CIN No: L31909TG1988PLC008652

MIC Electronics Limited

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Ph: +91 40 27122222 Fax: +91 40 27133333
www.mic.in www.micelectronics.com

ISO 9001:2008 ISO 14001:2004 Certified Company

Wednesday, May 10, 2017

To
The Secretary
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai - 400 051.

Dear Sir / Madam,

Sub: Outcome of Board Meeting held 10th May 2017.

We wish to inform you that the Board Meeting has been concluded at 03.40 PM and approved Audited Financial Results for the Fourth Quarter and Year ended 31st March 2017. (Annexed herewith).

Thanking you,

Yours truly,

For MIC Electronics Limited

(M S Murali Krishnan)
Company Secretary

MIC Electronics Limited Hyd

Encl: Financial Results, Audit Report, Statement on Impact of Audit Qualification.

MIC Electronics Limited

(Rs.in crore)

AUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER ENDED ON 31st MARCH, 2017

STAND-ALONE						PART - 1	CONSOLIDATED				
3 months ended	Previous 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended (12M)	Previous Accounting Year ended(12 Months)	SR. NO.	Particulars	3 months ended	Previous 3 months ended	Corresponding 3 months ended in previous year	Year to date figures for current period ended (12M)	Previous Accounting Year ended(12 Months)
31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016			31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
Audited	Un-Audited	Audited	Audited	Audited			Audited	Un-Audited	Audited	Audited	Audited
65.70	58.21	60.57	229.42	214.59	1	a) Net Sales / Income from Operations (Excluding Branch Transfer) (Net of Excise Duty)	65.70	58.21	60.57	229.42	214.59
0.40	0.55	1.59	1.44	3.05		b) Other Operating Income	0.40	0.55	1.59	1.44	3.05
66.10	**58.76**	**62.16**	**230.86**	**217.64**		**Total Income from operations (net)**	**66.10**	**58.76**	**62.16**	**230.86**	**217.64**
					2	**Expenses**					
52.30	43.53	56.03	166.26	123.52		a. Cost of Material Consumed	52.30	43.53	56.03	166.27	123.52
9.72	11.24	13.11	44.22	67.68		b. Purchase of traded goods	9.72	11.24	13.11	44.22	67.68
(15.46)	(8.06)	(26.51)	(38.12)	(41.79)		c. (Increase)/Decrease in inventories	(15.46)	(8.06)	(26.51)	(38.12)	(41.79)
1.73	1.19	1.09	5.11	3.46		d. Employee benefits expense	1.73	1.19	1.09	5.11	3.46
1.86	1.85	1.88	7.43	7.51		e. Depreciation and Amortisation expense	1.86	1.85	1.75	7.43	7.51
6.49	3.49	7.41	22.08	20.84		f. Other Expenses	5.89	3.52	7.43	22.20	20.89
56.64	**53.24**	**53.01**	**206.98**	**181.22**		**Total Expenses**	**56.04**	**53.27**	**52.90**	**207.11**	**181.27**
9.46	**5.52**	**9.15**	**23.88**	**36.42**	**3**	**Profit / (Loss) from Operations before other income, finanace costs and exceptional items (1 - 2)**	**10.06**	**5.49**	**9.26**	**23.75**	**36.37**
1.33	0.47	1.51	2.54	3.39	4	Other Income	1.33	0.47	1.54	2.54	3.44
10.79	**5.99**	**10.66**	**26.42**	**39.81**	**5**	**Profit / (Loss) from ordinary activities before finance costs and exceptional Items (3 ± 4)**	**11.39**	**5.96**	**10.80**	**26.29**	**39.81**
7.15	**1.58**	0.09	9.85	0.47	6	Finance Costs	7.15	1.58	0.09	9.85	0.47
3.64	**4.41**	**10.57**	**16.57**	**39.34**	**7**	**Profit / (Loss) from ordinary activities after finance costs but before exceptional Items (5 ± 6)**	**4.24**	**4.38**	**10.71**	**16.44**	**39.34**
13.19	0.00	189.10	13.19	196.20	8	Exceptional Items - Expenditure / (Income)	13.19	0.00	189.10	13.19	196.20
(9.55)	**4.41**	**(178.53)**	**3.38**	**(156.86)**	**9**	**Profit / (Loss) from Ordinary Activities before tax (7 ± 8)**	**(8.95)**	**4.38**	**(178.39)**	**3.25**	**(156.86)**
(1.52)	0.90	(50.11)	0.85	(45.98)	10	Tax Expense	(1.52)	0.90	(50.11)	0.85	(45.98)
(8.03)	**3.51**	**(128.42)**	**2.53**	**(110.88)**	**11**	**Net Profit / (Loss) from Ordinary Activities after tax (9 ± 10)**	**(7.43)**	**3.48**	**(128.28)**	**2.40**	**(110.88)**
0.00	0.00	0.00	0.00	0.00	12	Extraordinary items (Net of Tax expense Rs. Nil)	0.00	0.00	0.00	0.00	0.00
(8.03)	**3.51**	**(128.42)**	**2.53**	**(110.88)**	**13**	**Net Profit / (Loss) for the period (11 ± 12)**	**(7.43)**	**3.48**	**(128.28)**	**2.40**	**(110.88)**
0.00	0.00	0.00	0.00	0.00	14	Share of Profit / (loss) of associates	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	15	Minority Interest	0.00	0.00	0.00	0.00	0.00
(8.03)	**3.51**	**(128.42)**	**2.53**	**(110.88)**	**16**	**Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 ± 14 ± 15)**	**(7.43)**	**3.48**	**(128.28)**	**2.40**	**(110.88)**
44.05	35.39	33.23	44.05	33.23	17	Paid-up Equity Share Capital (Face Value Rs. 2/- each)	44.05	35.39	33.23	44.05	33.23
0.00	**0.00**	**0.00**	**258.95**	**177.41**	**18**	**Reserves Excluding Revaluation Reserves as per Balance Sheet of previous accounting year**	**0.00**	**0.00**	**0.00**	**257.22**	**175.91**
					19 a	Earning Per Share before extraordinary items (face value of Rs.2/- each)					
(0.46)	0.20	(8.93)	0.14	(7.71)		(a) Basic	(0.42)	0.20	(8.92)	0.14	(7.71)
(0.38)	0.20	(6.84)	0.12	(5.91)		(b) Diluted	(0.36)	0.20	(6.84)	0.12	(5.91)
					b	Earning Per Share after extraordinary items (face value of Rs.2/- each)					
(0.46)	0.20	(8.93)	0.14	(7.71)		(a) Basic	(0.42)	0.20	(8.92)	0.14	(7.71)
(0.38)	0.20	(6.84)	0.12	(5.91)		(b) Diluted	(0.36)	0.20	(6.84)	0.12	(5.91)

