01 RESOLUTION PROFESSIONAL REPORT

Resolution Professional Report

In the matter of MIC Electronics Limited before Hon'ble National Company Law Tribunal, Hyderabad vide CP (IB) No. 24/7/HDB/2018.

The members are informed that pursuant to the order of the Hon'ble National Company Law Tribunal – Hyderabad Bench dated 13th March, 2018 ("NCLT Order"), Corporate Insolvency Resolution Process ("CIRP") has been initiated for the MIC Electronics Limited ("the Company") in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the related rules and regulations issued thereunder ("Code").

I, Mr. Prabhakar Nandiraju, was appointed as Interim Resolution Professional in terms of the NCLT Order and, subsequently, I was appointed as the Resolution Professional by the Committee of Creditors on 1st June, 2018 as per the provisions of the Code ("Resolution Professional").

The enclosed standalone and consolidated financial statements comprising Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss, the Cash Flow statement and the statement of changes in equity for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information of the Company (which is under CIRP in terms of The Insolvency and Bankruptcy Code, 2016) have been prepared by the Directors and CFO of the Company. As per their representations, financial statements comply with the Generally Accepted Accounting Principles (GAAP) in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Amendment Rules, 2016 and other pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Act, to the extent notified and applicable. The Resolution Professional has relied upon the representations and statements made by the Directors and CFO of the Company while reviewing the financial statements.

It is to be noted that the CIRP has commenced from 13th March, 2018, and accordingly the Resolution professional (RP) has relied on the Directors and CFO for the financial transactions prior to his engagement. Accordingly, prior to the appointment of the RP, the liability to authenticate all transactions rested solely on the erstwhile Board of Directors and not on the Resolution professional and the Resolution Professional specifically repudiates any liability arising out of the foregoing.

For this purpose and for purpose of reviewing the above mentioned financial statements, the Resolution Professional has relied upon the representations and statements of the directors and CFO of the Company.

The RP has only reviewed and taken note of the accompanying Financial Statements as "Identified Document" for submission to various statutory authorities, which have been prepared, submitted, approved and signed by Directors and CFO of the Company.

Date : 6th December, 2018
Place : Hyderabad

Prabhakar Nandiraju
Resolution Professional for MIC Electronics Limited
IP Registration No. IBBI/IPA-002/IP-No.00361/2017-2018/11030

02 NOTICE

Notice is hereby given that the 30th Annual General Meeting of MIC Electronics Limited will be held on Monday, 31st day of December, 2018, at 9.30 A.M. at the registered office of the Company situated at A4, Electronic Complex, Kushaiguda, Hyderabad, Telangana-500 062, to transact the following business:

MIC Electronics Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016 in terms of the order passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench with effect from 13th March 2018. Its affairs, business and assets are being managed by Mr. Prabhakar Nandiraju, Interim Resolution Professional appointed by the National Company Law Tribunal vide order dated 13th March 2018, and continued as Resolution Professional by the Committee of Creditors in its meeting held on 1st June 2018 under the provisions of the Code.

Ordinary Business

Item No: 1: Adoption of Financial Statements

To receive, consider and adopt:

a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2018 together with the Reports of the Board of Directors and the Auditors thereon; and

b) the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2018 together with the Report of the Auditors thereon.

By Order of the Resolution Professional
For MIC Electronics Limited
(Company Under Corporate Insolvency Resolution Process)

Sd/-

Place : Hyderabad
Dated : 06-12-2018

(M S Murali Krishnan)
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
2. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Members/ proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
6. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 25th December, 2018 to 31st December, 2018 (both days inclusive).

8. Members holding shares in electronic form are requested to intimate any change in their address and / or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. The Members holding shares in physical form are requested to advise any change of address and / or bank mandate immediately to M/s.Venture Capital and Corporate Investments Pvt.Ltd., 12-10-167, Bharat Nagar, Hyderabad – 500018.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Venture Capital and Corporate Investments Pvt. Ltd., 12-10-167, Bharat Nagar, Hyderabad –500 018.

10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

11. Members holding shares in physical form, identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

12. Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

13. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued there under, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a green environment. This is a golden opportune for every shareholder of MIC to contribute to the cause of Green Initiative. Members who have not registered their e-mail address with the Company are requested to register the same by submitting the letter to Venture Capital and Corporate Investments Pvt., Ltd.,12-10-167, Bharat Nagar, Hyderabad - 500 018.The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive communications in physical form, upon request.

