



# ASIAN ELECTRONICS LIMITED

ANNUAL REPORT  
2007-2008

***Generating Savings for Generations***

## A HISTORICAL PERSPECTIVE

Particulars	Year ended March 31,				
	2008	2007	2006	2005	2004
	<i>(Rs. in lacs except data per share, other information and Ratios)</i>				
<b>Revenue account</b>					
Gross Revenue	22236	38006	16363	11348	9358
Operating profit (PBDIT)	5914	10266	3875	2682	2592
Financial Charges	2340	1663	780	627	785
Depreciation	1025	899	840	772	945
Extra-ordinary item:					
Premium on revision of interest	—	—	—	163	81
Exceptional Items	17882	—	—	—	—
Provision for taxation – Current	—	1012	190	88	60
– Deferred	43	1	(478)	(45)	258
– F.B.T.	39	28	28	—	—
– Excess Provision written back	(4)	—	—	—	—
Loss/Profit after tax	(15411)	7705	2255	1078	463
Cash generation	(14386)	8604	3095	1850	1408
PBIDT as a percentage of total revenue – before exceptional item	27	27	24	24	28
PBIDT as a percentage of total revenue – after exceptional item	(54)	27	24	24	28
Return on net worth before exceptional item – %	12	22	23	18	16
Return on net worth after exceptional item – %	(73)	22	23	18	16
<b>Capital account</b>					
Share capital	1452	1392	894	* 938	* 938
Net worth	21225	35196	13719	10540	11356
Loan funds	20803	16501	15879	8464	6386
Net block	5536	4910	4345	4925	7451
Net current assets	31085	43802	24978	15170	11450
Debt-Equity Ratio	0.98	0.47	1.15	0.80	0.56
<b>Per share data</b>					
Earnings per Share of Rs. 5/- (Previous years Rs. 10/-)	(52)	53	24	13	5
Book value of Share of Rs. 5/- (Previous years Rs. 10/-)	71	253	153	124	133
Dividend %	—	45	25	18	15
* Inclusive of Preference Share Capital of Rs. 88 lacs					
<b>Other information</b>					
Number of shareholders	28483	8952	10990	7666	6748

## Board of Directors

Mr. Suresh H. Shah	<i>Chairman &amp; Managing Director (upto 5.11.2008)</i>
Dr. K. U. Mada	<i>(upto 27.9.2007)</i>
Mr. S. Padmanabhan	<i>(upto 5.11.2008)</i>
Mr. Arun B. Shah	
Mr. Sanjay K. Asher	<i>(upto 5.11.2008)</i>
Mr. Richard B. Saldanha	<i>(w.e.f. 30.7.2007 upto 6.3.2008)</i>
Mr. Sushil Kumar Jiwarajka	<i>(w.e.f. 30.7.2007 upto 5.11.2008)</i>
Mr. Ashok Sharma	<i>Executive Director (upto 14.6.2007)</i>
Mr. Jinendra Shah	<i>Executive Director</i>
Mr. V. Rajagopal	<i>Executive Director (upto 14.6.2007)</i>
Mr. Haresh G. Desai	<i>(w.e.f. 5.11.2008)</i>
Mr. Suhas R. Tuljapurkar	<i>(w.e.f. 5.11.2008)</i>

## Chief Financial Officer

Mr. Narayan Iyer *(w.e.f. 16.10.2007)*

## Sr. Vice President (Finance) & Company Secretary

Mr. Rasik D. Goradia

## Auditors

Messrs S. R. Batliboi & Co.

## Solicitors

Messrs Motiwalla & Company

## Bankers

Bank of India  
Centurion Bank of Punjab Ltd.  
Uco Bank  
HSBC  
Industrial Development Bank of India Ltd.  
State Bank of India

## R & T Agent

### Intime Spectrum Registry Ltd.

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W), Mumbai - 400 078.  
Phone : (91-22) 2596 3838  
Fax : (91-22) 2594 6969  
E-mail : isrl@intimespectrum.com

## Registered Office

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

## Corporate Office

1219, Maker Chambers V,  
Nariman Point, Mumbai - 400 021.

