

**SORAB S. ENGINEER & CO. (Regd.)**  
CHARTERED ACCOUNTANTS

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ISMAIL BUILDING,  
381, DR. D. NAOROJI ROAD, FORT,  
MUMBAI - 400 001

18<sup>th</sup> August, 2011

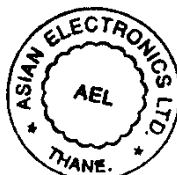
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Review Report to The Board of Directors  
Asian Electronics Ltd,  
D-11, Road No. 28,  
Wagle Industrial Estate,  
Thane-400 604

Dear Sirs,

1. We have reviewed the accompanying statement of unaudited financial results of **ASIAN ELECTRONICS LIMITED**, for the period of three months ended 30<sup>th</sup> June, 2011, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *Attention is invited to the following:-*
  - a. *Note No.1 regarding transfer of related Loans and Debentures of the two Divisions to two wholly owned subsidiaries subject to the approval of the Company's Lenders and creditors. However one of the lenders has informed*

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**For Asian Electronics Limited**



*MS. S. Co.*  
  
**Charudatta A. Kulkarni**  
**Company Secretary**

*the Company that they are not agreeable to the transfer of the businesses of the two divisions to the two 100% subsidiaries and has declined to give its approval. Besides, the Lead bank of the Consortium for Working Capital has informed the Company not to proceed with hiving-off of assets without the written consent of the Consortium Banks. The Company has not provided interest on the above for the quarter under review. Consequently, the Company will continue to be liable to the lenders for the Term Loans and Unsecured Redeemable Non-convertible Debentures transferred to the two 100% subsidiaries together with interest thereon. On the basis of information available to us, we are unable to form an opinion in this matter.*

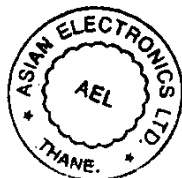
- b. *Note No. 3 wherein as explained LIC Mutual Fund has filed a petition in The Bombay High Court for winding up of the company for non-payment of its dues. The matter is sub judice and outcome of the same cannot be currently ascertained. Also Bank of India has served upon the Company a Notice under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Act, 2002 for repayment of dues and other Banks have also asked the Company for repayment of their dues*
- c. *Note No. 4 wherein consequent to review made by the management the following are the observations:*

- i. Diminution in the value of Investments in certain companies of Rs. 4367.97 Lacs not reflected in the Financial Statements (AS-13)*
- ii. Old/Unusable Stocks mainly for discontinued product lines amounting to Rs. 3000 Lacs included in Inventories which may no longer be realizable (AS-2)*
- iii Sundry Debtors considered good includes Rs. 5215.16 Lacs of old Outstanding's which may not be recoverable.*
- iv Old Debit Balances of Rs. 2812.82 Lacs included in Loans and Advances and Rs.261 Lacs on account of Unreconciled Bank Balances which may not be recoverable / realizable.*

*Consequently, although the above have been shown as Considered Good, no provision has been made for the same.*

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

4. Based on our review conducted as above, *subject to our remarks in Para 3 above*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited quarterly financial results prepared in accordance with applicable Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 and/or Accounting Standards issued by Institute of Chartered Accountants of India and other recognised accounting practices and policies has not disclosed the



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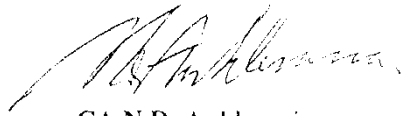
*Charudatta A. Kulkarni*  
Company Secretary

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information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

*M.S.B*

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



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



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For Asian Electronics Limited



Charudatta A. Kulkarni  
Company Secretary