14. Copies of the Annual Report 2017-2018 are being sent by electronic mode only to all the Members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2017-2018 are being sent by the permitted mode.

15. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form Members desirous of making nominations may procure the prescribed form from the Registrar& Share Transfer Agent Venture Capitaland Corporate Investments Pvt. Ltd., 12-10-167,Bharat Nagar, Hyderabad - 500 018 and have it duly filled and sent back to them.

16. In compliance with the provisions of Section 108 of the Act and the Rules framed there under, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

17. The facility for voting through electronic voting system or ballot or polling paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.

18. The Notice of the 30thAGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository

Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

19. Members may also note that the Notice of the 30th AGM and the Annual Report 2017-18 will be available on the Company's website www.mic.in.

20. The board of directors has appointed S R Vattikuti & Associates, Practicing Company Secretaries (C.P No. 13966) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

21. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

22. E- voting cut off date is 24th December 2018, E-voting opens from 28th December 2018 at 10.00 AM and ends on 30th December 2018 at 5.00 PM.

23. Members may please note that pursuant to the amendment in the Listing Regulations vide notification dated June 8, 2018, except in case of transmission or transposition of securities, request for effecting transfer of securities shall not be processed after April 1, 2019 unless the securities are held in dematerialized form with the depository.

23. The instructions for e-voting are as under:

Instructions for shareholders voting electronically are as under:

(i) The voting period begins on 28th December, 2018 at 10.00 hours IST and ends on 30th December, 2018 at 17.00 hours (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date is 24th December 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.comand voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

OR Date of Birth (DOB)	• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.comand register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) Mr. Srinivasa Rao Vattikuti, Practicing Company Secretaries (COP No.13966) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

03 DIRECTOR'S REPORT

To,

The Members,
MIC Electronics Limited

Under Corporate Insolvency Resolution Process (CIRP)

Pursuant to the orders of Hon'ble National Company Law Tribunal (NCLT), Hyderabad, Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of MIC Electronics Limited ("the Company") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") with effect from 13th March, 2018. Mr. Nandiraju Prabhakar has been appointed as Resolution Professional (RP) to carry out the activities relating to CIRP as per the rules, regulations and guidelines prescribed by the Code.

Since the company is under Corporate Insolvency Resolution Process (CIRP), as per the Code, from the date of appointment of the Resolution Professional –

(a) the management of the affairs of the company shall vest in the Resolution Professional.

(b) the powers of the Board of Directors company shall stand suspended and be exercised by the Resolution Professional.

(c) be responsible for complying with the requirements under any law for the time being in force.

Financial summary or highlights/Performance of the Company:

The financial performance of the Company for the financial year ended 31st March, 2018, is summarized below: (Standalone)

(Rs. in Crores)

Particulars	**Financial Year ended 31st March 2018**	**Financial Year ended 31st March 2017**
Revenue From Operations	164.17	250.87
Other income	1.17	2.15
Total income	165.34	253.02
Profit before Interest,		
Depreciation, Exceptional Item & Tax	(3.10)	4.45
Less: Depreciation	7.74	7.81
Interest	24.42	28.52
Profit before exceptional items and Tax	(35.27)	(31.88)
Exceptional Items	96.19	-
Profit / (Loss) before Tax	(131.46)	(31.88)
Tax: MAT credit Entitlement	-	(0.69)
Deferred Tax (Liability)/Asset	(59.85)	(2.21)
Profit / (Loss) after Tax	(191.31)	(34.77)
Other Comprehensive Income	0.56	(0.33)
Total Comprehensive Income	(190.75)	(35.10)
EPS - Basic (In Rs.)	(8.66)	(2.00)
Diluted (In Rs.)	(7.62)	1.68)

03 DIRECTOR'S REPORT

State of Company's Affairs

During the year under review, application was made by M/s SREI Equipment Finance Limited, one of the Financial Secured Creditor to National Company Law Tribunal (NCLT), for default in repayment of term loan installments. NCLT admitted the application on 13.03.2018 and passed orders for initiation of Corpoate Insolvency Resolution Process (CIRP).

During the year under review, the company received order from Telangana State Technology Services Ltd for supply, installation, commissioning and testing of Micro LED Display Board. The same has been successfully commissioned. This has paved way for opening potential business in future for Micro LED Display Boards.