MIC Electronics Limited Hyd

Notes:

1. The above results have been reviewed by the Audit Committee at its meeting held on 09th May 2017 and approved by the Board of Directors of the Company at its meeting held on 10th May 2017.
2. The figures for the quarter ended 31st March 2017 are balancing figures between audited figures in respect of 12 months financial year ended 31st March 2017 and published year to date figures for quarter ended 31st December 2016.
3. On 31.03.2017 the company has allotted 43,293,974 equity shares to various parties by converting secured, unsecured loans and trade creditors into equity shares of Rs. 2/- each with a premium of Rs.18/- through preferential allotment.
4. While calculating diluted EPS, outstanding 3,30,00,000 convertible share warrants issued on preferential basis have been considered.
5. The consolidated financial results include the financial results of the wholly owned subsidiary M/s MIC Green Energy Solutions Pvt Ltd and un audited financial results of M/s.MIC Electronics Inc.
6. Exceptional items include prior period expenses of Rs.12.75 crores relating to unaccounted interest of previous accounting periods pertaining to secured and unsecured loans which are now accounted. It also includes debit balances written off amount of Rs.44 lakhs.
7. The company has not provided for interest expense of Rs.29 lakhs on term loan from UCO Bank for the current quarter since the matter is in litigation. This has resulted in current quarter loss being understated by Rs.29 lakhs
8. The Company has only one segment i.e., LED Products.
9. Figures have been rearranged whereever necessary

Place : Hyderabad
Date : 10.05.2017

Dr.M.V.Ramana Rao
Managing Director

MIC Electronics Limited Hyd

STATEMENT OF ASSETS & LIABILITIES
AS AT 31ST MARCH 2017

(Rs.in crores)