## Branch Offices

Ahmedabad, Bangalore, Kolkata  
Chennai, Delhi, Hyderabad.

## Works

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

## DTA Unit

Survey No. 9/2/1, Mumbai-Agra Road,  
Post Vilholi, Nashik - 422 010.

## EOU

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

## Solan Units

Plot No. 1, Second Floor,  
Industrial Estate, Chamba Ghat,  
Dist. Solan - 173 213,  
Himachal Pradesh.

Joshi Farm House,  
Khasra No. 275, Hadbast No. 947,  
Vil. Palawal, Khadeen,  
Panchayat, Banaser, Parwanoo,  
Himachal Pradesh - 173 220.

Hadbast No. 932, Khasra No. 228,  
Village Jakhroda,  
Pargana Nali Dharthi,  
Tehsil Kasauli, Dist. Solan,  
Himachal Pradesh.

## Silvassa Units

Survey No. 126-P, Building A,  
Gala Nos. 103, 104, 113 & 114,  
Electronic Indl. Estate, AmlI,  
Silvassa - 396 230.

Survey No. 126-P, Building A,  
Gala No. 101, 102, 115 & 116  
Electronic Indl. Estate,  
AmlI, Silvassa - 396 230.

Survey No. 113/2/6,  
Tirupati Industrial Estate, 66 KV Road,  
AmlI, Silvassa - 396 230.

## Chennai Unit

131/134, Krishna Industrial Estate &  
Mettukuppam,  
Chennai - 600 095.

## Luminaire Manufacturing Unit

Plot No. 55, Anna Industrial Estate,  
Vanagaram, Mettukuppam,  
Chennai - 600 095.

## Annual General Meeting

Saturday, 29<sup>th</sup> November, 2008 at 4.00 p.m.

### Venue:

Registered Office of the Company  
at D-11, Road No. 28, Wagle Indl. Estate,  
Thane - 400 604.

## Transport Facility

A bus has been arranged for transport from Thane Railway Station (East) to enable the Members to attend the Annual General Meeting (AGM) at the Registered Office of the Company at Thane on Saturday, 29<sup>th</sup> November, 2008 at 4.00 p.m. The bus will leave at 3.30 p.m. sharp from Thane Station (East) near Anand Cinema.

Members interested in attending the AGM may avail the facility.

Secretarial Department of the Company is situated at the Registered Office of the Company at Thane.

**Phone** : + (91-22) 25835504/05

**Fax** : + (91-22) 25827636

**Website** : www.aelgroup.com

**Email** : secdept@aelgroup.com

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

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## NOTICE OF THE 43RD ANNUAL GENERAL MEETING

Notice is hereby given that the Forty third Annual General Meeting of the Members of Asian Electronics Ltd. (the "Company") will be held at the Registered Office of the Company at D-11, Road No. 28, Wagle Industrial Estate, Thane – 400 604, on Saturday, the 29<sup>th</sup> November, 2008 at 4.00 P.M., for the purpose of transacting the following business.

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2008 and Profit and Loss account for the year ended on 31<sup>st</sup> March, 2008 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Arun B. Shah, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and for the purpose, to pass the following resolution, as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956 ("Act"), M/s Sorab S. Engineer & Co., Chartered Accountants, Mumbai, be and are hereby appointed as the Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration and out of pocket expenses as may be fixed by the Audit Committee of the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Audit Committee of the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to and to implement the aforesaid resolution."

### AS SPECIAL BUSINESS

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

**"RESOLVED THAT** in accordance with the provisions of Section 257, 260 and other applicable provisions of the Companies Act, 1956 ("Act"), if any, Mr. Haresh Desai, who was appointed as an Additional Director of the Company on 5<sup>th</sup> November, 2008 and holds office up to the date of this Annual General Meeting of the Company, and being eligible, offer himself for re-appointment and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of the Act proposing his candidature

for the office of Director, be and is hereby appointed as a director of the Company liable to retire by rotation."

