compensation committee also decided vide its Circular Resolution No. 3/ 2012-13 dt 7th May, 2012 to revise the exercise price of the outstanding 7,50,000 options from the existing ₹ 12.60 per share to ₹ 5.80 per share with retrospective effect. Consequently due to the revision of price, an amount of ₹ 51 Lacs is shown under Exceptional Item and charged to Profit and Loss Account.

The revision of the price was done on the basis of closing market price of the share on previous trading day i.e. on 4th May, 2012 on National Stock Exchange where maximum number of shares of the company were traded on that day.

The Board of Directors of the Company vide their Circular Resolution No. 1/2012-13 dt. 4th July, 2012 allotted 41, 80,057 equity shares of ₹ 5 each at premium of Re. 0.80 per Share to the Trustees of Asian Electronics Limited Employees' Welfare Trust, 2009 under ESOP Scheme 2009. The said allotment was done by way of advance amount of ₹ 242.44 Lacs granted to the Trustees of Asian Electronics Limited Employees' Welfare Trust, 2009 .

Options outstanding under ESOP 2009 as on 31st March, 2013 were 46,80,057.

34. 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. 32 and 33 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. The Company has not complied with the Securities and Exchange Board Of India (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999.
35. 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.
36. Due to current mismatch of inflows and outflows, compounded by delayed recoveries of certain stressed assets, as enumerated in Note No. 38 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 Nomura 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, where there is a delay and the company is likely to pay in the coming months. The other lenders are being addressed under One Time Settlement. Upon settlement of the matters amicably with the lenders including LIC Nomura Mutual Fund, the consent terms will be 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 their dues. The notice has been set aside by DRT and is now being challenged in appeal by the bank. Also other Banks have sent Demand Notices to the Company for repayment of their dues. Also some other banks have issued SARFAESI notices.

37. 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, the Company has approached the Banks for One Time Settlement (OTS) of the dues. 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.
38. (i) 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:-
- 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.
 - Diminution of value if any in the Investments 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 means to recover the value of the Investments held by the Company.
 - Diminution in the value of Investment in Midcom Magnetics Management Private Limited of ₹ 139.50 Lacs.
 - Trade Receivables considered good includes ₹ 9979.50 Lacs of old Outstandings where the recovery may happen only after due legal actions and settlements of counter claims, if any, which cannot be determined.
 - Loans and Advances considered good includes ₹ 5901.13 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.
 - Cash and Bank Balances include old unreconciled debits in certain bank accounts which may not be recoverable / realizable.
- (ii) a. Interest amounting to ₹ 63.55 Lacs approximately has not been provided on Public Deposits for the year including on deposits which have matured and are claimed but not paid as on 31st March 2013 amounting to ₹ 258.62 Lacs
- Loans aggregating to Rs 36,654.30 Lacs have been re-called by the banks / financial institutions, due to default in repayment of the principal and interest amounts. Interest amounting to ₹ 5,615.32 Lacs approximately has not been provided for the year on these loans. Also no interest has been provided on account of delays in payment of various statutory dues like Tax Deducted at Source, Service Tax, ESIC, Custom Duty, Sales Tax, Provident Fund etc, amount whereof is not ascertainable.

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 Company's OTS proposal.

39. Unsecured interest free loans aggregating to Rs 131.50 Lacs received from various parties and outstanding in the books of account as on 31st March, 2013, are subject to reconciliation and confirmation
40. Sales invoices along with the relevant corresponding documents are not in the possession of the Company as the same are in the custody of the government authorities.
41. 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.
42. 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.

43. 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	2012-2013 (₹ in Lacs)	2011-2012 (₹ in Lacs)
Provident Fund	22.45	26.64

b. State Plans:

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

Particulars	2012-2013 (₹ in Lacs)	2011-2012 (₹ in Lacs)
Employees State Insurance	6.64	6.95

c. Defined Benefit Plans -

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 its 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

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
Net employee benefit expense (recognized in Employee Cost)		
Current service cost	5.86	6.87
Interest cost on benefit obligation	4.06	4.44
Expected return on plan assets	3.62	4.23
Net actuarial Losses / (Gains) recognized in the year	(2.00)	(1.57)
Past service cost	-	-
Net benefit expense	8.31	5.50
Actual return on plan assets	3.62	4.23

Balance Sheet**Details of benefit obligation:**

	31st March, 2013 ₹ In Lacs	31st March, 2012 ₹ In Lacs
Defined Benefit Plan obligations	48.50	50.73
Fair value of plan assets	38.40	48.93
Less – Unrecognized past service cost		
Plan Liability	10.10	1.80

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

	31st March, 2013 ₹ In Lacs	31st March, 2012 ₹ In Lacs
Opening defined benefit obligation	50.73	55.53
Current service cost	5.86	6.87
Interest cost	4.06	4.44
Benefits paid	(14.15)	(14.54)
Actuarial Losses / (Gains) on obligations	2.00	(1.57)
Closing defined benefit obligation	48.50	50.73

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

	2012-2013 ₹ In Lacs	2011-2012 ₹ In Lacs
Opening fair value of plan assets	48.93	59.24
Expected return	3.62	4.23
Contributions by employer	-	-
Benefits paid	(14.15)	(14.54)
Actuarial gains / (Losses)	-	-
Closing fair value of plan assets	38.40	48.93

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

Category of Assets	31st March, 2013 %	31st March, 2012 %
Investment with Insurer	100%	100%

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

Particulars	2012-2013	2011-2012
Discount	8.00%	8.00%
Expected rate of return on plan assets	7.40%	7.15%
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.