The exceptional item of Rs.96.19 crores is towards depletion in the value of inventories which have become obsolete and not in usable conditions.

Dividend

As your company is under Corporate Insolvency Resolution Process (CIRP) and incurred losses the Resolution Professional expresses his inability to recommend any dividend for the financial year 2017-18.

Transfer to Reserves

The Company has during the period under review, has not transferred any amount to its General Reserves.

Changes in Share Capital

There is no change in the share capital of the Company during the year under review. During the period under review, conversion of 3,00,00,000 Preferential Convertible Share Warrants of Rs. 25/- each (i.e Face Value of Rs. 2/- at a premium of Rs. 23/-) allotted to the Investors is pending. The Company has applied for extension of time for a further period of 6 months and the said extension has not been granted by SEBI till date.

Deposits:

The Company has not invited/ accepted any deposits from the public during the year ended March 31, 2018. There were no unclaimed or unpaid deposits as on March 31, 2018.

Change in the Nature of Business, if any

During the year under review, there is no change in nature of business of the company and no material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company

Management Discussion and Analysis Report

Management's discussion and analysis report for the year under review, as stipulated under Clause 27(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

Employees Stock Options Plan 2006 (MIC ESOP 2006)

The Company had established MIC Electronics Limited Employees Welfare Trust in 2005 to create Employee Stock Option Plan.

On 12th August 2006, the Shareholders approved that ESOP to issue 4500000 (Face Value Rs.2/-) stock options of the Company to its employees through the trust.

Pursuant to the provisions of Guideline 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee stock purchase Scheme), Guidelines, 1999, the details of stock options as on 30th November 2010 under the MIC Electronics Ltd Employees Stock Options Plan, 2006 are as under:

During the year 7,49,100 shares which were lying in the trust were distributed to the employees. No employee was issued Stock Option, during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

Particulars of Employees

The details pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 enclosed as Annexure - I.

Further during the year under review, none of the employees are receiving remuneration as set out in Rule (5) (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Subsidiaries and Associates

During the year, the Board has reviewed the affairs of the Subsidiaries. In accordance with Section 129(3) of the Companies Act 2013 we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-1 is appended as Annexure II to the Board's Report. The statement also provides the details of performance, financial positions of each of the subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and accounts of each of its subsidiaries, are available on our website www. mic.co.in. These documents will also be available for inspection during business hours at our registered office in Hyderabad.

As on 31st March, 2018, the following are the subsidiaries:

1. MIC Electronics Inc.,USA
2. MIC Green Solutions Private Limited

Consolidated Financial Statements

The audited standalone and Consolidated Financial Statements of the Company which form part of the Annual Report have been prepared in accordance with the provisions of the Companies Act, 2013, the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Accounting Standards (AS-21) on consolidated Financial Statements and the Accounting Standard (AS-23) on Accounting for Investment in Associates.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis;

(e) The Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and

(f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statement on Declaration given by independent directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 27(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Particulars of Contracts or Arrangements with related parties:

Company has transactions with related parties, which were continuing from previous financial years. However all those are entered under ordinary course of business and are at arm's length transactions. Therefore, consent of the shareholders under Section 188 is not required. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 is prepared in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is enclosed as Annexure - III to this Report.

Corporate Social Responsibility (CSR)

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

Risk Management Policy

The Company has policy for identifying risk and established controls to effectively manage the risk. Further the Company has laid down various steps to mitigate the identified risk.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance as stipulated under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

Number of Meetings of the Board of Directors

The Board met six times during the financial year on 9-May-17, 4-Sep-17, 9-Sep-17, 11-Dec-17 and 12-Feb-18

The particulars of attendance of the Directors at the said meetings are detailed in the Corporate Governance Report of the Company, which forms a part of this Report. The intervening gap between the Meetings was within the period prescribed under the Act and Listing Regulations, 2015

The powers of the Board of Directors have been suspended w.e.f. 13.03.2018 pursuant to the orders dated 13.03.2018 of Hon'ble National Company Law Tribunal (NCLT) initiating, Corporate Insolvency Resolution Process (CIRP). Thereafter, no meetings were conducted by the Board of Directors.

Directors

Till initiation of CIRP proceedings, the Board of the Company has an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As the Board has been suspended, the retirement of directors has not taken place.