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

**"RESOLVED THAT** in accordance with the provisions of Section 257, 260 and other applicable provisions of the Companies Act, 1956 ("Act"), if any, Mr. Suhas Tuljapurkar, who was appointed as an Additional Director of the Company on 5<sup>th</sup> November, 2008 and holds office up to the date of this Annual General Meeting of the Company, and being eligible, offer himself for re-appointment and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a director of the Company liable to retire by rotation."

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of the Companies Act, 1956, the Articles of Association of the Company, Clause 7 and other relevant provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI ESOP Guidelines") and Clause 19 and other relevant clauses of the Asian Electronics Limited Employee Stock Option Scheme, 2005 as adopted by the Company at its Extraordinary General Meeting held on September 08, 2005, and as amended vide resolution of the shareholders passed at the Annual General Meeting of the shareholders held on December 23, 2006 and Annual General Meeting of the shareholders held on September 27, 2007 (the "Scheme"), and subject to approvals, consents, permissions, sanctions and the like of the Securities and Exchange Board of India ("SEBI"), the Stock Exchanges where the Company's shares are listed and all other concerned statutory and other authorities, if and to the extent required, and subject to such conditions, modifications and stipulations as may be prescribed, stipulated or imposed by SEBI, stock exchange(s) or any other authority while granting such approvals, consents, permissions, sanctions and the like, which may be agreed to by the Board of Directors of the Company (hereinafter referred to the "Board", which term shall be deemed to include any Committee constituted or to be constituted by the Board including the Compensation Committee) in its sole discretion, the Scheme be and is hereby modified, with retrospective/prospective effect as mentioned hereunder, as follows:

- (i) Clauses 8(c) and 8(e) of the Scheme shall be deleted. These deletions shall be applicable with retrospective effect from

the date on which the Scheme received shareholder's approval for the first time, that is, September 08, 2005;

- (ii) Clause 12(b) of the Scheme shall be deleted. This deletion shall be applicable from prospective effect, that is from the date of passing of this resolution as a special resolution by the shareholders.
- (iii) Clause 6.2(c) of the Scheme shall be replaced with the following:

The Compensation Committee is empowered to decide the exercise period. However, the Exercise Period within which the employee should exercise the option(s) Granted will not exceed seven years from the date of Vesting, and that option would lapse on failure to exercise the option within the exercise period.

This amendment shall be applicable from retrospective effect from the date on which the Scheme received shareholder's approval for the first time, that is, September 08, 2005.

- (iv) Clause 10(b) of the Scheme shall be replaced with the following:

Treatment of vested options: The employee will be free to exercise vested options within a period of 6 months from the date of separation. Options that have not been exercised within this period will lapse and stand cancelled.

This replacement shall be applicable from prospective effect, that is from the date of passing of this resolution as a special resolution by the shareholders.

- (v) Clause 12(a) of the Scheme shall be replaced with the following:

The Board/Compensation Committee shall have the freedom to determine the Exercise Price subject to conforming to the accounting policies specified in clause 13.1 of the SEBI Guidelines, provided that the exercise price shall not be below the face value of the equity shares of the Company.

This replacement shall be applicable from prospective effect, that is from the date of passing of this resolution as a special resolution by the shareholders.

- (vi) The following sub-clause (u) shall be added in Clause 2 of the Scheme, and other sub-clauses shall be re-numbered accordingly:

“(u) “Options” shall mean the options that may be granted under the Scheme.”

This amendment shall be applicable from retrospective effect from the date on which the Scheme received shareholder's approval for the first time, that is, September 08, 2005.

**RESOLVED FURTHER THAT** the Board or the Company Secretary be and are hereby severally authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects as it may, in its absolute discretion, deem fit and proper.”

