

ASIAN ELECTRONICS LIMITED				
Regd. Office: 107, 1st Floor, Sumer Kendra Building, P.B. Marg, Behind Mahindra Towers, Worli, Mumbai – 400018				
Website : www.aelgroup.com E-mail: secdept@aelgroup.com Phone: 91-22-66104888				
Unaudited Financial Results for the Quarter Ended 30th June, 2013				
PARTICULARS	Quarter Ended			Rs. In Lacs
	30-Jun-13	30-Jun-12	31-Mar-13	Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	Mar-13 (Audited)
PART-I				
1. Income from Operations :-				
(a) Net Sales / Income from Operations	124	581	124	1,824
(b) Other Operating Income	37	7	170	207
Total Income From Operations (Net)	161	588	294	2,031
2. Expenditure				
a. Cost of Materials Consumed	63	306	102	1,265
b. Purchase of Stock-in-Trade	-	4	-	(30)
c. Changes in Inventories of Finished Goods, Work-In-Progress and Stock-in Trade	204	157	138	315
d. Employee Benefits Expense	120	165	202	628
e. Depreciation and Amortisation Expense	65	97	(31)	259
f. Other Expenses	155	438	230	911
Total Expenditure	607	1,167	641	3,348
3. Profit / (Loss) from Operations before Other Income, Finance Cost & Exceptional Items (1-2)	(446)	(579)	(347)	(1,317)
4. Other Income	-	-	-	-
5. Profit/(Loss) before Finance Cost & Exceptional Items (3+4)	(446)	(579)	(347)	(1,317)
6. Finance Cost	19	11	5	39
7. Profit/(Loss) after Finance Cost but before Exceptional Items (5-6)	(465)	(590)	(352)	(1,356)
8. Exceptional Items	-	-	-	85
9. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8)	(465)	(590)	(352)	(1,441)
10. Tax expense	-	-	-	-
11. Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9-10)	(465)	(590)	(352)	(1,441)
12. Extraordinary Items (Net of Tax Expenses)	-	-	-	-
13. Net Profit(+)/ Loss(-) for the period (11-12)	(465)	(590)	(352)	(1,441)
14. Paid-up equity share capital (Face Value of the Shares Rs.5/-)	1,982	1,773	1,982	1,982
15. Reserves excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year	-	-	-	885
16. Earnings Per Share (EPS) Rs.5 each				
(i) Earnings per share (before extraordinary items) of Rs. 5/-each (not annualised): Rs.				
(a) Basic	(1.17)	(1.67)	(0.91)	(3.74)
(b) Diluted	(1.17)	(1.67)	(0.91)	(3.74)
(ii) Earnings per share (after extraordinary items) of Rs. 5/-each(not annualised): Rs.				
(a) Basic	(1.17)	(1.67)	(0.91)	(3.74)
(b) Diluted	(1.17)	(1.67)	(0.91)	(3.74)
PART-II				
A PARTICULARS OF SHAREHOLDING				
1. Public shareholding				
- Number of shares of Rs.5/- each	36,311,667	32,131,610	36,311,667	36,311,667
- Percentage of shareholding	91.62%	90.63%	91.62%	91.62%
2. Promoters and promoter Group shareholding				
(a) Pledged / Encumbered				
- Number of Equity Shares				
- Percentage of Shares (as a % of the total shareholding of promoter & Promoter group)				
- Percentage of Shares (as a % of the total Share Capital of the Company)				
(b) Non-encumbered				
- Number of Equity Shares	3,320,549	3,320,549	3,320,549	3,320,549
- Percentage of Shares (as a % of the total shareholding of promoter & Promoter group)	100%	100%	100%	100%
- Percentage of Shares (as a % of the total Share Capital of the Company)	8.38%	9.37%	8.38%	8.38%
B INVESTOR COMPLAINTS				
3months ended 30.06.2013				
(i) Pending at the beginning of the quarter	0			
(ii) Received during the quarter	2			
(iii) Disposed of during the quarter	2			
(iv) Remaining unresolved at the end of the quarter	0			

For Asian Electronics Limited


Arun Shah
Executive Chairman

Notes:

1. The Company has not ascertained the Fair Value of the Options granted to its employees under the Company's Stock Option Schemes. Consequently, 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.
2. 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 two divisions to two 100% subsidiaries, subject to requisite approvals being obtained from the concerned Statutory Authorities and the Company's lenders and creditors. 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 aggregating to Rs. 14,279.61 Lacs transferred to the subsidiary companies. The Company has not provided interest on the above for the period under review. Therefore, the company will continue to be liable to the lenders for the Loans/Unsecured Debentures transferred to the two 100% subsidiaries together with interest thereon, in terms of the above shareholders resolution.
3. 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. 2 above.
4. Due to current mismatch of inflows and outflows, compounded by delayed recoveries of certain stressed assets, as enumerated in Note No. 5 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. Other Banks have also asked the Company for repayment of their dues and also issued SARFAESI notices.

5.

- (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 period under review:-
- a. Diminution in the value of Investments in Foreign Companies Rs. 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 Rs. 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 Rs. 139.50 Lacs.
 - d. Trade Receivables considered good includes Rs. 10,051.45 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.
 - e. Loans and Advances considered good includes Rs. 6,644.52 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 includes old unreconciled debits in certain bank accounts which may not be recoverable / realizable.

(ii)

- a. Interest amounting to Rs. 15.19 Lacs approximately has not been provided on Public Deposits for the quarter including on deposits which have matured and are claimed but not paid as on 30th June 2013 amounting to Rs. 261.94 Lacs. The Company has made an application to Central Government under the relevant provisions of the Act for the deferment of the repayment of the overdue Fixed Deposits which is pending for approval.
- b. Loans aggregating to Rs 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 Rs. 770.33 Lacs approximately has not been provided for the quarter on these loans. Also no interest has been provided on account of delays in payment of various statutory dues like Tax Deducted at Source, Sales Tax, Service Tax, ESIC, Custom Duty, 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.