44. Earnings Per Share

Particulars	31st March, 2013 (₹ in Lacs)	31st March, 2012 (₹ in Lacs)
Basic / Diluted Earning Per Share		
Numerator used for Calculating Basic Earning Per Share – Net Profit / (Loss) after Tax	(1,844.86)	(13,153.78)
Weighted Average number of shares used as denominator for Calculating Basic Earning Per Share (in Nos)	3,85,44,256	3,54,53,259
Basic / Diluted Earnings per Share (after extraordinary items)	(4.79)	(37.10)

45. 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.

46. 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 ₹ 63.07 Lacs (₹ 77.98 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

Lease Receivables (from assets given on lease other than MSEDCL)	2012-2013 (₹ in Lacs)	2011-2012 (₹ in Lacs)
Not later than one year	3.30	14.17
Later than one year and not later than five years	-	3.30
Later than five years	-	-
Total	3.30	17.47

47. Related Parties Disclosure

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

a. Associate

Unique Waste Plastic Management And Research Co. Private Ltd.

Midcom Magnetics Management Private Ltd.

AEL LED Co. Private Ltd.

b. Key Management Personnel

i) Mr. Arun Shah, Executive Chairman

ii) Mr. Neelakanta Iyer.

iii) Mr. Rajesh Mehta. (Upto 14th February 2013)

c. Relatives of Key Management Personnel

Mr. Naman Arun Shah

d. 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 Private 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.

viii) Lite Tecnicks India Private Limited.

ix) Integral Engineering Solutions Private Limited. (Upto 14th February 2013)

x) Integral Technologies Private Limited. (Upto 14th February 2013)

xi) Srushti Ecosystems LLP. (Upto 14th February 2013)

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

Related Party Disclosure**(₹ In Lacs)**

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/13	Mar/12	Mar/13	Mar/12	Mar/13	Mar/12	Mar/13	Mar/12	Mar/13	Mar/12	Mar/13	Mar/12	Mar/13	Mar/12
Sales														
Midcom Magnetics Management Pvt Ltd			42.01	404.71									42.01	404.71
Integral technologies Pvt Ltd											2.38	176.46	2.38	176.46
Pal Technology Pvt Ltd											130.21	72.48	130.21	72.48
Reimbursement of Expenses														
Midcom Magnetics Management Pvt Ltd			8.86	34.44									8.86	34.44
Pranamghar India Pvt Ltd											-	0.05	-	0.05
Advance Received														
Arun & Co.											105.13	-	105.13	-
Advance Paid														
Pranamghar India Pvt Ltd											5.21	56.17	5.21	56.17
Unique Waste Plastic Management And Research Co. Pvt. Ltd			0.05	1.67									0.05	1.67
Arun & Co.											-	193.45	-	193.45
Arsh Advisors & Owners Ltd											-	7.31	-	7.31
Integral technologies Pvt Ltd											109.57	-	109.57	-

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	
Managerial Remuneration														
Neelakanta Iyer							17.99	15.02					17.99	15.02
Naman Arun Shah									2.49	1.20			2.49	1.20
Purchases of Material														
Midcom Magnetics Management Pvt Ltd			41.41	62.98									41.41	62.98
Integral technologies Pvt Ltd											0.32	27.41	0.32	27.41
Pal Technology Pvt Ltd											25.09	119.61	25.09	119.61
Investments Made														
AEL LED Co. Pvt Ltd.			0.50	-									0.50	-
Balance outstanding as at the year end														
Outstanding Payables														
Neelakanta Iyer							(0.26)	(2.06)					(0.26)	(2.06)
Outstanding Receivable														
Midcom Magnetics Management Pvt Ltd			180.50	164.56										
Pranamghar India Pvt Ltd											330.47	325.26	330.47	325.26
Dalal Desai & Kumana											0.50	0.50	0.50	0.50
Sinus Capital Services Ltd.											4.99	4.99	4.99	4.99
Unique Waste Plastic Management And Research Co. Pvt. Ltd			479.01	478.96									479.01	478.96
Arsh Advisors											109.31	109.31	109.31	109.31
Arun & Co.											106.96	211.75	106.96	211.75
Karnataka Pyronics Pvt Ltd											49.47	43.90	49.47	43.90
Lite Tecniks India Pvt Ltd											387.01	387.65	387.01	387.65
Pal Technology Pvt Ltd											723.64	580.57	723.64	580.57
Integral technologies Pvt Ltd											329.59	205.77	329.59	205.77
Totals	-	-	710.33	742.61	-	-	17.72	12.95	2.49	1.20	2,419.85	2,522.65	2,969.89	3,114.85

48. 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

49. Previous Year figures have been regrouped / rearranged wherever necessary to make them comparable with those of the current year.

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 : 30th May, 2013

For and on Behalf of the Board of Directors

ARUN B. SHAH
Executive Chairman

SADANAND SAHASRABUDHE
Chief Financial Officer
Mumbai : 30th May, 2013

NEELAKANTA IYER
Executive Director & Jt. CEO

DHANANJAY DUMBRE
Asst. Company Secretary



ASIAN ELECTRONICS LIMITED

Registered Office : 107, Sumer Kendra, 1st Floor, P.B. Marg, Behind Mahindra Towers,
Worli, Mumbai – 400 018

ATTENDANCE SLIP

I hereby record my presence at the 48th Annual General Meeting of Asian Electronics Limited held on Monday, the 12th day of August, 2013 at 4.30 p.m. at Victoria Memorial School for Blind, 73, Tardeo Road, Opposite Film Centre, Tardeo, Mumbai 400 034.

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



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 48th Annual General Meeting of the Company to be held on Monday the 12th day of August, 2013 at 4.30 p.m. and at any adjournment thereof.

Dated this day of, 2013

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

DP Id *	
Client Id *	

Affix
Re. 1
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.