- 7. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of the Companies Act, 1956, the Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“SEBI ESOP Guidelines”) and the Asian Electronics Limited Employee Stock Option Scheme, 2005 (the “Original Scheme”) as adopted by the Company at its Extraordinary General Meeting held on September 08, 2005 (the “Original Resolution”), and as amended vide resolution of the shareholders passed at the Annual General Meeting of the shareholders held on December 23, 2006 and Annual General Meeting of the shareholders held on September 27, 2007 (the “Scheme”), and subject to approvals, consents, permissions, sanctions and the like of the Securities and Exchange Board of India (“SEBI”), the Stock Exchanges where the Company's shares are listed and all other concerned statutory and other authorities, if and to the extent required, and subject to such conditions, modifications and stipulations as may be prescribed, stipulated or imposed by SEBI, stock exchange(s) or any other authority while granting such approvals, consents, permissions, sanctions and the like, which may be agreed to by the Board of Directors of the Company (hereinafter referred to the “Board”, which term shall be deemed to include any Committee constituted or to be constituted by the Board including the Compensation Committee) in its sole discretion, approval of the shareholders of the Company be and is hereby granted to the ratification as described below:

Ratification of deficiencies: the following disclosures, which ought to have been made in relation to the Original Scheme in the notice to the shareholders in relation to the Original Resolution pursuant to the provisions of Clauses 6.2(h) to 6.2(k) of the SEBI ESOP Guidelines (and which were not made), be and are hereby ratified and approved:



- (a) Maximum number of options to be issued per employee and in the aggregate:

There will be no limit on the number of options that may be offered to an individual in a given year, subject to other terms and conditions of this Scheme. However, the Company shall comply with the provisions of Clause 6.3(b) and other applicable provisions of the SEBI ESOP Guidelines.

- (b) Statement as to compliance with accounting policies:

The Company shall comply with the accounting policies as specified in Clause 13.1 of the SEBI ESOP Guidelines.

- (c) Method of valuation of options:

The Company shall use the intrinsic value method for valuation of options.

- (d) Statement as to employee compensation cost and method of valuation of options:

In case the company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the company shall also be disclosed in the Directors' Report.

**RESOLVED FURTHER THAT** the Board or the Company Secretary be and are hereby severally authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects as it may, in its absolute discretion, deem fit and proper."

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

**Regd. Office:**

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

Thane, 5<sup>th</sup> November, 2008

**R. D. Goradia**  
Sr. Vice President (Finance) &  
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 DULY STAMPED AND COMPLETED AND RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

(c) The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 24<sup>th</sup> November, 2008 to Saturday the 29<sup>th</sup> November, 2008 [both days inclusive].

(d) Members holding equity shares in physical form are requested to quote their folio number in all correspondence with the Company.

(e) Consequent upon the amendment of Section 205A of the Companies Act, 1956 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, 2000 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 encashed their dividend warrant(s) for the financial year ended March 2001 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 31<sup>st</sup> March, 2001 is due for transfer to the Fund on 10<sup>th</sup> November, 2008.

(f) The Companies (Amendment) Act, 1999 has introduced nomination facility for Shareholders. Those shareholders holding equity shares in physical form who are interested in making nomination are requested to file with the Company the prescribed Form 2 B 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.

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

**ITEM NO. 4**

Mr. Haresh Desai was appointed as Additional Director of the Company on 5<sup>th</sup> November, 2008 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. Haresh Desai for the Directorship of the Company under Section 257 of the Companies Act, 1956. The Board proposes his appointment for your approval.

Mr. Haresh Desai is a Chartered Accountant by profession and partner of A.V. Rajwade & Co., Forex and Risk Management Consultants.

None of the Directors except Mr. Haresh Desai are interested or deemed to be interested in the proposed resolution.

The Directors recommend this resolution for approval as an ordinary resolution.

**ITEM NO. 5**

Mr. Suhas Tuljapurkar was appointed as Additional Director of the Company on 5<sup>th</sup> November, 2008 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. Suhas Tuljapurkar for the Directorship of the Company under Section 257 of the Companies Act, 1956. The Board proposes his appointment for your approval.

Mr. Suhas Tuljapurkar is a partner of Legasis, a law firm.

None of the Directors except Mr. Suhas Tuljapurkar are interested or deemed to be interested in the proposed resolution.

The Directors recommend this resolution for approval as an ordinary resolution.