Stand Alone		Particulars	Consolidated	
As At	As at		As At	As at
31.03.17	31.03.2016		31.03.17	31.03.2016
Audited	Audited		Audited	Audited
		Â EQUITY AND LIABILITIES		
		1. Shareholders Fund:		
44.05	33.23	(a) Share Capital	44.05	33.23
258.95	177.41	(b) Reserves and Surplus	257.22	175.91
20.63	21.60	(c) Money received against share warrants	20.63	21.60
323.63	**232.24**	**Sub-total Shareholders Fund:**	**321.90**	**230.74**
		2. Non-current liabilities		
37.39	12.84	(a) Long-term borrowings	37.39	12.84
5.55	5.14	(b) Long-term provisions	5.55	5.14
42.94	**17.98**	**Sub-total - Non-current liabilities**	**42.94**	**17.98**
		3. Current liabilities		
0.68	94.75	(a) Short-term borrowings	0.68	94.75
50.06	60.21	(b) Trade payables	50.91	60.99
94.47	81.06	(c)Other current liabilities	94.55	81.08
0.69	0.00	(d) Short-term provisions	0.69	0.00
145.90	**236.02**	**Sub-total - Current liabilities**	**146.83**	**236.82**
512.47	**486.24**	**TOTAL - EQUITY AND LIABILITIES**	**511.67**	**485.54**
		B ASSETS		
		1. Non-current assets		
132.01	137.50	(a) Fixed assets	132.01	137.50
2.28	2.29	(b) Non-current investments	6.66	6.80
61.90	62.06	(c) Deferred tax assets (net)	61.90	62.06
35.59	32.16	(d) Long-term loans and advances	30.25	26.81
3.98	3.98	(e) Other non-current assets	4.09	4.11
235.76	**237.99**	**Sub-total - Non-current assets**	**234.91**	**237.28**
		2 Current assets		
113.67	75.23	(a) Inventories	113.67	75.23
88.77	94.37	(b) Trade receivables	88.11	94.37
1.57	2.39	(c) Cash and cash equivalents	1.57	2.42
70.75	74.27	(d) Short-term loans and advances	71.46	74.26
1.95	1.99	(e) Other current assets	1.95	1.98
276.71	**248.25**	**Sub-total - Current assets**	**276.76**	**248.26**
512.47	**486.24**	**Total -TOTAL - ASSETS**	**511.67**	**485.54**

MIC Electronics Limited Hyd

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Auditor's Report on Annual Financial Results of MIC ELECTRONICS LIMITED pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors of MIC ELECTRONICS LIMITED

1. We have audited the accompanying statement of standalone financial results of **MIC ELECTRONICS LIMITED** ("the company') for the year ended 31 March, 2017 ("the statement"), being submitted by the company pursuant to the requirement of regulation 33 of the SEBI (Listing obligation and Disclosure Requirement) regulation ,2015 . This Statement , which is the responsibility of the Company's Management and approved by the board of directors ,has been prepared on the basis of related financial statements which is in accordance with the accounting standards ,prescribed under Section 133 of the Companies act, 2013 as applicable and other accounting principles generally accepted in India . Our responsibility to express an opinion on the statement

2. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered accountants of India Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure in the Statement .The procedures selected depend on the auditor judgment ,including the assessment of the risk of material misstatement of the statement , weather due to fraud or error . in making those risk assessment , the auditor consider internal control relevant to the company's preparation and fair presentation of the statements in order to design audit procedure that are appropriate in the circumstances , but not for the purpose of Expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the statement

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

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3. *Basis for Qualified Opinion*

(1) Reference is invited to Note 3.07 of the financial statements, The Company has not provided the interest on term loans for Rs.1.17 crores for the year ended 31st March 2017, since the company is pursuing the matter for settlement.

Under accounting principles generally accepted in India, the company should have made a provision for interest expense of Rs.1.17crores. Had the company made a provision for the same, the current year profit would have been lower by the said amount.

(2) Reference is invited to Note 3.12 of the financial statements, the Company's Capital Advances to the extent of Rs.9.30 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company made a provision for the same, the profit for the period would have been lower by the said amount."

