

NOTICE OF THE 47TH ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS:

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

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dhananjay M. Dumbre
Asst. Company Secretary Mumbai,

Notes:

- [a] The explanatory statement relating to the special business mentioned in the notice as required under Section 173(2) of the Companies Act, 1956, is annexed to the Notice.
- [b] A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- [c] The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 24th December, 2012 to Saturday the 29th December, 2012 [both days inclusive].
- [d] Members are requested to quote their folio number in all correspondence with the Company.
- [e] Consequent upon the amendment of Section 205A of the Act and the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

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

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

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

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

ITEM NO. 5

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

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

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

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

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

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

ITEM NO. 6

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

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

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

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

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

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

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

ITEM NO. 7

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

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

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

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

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

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

ITEM NO. 8

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

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

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

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

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

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



ITEM NO. 9

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

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

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

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

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

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

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

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

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

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

ITEM NO. 10

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

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

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

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

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

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

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

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

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

Dhananjay M. Dumbre
Asst. Company Secretary Mumbai,



ASIAN ELECTRONICS LIMITED

ANNUAL REPORT

2011-2012

Generating Savings for Generations

A HISTORICAL PERSPECTIVE

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

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Board of Directors

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

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

Chief Financial Officer
Mr. Sadanand Sahasrabudhe (w.e.f. 21.05.2012)

Auditors
Messrs Sorab S. Engineer & Co.

Solicitors
Messrs Legasis Partners

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

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

Registered Office

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

Corporate Office

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

Branch Offices

Ahmedabad
Bangalore
Kolkata
Chennai
Delhi
Hyderabad

Works

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

DTA Unit

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

EOU

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

HP Unit

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

Silvassa Unit

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

Annual General Meeting

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

Venue

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

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

Phone: (91-22) 25835504

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

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NOTICE OF THE 47TH ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS:

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

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

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

SPECIAL BUSINESS:

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

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

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

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

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

“RESOLVED THAT pursuant to the Special Resolution passed

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dhananjay M. Dumbre
Asst. Company Secretary Mumbai,

Notes:

- [a] The explanatory statement relating to the special business mentioned in the notice as required under Section 173(2) of the Companies Act, 1956, is annexed to the Notice.
- [b] A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- [c] The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 24th December, 2012 to Saturday the 29th December, 2012 [both days inclusive].
- [d] Members are requested to quote their folio number in all correspondence with the Company.
- [e] Consequent upon the amendment of Section 205A of the Act and the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

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

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

- [f] The Companies (Amendment) Act, 1999 has introduced nomination facility for Shareholders. Those shareholders who are interested in making nomination are requested to file with the Company the prescribed Form 2B which can be had from the Company on request.
- [g] Corporate members intending to send their authorized representatives to attend the meeting are requested to send their