**ITEM NO. 6**

The members had approved the Scheme pursuant to a special resolution passed at the Extraordinary General Meeting held on September 8, 2005, as subsequently amended vide special resolutions of the members passed at the Annual General Meetings held on December 23, 2006 and September 27, 2007. It is proposed further to amend the Scheme, retrospectively in certain aspects and prospectively in others, inter alia in the following respects:

- (i) Deletion of Clauses 8(c) and 8(e) of the Scheme, which provide for the Exercise Period for the Exercise of the Options. These deletions shall be applicable with retrospective effect from the date on which the Scheme received shareholder's approval for the first time, that is, September 08, 2005. This is on account of the fact that, under the Scheme as originally approved on September 08, 2005, in terms of Clause 6.2(c) of the Scheme, the Compensation Committee was empowered to determine the Exercise Period, and hence specifying a separate Exercise Period in other clauses of the Scheme would not be of relevance. Deciding the exercise period is also one of the functions of the Compensation Committee under the SEBI ESOP Guidelines, in terms of Clause 5.3(c) of the SEBI ESOP Guidelines.

Further, the power of the Compensation Committee, under Clause 6.3(c) of the Scheme, to determine the Exercise Period, has been altered, to the extent that the Compensation Committee is required to determine an Exercise Period which will not exceed seven years from the date of Vesting, and that the option(s) would lapse on failure to exercise the option within the Exercise Period. This amendment shall be applicable from retrospective effect from the date on which the Scheme received shareholder's approval for the first time, that is, September 08, 2005.

- (ii) Deletion of Clause 12(b) of the Scheme, which prohibited the grant of options under the Scheme at a price that is not lower than the market price of the share prevailing on the date of grant.

This deletion shall be applicable from prospective effect, that is from the date of passing of this resolution as a special resolution by the shareholders.

- (iii) Amendment to Clause 10(b) of the Scheme, which specifies a seven year Exercise Period, and which is consequential to the deletions/amendments detailed in (i) above.

This amendment shall be applicable from prospective effect, that is from the date of passing of this resolution as a special resolution by the shareholders.

- (iv) Amendment to Clause 12(a) of the Scheme, providing that the Compensation Committee cannot determine an Exercise Price

that is lower than the face value of the equity shares of the Company.

This amendment shall be applicable from prospective effect, that is from the date of passing of this resolution as a special resolution by the shareholders.

- (v) Insertion of sub-clause (u) in Clause 2 of the Scheme, and consequential re-numbering of other sub-clauses of Clause 2 would be re-numbered accordingly.

This amendment shall be applicable from retrospective effect from the date on which the Scheme received shareholder's approval for the first time, that is, September 08, 2005.

There are no outstanding options granted under the Scheme as on date of this notice.

Further, according to the provisions of the SEBI ESOP Guidelines, any alteration in the Scheme requires the approval of the shareholders in a general meeting by way of a Special Resolution.

The resolution at item no. 6 of the notice is recommended to the shareholders for passing as a Special Resolution.

A copy of the Scheme, prior to these amendments, and a draft of the Scheme as amended pursuant to these amendments, is available for the inspection of the members between 10.00 A.M. to 1.00 P.M. on any working day except Saturday, at the Registered Office of the Company, up to and including the date of the Annual General Meeting.

The Directors of the Company, who would be eligible to avail to the benefits of the Scheme may be deemed to be concerned or interested in this item of business to the extent of the options which may be granted to them under the Scheme.

The maximum number of options that can granted to non-executive directors, including independent directors, in any financial year and in aggregate, has not been specified, and is at the discretion of the Compensation Committee, and may extend to all options granted under the Scheme in any financial year.

#### ITEM NO. 7

The members had approved the Original Scheme pursuant to a special resolution passed at the Extraordinary General Meeting held

on September 8, 2005. The explanatory statement to the Original Resolution did not inadvertently provide for certain details required to be provided in such explanatory statement under the provisions of Clause 6.2 of the SEBI ESOP Guidelines, specifically Clauses 6.2(h), 6.2(i), 6.2(j) and 6.2(k) of the SEBI ESOP Guidelines. The resolution seeks to provide these details, as applicable to the Original Scheme, for the purposes of ratification and approval by the shareholders.

There are no outstanding options granted under the Scheme as on date of this notice.