Details of Directors or Key Managerial Personnel who were appointed or have resigned during the year:

- Shri N Srinivasa Rao (00014636), resigned as Director of the company with effect from 19th July 2017.
- Shri Bharatiraju Vegiraju (DIN: 06939066) appointed as Additional Director of the company on 24th July 2017 and proposed for appointed as Independent Director for a period of 5 years up to 28th September, 2022 in the Annual General Meeting held on 29th September 2017. He resigned as Director on 25th August 2018 as Director.

Committees of the Board

Currently, the Board has three Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

A detailed note on the Board and its committees is provided under the corporate governance report section in this Annual Report.

The powers of the various committees mentioned above have also been suspended due to Insolvency process.

Detail Of Fraud As Per Auditors Report

There is no fraud in the Company during the period under review and this is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the financial year ended 31st March, 2018.

Statutory Auditors

The Statutory Auditors of the Company, M/s. Pavuluri & Co., were appointed at the 29th Annual General Meeting till the conclusion of the 33rd Annual General Meeting (AGM) of the Company.

Replies to the observations made in Auditor's Report:

Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

(a) Note 4(a) to the statement, in respect of preparation of financial statements of the Company on going concern basis. During the year the Company has incurred a Net Loss of Rs.190.75 crores resulting into accumulated losses of Rs.127.99 crores and erosion of its Net worth as at 31st March 2018. The Company has obligations towards fund based borrowings aggregating to Rs.182.14 crores, operational creditors and statutory dues, subject to reconciliation/verification that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable.

(b) Note 4(b) to the statement in connection with trade receivables, security deposits , loans and advances, other financial and current assets aggregating to Rs.48.85 crores. There is existence of material uncertainties over the realisability of these amounts due to various factors such as disputes, age of these assets etc. Had the aforesaid assets been provided for impairment, loss after tax for the year ended 31st March 2018 would have been higher by the said amount and other equity would have been lower by the said amount.

(c) Note 4(a) and 4(c) to the statement in respect of various claims submitted by financial creditors, operational creditors, workman or employee or authorized representative of workman or employees to Resolution Professional pursuing to IBC that are currently under consideration / reconciliation. Pending final reconciliation / admission of such claims by RP and NCLT, we are unable to comment on the consequential impact, if any, on the accompanying statement.

(d) Note 4(d) of the statement in respect of non availability of confirmation of various trade receivables, trade payables etc. In absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable.

(e) Note 4(e) of the statement in respect of non availability of physical verification reports of fixed assets aggregating to Rs.91.62 crores as at 31st March 2018 and no provision for impairment has been made. In the absence of

any alternative collaborative evidence we are unable to comment on the recoverability of the same. However, physical verification of inventory has been made by a registered valuer and the net realizable value of inventories has been taken in the books.

(f) Note 4(f) of the statement in respect of application for extension of time with SEBI by the company for another six months (i.e., upto 14.02.2018) for converting 3,00,00,000 share warrants given to M/s.Leyard Hongkong Co. Ltd. into equity shares . However, no extension has been granted by SEBI till date. We are of the opinion that the company should have forfeited the share warrants application money for an amount of Rs.18.76 crores since six months time for extension of time has been elapsed and no approval has been granted by SEBI. Had the company made a provision for the same the loss for the year would have been reduced by the said amount.

(g) Note 4(g) of the statement in respect of non provision of liability of the company of Rs.84.28 Crores in respect of some parties relating to borrowings upto 31.03.2018 as per the claims submitted by the parties to Resolution Professional since the matter is in litigation / settlement. Had the company made a provision for the same the loss after tax for the year ended 31st March 2018 would have been higher by the said amount and other equity would have been lower by the said amount.

(h) Note 4(h) of the statement in respect of non provision of interest expense of Rs.7.94 crores on operational creditors upto 31.03.2018 as per the claims submitted by the parties to the resolution professional since the company is in the process of pursuing the matter for settlement. Had the company made a provision for the same the loss after tax for the year ended 31st March 2018 would have been higher by the said amount and other equity would have been lower by the said amount.

(i) Note 4(i) of the statement in respect of non provision of liability against corporate guarantees issued to Andhra bank and Axis Bank Limited on behalf of M/s.Maave Electronics Pvt Ltd and M/s.Hyperion Green Energy India Pvt Ltd which have been invoked by banks but not acknowledged as debt by the company as the said companies are no longer related to MIC Electronics Limited. The total liability not acknowledged is Rs.8.76 crores as per the claims submitted by the said banks to Resolution Professional. Had the company made a provision for the same the loss after tax for the year ended 31st March 2018 would have been higher by the said amount and other equity would have been lower by the said amount.