(3) Reference is invited to Note 3.15 of the financial statements, the Company's Trade Receivables consists of Rs.9.76 crores that are very old and "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these receivables are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the profit for the period would have been lower by the said amount."

(4) Reference is invited to Note 3.17 of the financial statements, the Company's Other Advances to the extent of Rs.44.97crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the profit for the period would have been lower by the said amount."

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(5) Reference is invited to Note 3.27 of the financial statements, there are pending litigations against the company, not acknowledged by the company to the extent of Rs.3.42crores.There are material uncertainties regarding the outcome of these litigations where in an unfavourable decision could result in a outflow of cash flows for the company.

4. Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the point no 3 above, these quarterly financial results as well as the year to date results:

a) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

b) give a true and fair view of the net loss and other financial information for year to date results for the period from 01/04/2016 to 31/03/2017

5. The statement includes the result for the quarter ended 31st March, 2017 being the balancing figure between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.

For PAVULURI&Co.
Chartered Accountants
Firm Reg. No:012194S

PAVULURI & CO. Hyderabad F.No: 012194S Chartered Accountants

(CA N. RAJESH)
PARTNER
M.No : 223169

Place : Hyderabad
Date : 10/05/2017

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Auditor's Report on Consolidated Annual Financial Results of MIC ELECTRONICS LIMITED pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors of MIC ELECTRONICS LIMITED

1. We have audited the consolidated financial results of **MIC ELECTRONICS LIMITED** ("the company') for the year ended 31 March, 2017 ("the statement"), being submitted by the company pursuant to the requirement of regulation 33 of the SEBI (Listing obligation and Disclosure Requirement) regulation ,2015 . This Statement , which is the responsibility of the Company's Management and approved by the board of directors ,has been prepared on the basis of related financial statements which is in accordance with the accounting standards ,prescribed under Section 133 of the Companies act, 2013 as applicable and other accounting principles generally accepted in India .

   We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

2. ***Basis for Qualified Opinion***

i. Reference is invited to Note 3.07 of the consolidated financial statements, The Company has not provided the interest on interest on term loans for Rs.1.17crores for the year ended 31st March 2017, since the company is pursuing the matter for settlement.

   Under accounting principles generally accepted in India, the company should have made a provision for interest expense of Rs.1.17 crores. Had the company made a provision for the same, the current year profit would have been lower by the said amount.

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ii. Reference is invited to Note 3.12 of the consolidated financial statements, the Company's Capital Advances to the extent of Rs 9.30 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company made a provision for the same, the profit for the period would have been lower by the said amount."

iii. Reference is invited to Note 3.15 of the consolidated financial statements, the Company's Trade Receivables consists of Rs.9.76 crores that are very old and "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these receivables are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the profit for the period would have been lower by the said amount."

iv. Reference is invited to Note 3.17 of the consolidated financial statements, the Company's Other Advances to the extent of Rs.44.97 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the profit for the period would have been lower by the said amount."

v. Reference is invited to Note 3.27 of the consolidated financial statements, there are pending litigations against the company, not acknowledged by the company to the extent of Rs.3.42 crores. There are material uncertainties regarding the outcome of these litigations where in an unfavorable decision could result in a outflow of cash flows for the company.

3. Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the point no 3 above, these quarterly consolidated financial results as well as the consolidated year to date results:

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a) include the quarterly financial results and year to date results of the following entities.

- M/s.MIC Green Energy Solutions Pvt Ltd
- M/s. MIC Electronics Inc., USA

b) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

b) give a true and fair view of the consolidated net profit and other financial information for consolidated year to date results for the period from 01/04/2016 to 31/03/2017

Other Matters:

- We did not audit the financial statements of the subsidiary company M/s.MIC Green Energy Solutions Pvt Ltd for year ended 31st March 2017. The financial statements and financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

- We have also relied on the unaudited financial statements of subsidiary M/s. MIC Electronics Inc., USA for year ended 31st March 2017. These unaudited financial statements approved by the respective Board of Directors of these companies have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of this subsidiary company is based solely on such approved unaudited financial statements.

Our Opinion is not qualified in respect of other matters.