Approval of the shareholders is sought by way of a special resolution for the ratification of the disclosures as stated in the resolution, as well as for the authority for the Board to re-price the options.

The resolution at item no. 7 of the notice is recommended to the shareholders for passing as a Special Resolution.

A copy of the Scheme is available for the inspection of the members between 10.00 A.M. to 1.00 P.M. on any working day except Saturday, at the Registered Office of the Company, upto and including the date of the Annual General Meeting.

The Directors of the Company, who would be eligible to avail to the benefits of the Scheme may be deemed to be concerned or interested in this item of business to the extent of the options which may be granted to them under the Scheme.

The maximum number of options that can granted to non-executive directors, including independent directors, in any financial year and in aggregate, has not been specified, and is at the discretion of the Compensation Committee, and may extend to all options granted under the Scheme in any financial year.

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

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

Thane, 5<sup>th</sup> November, 2008

**R. D. Goradia**  
Sr. Vice President (Finance) &  
Company Secretary



Brief resume of Directors being appointed/re-appointment at the Annual General Meeting to be held on 29<sup>th</sup> November, 2008. Nature of their expertise in specific functional areas and names of companies in which they hold directors 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. Arun B. Shah Director	Mr. Haresh G. Desai Director	Mr. Suhas Tuljapurkar Director
Date of Birth	13 <sup>th</sup> December, 1956	7 <sup>th</sup> November, 1955	11 <sup>th</sup> October, 1961
Date of Appointment	23 <sup>rd</sup> December, 2006	5 <sup>th</sup> November, 2008	5 <sup>th</sup> November, 2008
Expertise in specific General Functional Area	Finance	Foreign Exchange and Treasury Management	Legal
Qualification	1. B.Sc. 2. C.A.	1. B.Com 2. C.A.	1. M.B.A. (Marketing) 2. LL B. 3. B.Sc 4. Dip in Computer Management
List of outside Directorship held (Public Limited Companies)	1. Champagne Indage Ltd. 2. Champagne Vineyards Ltd. 3. Sirius Capital Services Ltd. 4. Indage Hotels Ltd. 5. Himachal Indage Limited 6. Prime Securities Ltd. 7. Prime Broking Co. (India) Ltd. 8. Cybertech Systems & Software Ltd. 9. Seabuckthorn Indage Ltd. 10. Prime Commodities Broking Co. (India) Ltd.	1. Champagne Indage Ltd. 2. Champagne Vineyards Ltd.	Nil
Chairman/Member of the Committee of the Board of Directors of the Company.	1. Audit Committee – Member 2. Shareholders & Investors grievances Committee – Chairman 3. Share Transfer Committee – Member 4. Compensation Committee – Member 5. Investment Committee – Member	1. Audit Committee – Chairman 2. Shareholders & Investors grievances Committee – Member 3. Compensation Committee – Member	1. Audit Committee – Member 2. Shareholders & Investors grievances Committee – Member 3. Compensation Committee – Member
Chairman/Member of the Committee of Directors of other companies in which he/she is Director.			
(a) Audit Committee	1. Champagne Indage Ltd. – Member 2. Champagne Vineyards Ltd. – Member 3. Prime Securities Ltd. – Chairman 4. Cybertech Systems & Software Ltd. – Member	1. Champagne Indage Ltd. – Member 2. Champagne Vineyards Ltd. – Member	Nil
(b) Share Transfer & Investor Grievances Committee	1. Champagne Indage Ltd. – Member 2. Champagne Vineyards Ltd. – Member 3. Prime Securities Ltd. – Chairman 4. Cybertech Systems & Software Ltd. – Member	Nil	Nil
(c) Remuneration Committee	1. Prime Securities Ltd. – Chairman 2. Cybertech Systems & Software Ltd. – Member	1. Champagne Indage Ltd. – Member 2. Champagne Vineyards Ltd. – Member	Nil
(d) Executive Committee	Nil	1. Champagne Indage Ltd. – Member	Nil
Number of Shares of the Company held on 31-3-2008	650000	Nil	Nil

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

Regd. Office:

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

Thane, 5<sup>th</sup> November, 2008

**R. D. Goradia**  
Sr. Vice President (Finance) &  
Company Secretary

## DIRECTORS' REPORT

To the Members

Your Directors present the Forty-third Annual Report on the business and operations of the Company for the year ended March 31, 2008.

