

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 Second Quarter/ Half Year Ended 30th Sept, 2013

Rs. In Lacs

PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-13 (Unaudited)	30-Jun-13 (Unaudited)	30-Sep-12 (Unaudited)	30-Sep-13 (Unaudited)	30-Sep-12 (Unaudited)	Mar-13 (Audited)
PART-I						
1. Income from Operations :-						
(a) Net Sales / Income from Operations	278	124	455	402	1,036	1,874
(b) Other Operating Income	2	37	20	39	27	287
Total Income from Operations (Net)	280	161	475	441	1,063	2,031
2. Expenditure						
a. Cost of Materials Consumed	300	63	349	363	655	1,265
b. Purchase of Stock-in-Trade	0	0	-	0	4	(30)
c. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(34)	204	68	170	225	315
d. Employee Benefits Expense	113	120	138	233	303	628
e. Depreciation and Amortisation Expense	64	65	97	129	194	259
f. Other Expenses	96	155	102	251	540	911
Total Expenditure	539	607	754	1,146	1,921	3,348
3. Profit / (Loss) from Operations before Other Income, Finance Cost & Exceptional Items (1-2)	(259)	(446)	(279)	(705)	(858)	(1,317)
4. Other Income	-	-	-	-	-	-
5. Profit/(Loss) before Finance Cost & Exceptional Items (3+4)	(259)	(446)	(279)	(705)	(858)	(1,317)
6. Finance Cost	19	19	8	38	19	38
7. Profit/(Loss) after Finance Cost but before Exceptional Items (5-6)	(278)	(465)	(287)	(743)	(877)	(1,356)
8. Exceptional Items	-	-	28	-	28	85
9. Profit (+) / Loss (-) from Ordinary Activities before tax (7-8)	(278)	(465)	(315)	(743)	(905)	(1,441)
10. Tax expense	-	-	-	-	-	-
11. Net Profit (+) / Loss (-) from Ordinary Activities after tax (9-10)	(278)	(465)	(315)	(743)	(905)	(1,441)
12. Extraordinary Items (Net of Tax Expenses)	-	-	-	-	-	-
13. Net Profit(+)/ Loss(-) for the period (11-12)	(278)	(465)	(315)	(743)	(905)	(1,441)
14. Paid-up equity share capital (Face Value of the Shares Rs.5/-)	1,982	1,982	1,982	1,982	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	(0.71)	(1.17)	(0.87)	(1.88)	(2.51)	(3.74)
(b) Diluted	(0.71)	(1.17)	(0.87)	(1.88)	(2.51)	(3.74)
(ii) Earnings per share (after extraordinary items) of Rs. 5/- each (not annualised): Rs.						
(a) Basic	(0.71)	(1.17)	(0.87)	(1.88)	(2.51)	(3.74)
(b) Diluted	(0.71)	(1.17)	(0.87)	(1.88)	(2.51)	(3.74)
PART-II						
A PARTICULARS OF SHAREHOLDING						
1. Public shareholding						
- Number of shares of Rs.5/- each	36,311,667	36,311,667	36,311,667	36,311,667	36,311,667	36,311,667
- Percentage of shareholding	91.62%	91.62%	91.62%	91.62%	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	3,320,549	3,320,549
- Percentage of Shares (as a % of the total shareholding of promoter & Promoter group)	100%	100%	100%	100%	100%	100%
- Percentage of Shares (as a % of the total Share Capital of the Company)	8.38%	8.38%	8.38%	8.38%	8.38%	8.38%
B INVESTOR COMPLAINTS	3 months ended 30.09.2013					
(i) Pending at the beginning of the quarter	0					
(ii) Received during the quarter	1					
(iii) Disposed of during the quarter	1					
(iv) Remaining unresolved at the end of the quarter	0					



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STATEMENT OF ASSETS & LIABILITIES

Sr.No.	Particulars	(Rs.in Lacs)	(Rs.in Lacs)
		As at 30.09.2013	As at 31.03.13
		UnAudited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	a) Share capital	1,747.61	1,747.61
	b) Reserves and surplus	140.80	884.48
	Sub-total - Shareholders' funds	1,888.41	2,632.09
2	Non-current liabilities		
	a) Long-term borrowings	14.76	14.76
	d) Long-term provisions	62.88	62.88
	Sub-total - Non-current liabilities	77.64	77.64
3	Current liabilities		
	a) Short-term borrowings	18,800.64	18,802.49
	b) Trade payables	5,422.26	4,995.98
	c) Other current liabilities	9,449.69	9,178.27
	d) Short-term provisions	218.29	243.99
	Sub-total - Current liabilities	33,890.88	33,220.73
	TOTAL - EQUITY AND LIABILITIES	35,856.93	35,930.46
B	ASSETS		
1	Non-current assets		
	a) Fixed assets	3,195.75	3,384.37
	c) Non-current investments	11,089.46	11,089.46
	e) Long-term loans and advances	116.35	115.64
	Sub-total - Non-current assets	14,401.56	14,589.47
2	Current assets		
	a) Current investments	0.00	0.00
	b) Inventories	1,328.28	1,499.41
	c) Trade receivables	11,748.93	11,592.22
	d) Cash and cash equivalents	259.19	322.56
	e) Short-term loans and advances	8,105.13	7,912.96
	f) Other current assets	13.84	13.84
	Sub-total - Current assets	21,455.37	21,340.99
	TOTAL - ASSETS	35,856.93	35,930.46
		0.00	0.00

For Asian Electronics Ltd.

S.Neelakanta Iyer



Executive Director & Jt.CEO

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(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. 10,121.43 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. 6,682.38 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 amounting to Rs 80.32 Lacs, which may not be recoverable / realizable.

(ii)

- a. Interest amounting to Rs. 27.10 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 September 2013 amounting to Rs. 267.72 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. 798.18 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.



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Notes – 30.09.2013:

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.
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. During the quarter, State Bank of India has also filed a petition in the Bombay High Court for winding up of the Company for non-payment of their dues. 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.



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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 September 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 November, 2013.
10. Previous year/quarter's figures have been regrouped / rearranged wherever necessary to make them comparable to those of the current quarter.

For Asian Electronics Limited




S. Neelakanta Iyer
Executive Director & Jt. CEO

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