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4. The statement includes the result for the quarter ended 31st March, 2017 being the balancing figure between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.

for PAVULURI&Co.
Chartered Accountants
Firm Reg. No:012194S

PAVULURI & CO. Hyderabad F.No: 012194S Chartered Accountants

(CA N. RAJESH)
PARTNER
M.No : 223169

Place : Hyderabad
Date : 10/05/2017

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017:

[As per Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. In Crores)

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	233.40	233.40
2.	Total Expenditure	230.87	296.07
3.	Net Profit/(Loss)	2.53	(62.67)
4.	Earnings Per Share	0.14	(3.56)
5.	Total Assets	512.46	447.26
6.	Total Liabilities	512.46	447.26
7.	Net Worth	223.96	158.76
8.	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

i. Reference is invited to Note 3.07 of the financial statements, The Company has not provided the interest on term loans for Rs.1,17 crores for the year ended 31st March, 2017 as the company is pursuing the matter for settlement.

Under accounting principles generally accepted in India, the company should have made a provision for interest expense of Rs1.17 crores. Had the company made a provision for the same the current year profit would have been lesser by the said amount.

ii. Reference is invited to Note 3.12 of the financial statements, the Company's Capital Advances to the extent of Rs 9.30 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company made a provision for the same, the profit for the period would have been lesser by the said amount.

iii. Reference is invited to Note 3.15 of the financial statements, the Company's Trade Receivables consists of Rs.9.76 crores that are very old and "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these receivables are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the profit for the period would have been lesser by the said amount.

iv. Reference is invited to Note 3.17 of the financial statements, the Company's Other Advances to the extent of Rs.44.97 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the profit for the period would have been lesser by the said amount.

v. Reference is invited to Note 3.27 of the financial statements, there are pending litigations against the

company, not acknowledged by the company to the extent of Rs.3.42 crores. There are material uncertainties regarding the outcome of these litigations where in an unfavorable decision could result in cash outflows for the company.

b. **Type of Audit Qualification :** Qualified Opinion

c. **Frequency of qualification:**

The audit qualifications from **i to iv** are repetitive since 2012-13 financial year and **v** is repetitive from the financial year 2015-16.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

i. The company is pursuing for one time settlement with the lenders and the company is of the view that interest will be waived off and that no provision is necessary.

ii. Company has given advances to various suppliers for supply of capital goods for its LED Display Division's expansion projects. The management is closely pursuing with such suppliers for supply of such capital goods. We are insisting such suppliers to either supply the goods or refund the advance amount without further delay. The management is confident of adjustment of such capital advances and hence no provision has been made.

iii. Due to the prevailing recessionary trend in the industry in the last 4 to 5 years, significant portion of trade receivables remain uncollected. The management has setup a separate team for close monitoring and collection of such overdue receivables. The management is confident of collecting the overdue trade receivables over a period of time and hence no provision has been made.

iv. The above advances include a sum of Rs.1.90 Crores given as advance for acquisition of shares in those companies which are engaged in manufacture of LED lighting products and power electronics and the management is insisting such companies to allot/transfer shares at the earliest or else refund the invested amount. Balance of Rs.43.07 crores related to advances given to various suppliers for supply of materials / services in the ordinary course of business. The management is closely pursuing with such suppliers for supply of materials / services. We are insisting such suppliers to either supply the materials/services or refund the advance amount without further delay. The management is confident of adjustment of such advances and hence no provision has been made.

v. The litigation is still pending at Court and management is of the opinion that the result will be favorable to the company and hence no provision is necessary.

e. **For Audit Qualification(s) where the impact is not quantified by the auditor**: Not Applicable

(i) Management's estimation on the impact of audit qualification: Not Applicable

(ii) If management is unable to estimate the impact, reasons for the same:
Management is of the opinion that no provision is necessary during the financial year because of aforesaid reasons in (d) above.

(iii) Auditors' Comments on (i) or (ii) above:
We are of the opinion that based on the concept of the prudence and applicable accounting standards a provision is necessary in the books of accounts and hence qualified in our report.

III. Signatories:

Dr. M V Ramana Rao Managing Director	L N Malleswara Rao Executive Director & CFO
A V V S S C B Sekhar Babu Audit Committee Chairman	N Rajesh Statutory Auditor
Place: Hyderabad Date: 10.05.2017	