FINANCIAL RESULTS	(Rupees in Lacs)	
	2008	2007
Year ending March 31,		
Gross revenue	22236	38006
Operating profit (PBIDT)	5913	10266
Finance Expenses	2340	1663
Depreciation	1025	899
Profit before tax & Exceptional items	2549	7705
Exceptional items	(17882)	–
(Net of tax Rs. 685 Lacs)		
Provision for taxes inclusive of Fringe Benefit Tax and Deferred Tax	78	1038
(Loss)/Profit after current tax and deferred tax and Exceptional items	(15411)	6663
Balance brought forward	9330	4179
Amount transferred from General Reserve	5500	–
Additions as per Scheme of Arrangement	–	6
Balance available for Appropriation	(581)	10848
<b>Appropriation:</b>		
Dividend on Equity Shares recommended	–	652
Income tax on Equity Dividend	–	111
Transfer to General Reserve	–	755
Balance carried to Balance Sheet	(581)	9330

### DIVIDEND :

In view of provisions made for the Plant and Machinery Segment, and to conserve the resources, the Directors regret their inability to recommend any dividend on Equity Share Capital for the financial year 2007-2008. The Equity dividend pay out for the previous year was Rs. 762.51 lacs (inclusive of dividend tax of Rs. 110.60 lacs).

### OPERATIONS :

The directors invite attention of members to note no. 8 under Schedule 21(iii) to accounts, which explains in detail the status of its business initiative in the field of plant and machinery using a specialized technology. As explained, the business of this division could not be carried forward. This reflects drop in the turnover and profitability for the year. However, in its traditional business of manufacturing/Sale of Lighting Products, the Company has registered a growth of 6 per cent.

### LIGHTING SEGMENT :

#### (I) Domestic Sales :

##### (a) Consumer Lighting Group (CLG)

The CLG division is involved in the sale and marketing of consumer and industrial lighting products/luminaries which focus on energy efficiency.

With branch offices spread all over the country and having a wide all India network of dealers, the CLG division has been able to establish Asian Electronics Limited as one of the emerging brand leaders in the lighting industry.

Over the last 6 years, it added a plethora of products (more than 30 product lines), thereby offering a wide range of products in this segment. Some of the popular products are Dome Lights, Street Lights, Dualites, CFLs, Outdoor Luminaire, etc.

During 2007-08, CLG division grew by 4%.

The Distributor/Dealer and Marketing Consultant network strength stands at over 1275 nos. and is growing on a continuous basis.

##### (b) Professional Lighting Group (PLG)

PLG Division has a focus on catering to professional projects involving Lighting requirements of commercial ventures especially in the Retail, Infrastructure, IT and ITES sectors.

During the year under review, this Division achieved a growth of 6%.

With a major growth in economy in the Infrastructure area, PLG Division capitalized on the boom. The group is mainly involved in lighting of big malls all over India thus enhancing the visibility of the Company.

In the IT and ITES sectors and retail malls, PLG Division was able to get major orders from IT companies in Hyderabad, Bangalore, Mumbai and Chennai.

Your Company had also invested in two Joint Venture companies in partnership with the Future Group (Pantaloon). These Joint Ventures have registered sales of Rs. 2014 lacs in the current year and are expected to show better performance in the coming years.

##### (c) ESCO Group

Govt. of India (GOI) has initiated many programmes not only for Energy Conservation but also to play proactive role in addressing the world's concern on "GLOBAL WARMING".

Some of the initiatives by GOI are Energy Conservation Act 2001, Rating of electrical products (CFL, FTLs, Refrigerators etc.), Mass replacement of GLS bulbs by CFLs through CDM mechanism and Implementation of Energy Saving programme through Performance Contracting (ESCO route) in Central and State Government organizations in view of limited technical and financial resources available with government departments.

Your Company has established itself as a leading ESCO in the country and is empanelled with the Bureau of Energy