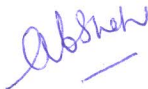
The management is of the view that the future viability of the company and its 'going concern' assumption would depend on the timely approval of the Company's OTS proposal.

6. 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.
7. Old Balances of Trade Receivables / Trade Payables of Foreign parties have not been revalued at the rates prevailing on 30th June 2013 in the books of account of the Company as in the opinion of the Management, these amounts may not be realisable / payable
8. Segment reporting as required under AS – 17 is not applicable for the period under review, as more than 90% of the revenue comes from a single business segment of Lighting Products / Systems. There is only one geographical segment.
9. The above Financial Results were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at their respective Meetings held on 14th August, 2013.
10. The figures of the quarter ended 31st March 2013 are the balancing figures between the audited figures in respect of the full financial year ended 31st March 2013 and the unaudited published year to date figures upto the third quarter ended 31st December 2012.
11. Previous year/quarter's figures have been regrouped / rearranged wherever necessary to make them comparable to those of the current quarter.

**As per our Report of even date attached
For Sorab S. Engineer and Co.
Chartered Accountants
Firm Registration No. 110417W**

For Asian Electronics Limited

**C.A. N.D. Anklesaria
(Partner)**


**Arun B. Shah
Executive Chairman.**

**Place: Mumbai
Date: 14th August 2013**

August 14, 2013

Ref: 2 /

Review Report to The Board of Directors
Asian Electronics Ltd,
1st Floor, Sumer Kendra Building,
P.B. Marg, Behind Mahindra Towers, Worli,
Mumbai- 400018

Dear Sirs,

1. We have reviewed the accompanying statement of unaudited financial results of **ASIAN ELECTRONICS LIMITED**, for the period of three months ended 30th June, 2013, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *Attention is invited to the following:-*
 - a. *Note No. 1 regarding Employees Stock Option. The Company has not ascertained the Fair Value of the Options granted to its employees. Consequently, 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*

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Exchange Board Of India (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999.

- b. Note No. 2 regarding transfer of related Loans and Debentures of the two Divisions aggregating to Rs. 14,279.61 Lacs to two wholly owned subsidiaries subject to the approval of the Company's Lenders and creditors. 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. The Company has not provided interest on the above for the quarter under review. Consequently, the Company will continue to be liable to the lenders for the Term Loans and Unsecured Redeemable Non-convertible Debentures aggregating to Rs. 14,279.61 Lacs transferred to the two 100% subsidiaries together with interest thereon. On the basis of the information available to us, we are unable to form an opinion in this matter and unable to opine on the fall in value of Investments in the subsidiary companies amounting to Rs. 6,305.49 Lacs.
- c. Note No.3 regarding proposal submitted by the Company to the Banks for One Time Settlement (OTS) of the dues which are yet to be finally approved and which will have an effect on the Company's Financial Statements, the amount of which is not ascertainable at present. On the basis of the information available to us, we are unable to form an opinion in this matter.
- d. Note No. 4 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. Bank of India has also 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 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 SARFAESI notices.
- e. Note No. 5 wherein consequent to review made by the management the following are the observations:
- i. Diminution in the value of Investments in certain companies of Rs. 4507.47 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 Companies Act 1956.
 - ii. Trade Receivables considered good includes Rs. 10,051.45 Lacs of old Outstandings which may be doubtful of recovery.
 - iii. Old Debit Balances of Rs. 6,644.52 Lacs included in Loans and Advances and old unreconciled debts in certain Bank Accounts which may not be recoverable / realizable.
 - iv. Interest amounting to Rs. 15.19 Lacs approximately has not been provided on Public Deposits for the quarter including on deposits which have matured and are claimed but not paid as on 30th June

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2013 amounting to Rs. 261.94 Lacs and consequently loss for the quarter has been understated to the same extent.

- v. Interest amounting to Rs. 770.33 Lacs approximately has not been provided for the quarter on the loans aggregating to Rs 22,399.68 Lacs recalled by the banks, due to default in repayment of the principal and interest amounts. Consequently loss for the quarter 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, Sales Tax, Service Tax, ESIC, Custom Duty, etc, amount whereof is not ascertainable.

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 4.46 Lacs paid during the period to the Executive Director and expenditure on Premises leased by a Relative of a Director amounting to Rs. 3.29 Lacs borne by the Company are subject to the approval of the Central Government.
- vii. Note No. 6 wherein Management has stated that Impairment of the Company's assets and impact thereof on the loss for the period has not been ascertained. 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 Companies Act 1956.
- viii. Note No. 7 wherein Management has stated that Old Balances of Trade Receivables / Trade Payables of Foreign parties have not been revalued at the rates prevailing on 30th June 2013 in the books of account of the Company as in the opinion of the Management these amounts may not be realisable / payable. On the basis of the information available to us, we are unable to form an opinion in this matter.

In view of the above, we are unable to express an opinion on the recoverability / realisability of the above mentioned items, the impact of the same on the Loss for the quarter as well as the future viability of the Company as a 'going concern'.

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4. Based on our review conducted as above, *subject to our remarks in Para 3 above*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited quarterly financial results prepared in accordance with applicable Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 and/or Accounting Standards issued by Institute of Chartered Accountants of India and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

MS. S. E.

**For Sorab S. Engineer & Co.
Chartered Accountants
Firm Regn. No. 110417W**

Sld

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