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

i. The management is confident of recovery of trade receivables, security deposits, loans and advances, other financial and current assets and hence no provision has been made.

ii. The company has applied for extension of time with SEBI by another six months (i.e., upto 14.02.2018) for converting 3,00,00,000 share warrants given to M/s.Leyard Hongkong Co. Ltd. into equity shares . However, no extension has been granted by SEBI till date. The management hopes and wait for SEBI to extend the time line for conversion of share warrants and accordingly no forfeiture has been made in respect of the share warrants.

iii. The company has not provided liability of Rs.84.28 Crores in respect of some parties relating to borrowings upto 31.03.2018 as per the claims submitted by the parties to Resolution Professional since the matter is in litigation / settlement. The management of the company is confident of positive outcome of litigations or settlements.

iv. The company has not provided for interest expense of Rs.7.94 crores on operational creditors upto 31.03.2018 as per the claims submitted by the parties to the resolution professional since the company is in the process of pursuing the matter for settlement. The management of the company is confident of positive outcome of settlement.

v. The company has issued corporate guarantees issued to Andhra bank and Axis Bank Limited on behalf of M/s.Maave Electronics Pvt Ltd and M/s.Hyperion Green Energy India Pvt Ltd which have been invoked by banks but not acknowledged as debt by the company as the said companies are no longer related to MIC Electronics Limited. The total liability not acknowledged is Rs.8.76 crores as per the claims submitted by the said banks to Resolution Professional.

Internal Auditor

The Company has an in-house internal audit team which monitors the effectiveness of the internal control systems. It reports to the Audit Committee about the adequacy and effectiveness of the internal control system of your Company.

The recommendations of the internal audit team on improvements in the operating procedures and control systems are also presented to the Audit Committee and the business to use these as tools for strengthening the operating procedures.

Cost Auditor

As per the provisions of Section 148 of the Act read with Rules made thereunder, the company appointed M/s. BZR & Co., Practicing Cost Accountants as Cost Auditor for the purpose of auditing the Cost accounting records maintained by the company for the financial year 2017-18.

Secretarial Auditor

The Board has appointed S R Vattikuti & Associates, Company Secretaries to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as Annexure IV to this Report.

Replies to the observations made in Secretarial Auditor's Report:

Secretarial Audit Qualification (each audit qualification separately):

a. Non-Compliance of Section 138, read with rule 13 of Companies Accounts Rules,2014 with respect to Appointment of Internal auditor.

b. Non-filing of certain periodical forms including annual filings, MGT-14 etc.,with Registrar of Companies as and when event demands.

c. Prior-approval for listing of ESOPs under ESOP 2017 was not granted by the Stock Exchanges due to some further requirements.

d. Share warrants issued to M/s. Leyard Hongkong Co. Ltd., were not forfeited by the Company according to Regulation 4(3) of ICDR, 2009.

e. Non-compliance of Section 6(3) and 47 of the Foreign Exchange Management Act, 1999, read with Regulation No15 ofNotification No. FEMA.120/RB-2004 dated July 7, 2004, (GSR 757 (E) dated November 19, 2004) as amended, with respect to filing of Annual Performance Report and A.P. (DIR Series) Circular No.145 dated June 18, 2014.

f. Non-payment of dues with respect to Provident fund, ESI and Professional tax with respective departments and related compliance.

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

a. During the current financial year 2018-19, the internal auditor will be appointed and the internal audit will be strengthened with the guidance of the Internal Auditor

b. The filings will be set right in the current financial year 2018-19

c. The same will be complied with in the current financial year 2018-19

d. The company has applied for extension of time with SEBI by another six months (i.e., upto 14.02.2018) for converting 3,00,00,000 share warrants given to M/s.Leyard Hongkong Co. Ltd. into equity shares . However, no extension has been granted by SEBI till date. The management hopes and wait for SEBI to extend the time line for conversion of share warrants and accordingly no forfeiture has been made in respect of the share warrants.

e. Filing of Annual Performance Report is held up for certain clarifications sought and will be addressed and filed in the current financial year 2018.

f. Due to financial difficulties, the company could not remit the payment dues with respect to Provident fund, ESI and Professional tax with respective departments. However, the same will be regularized in the current Financial Year 2018-19.

Extract of the Annual Return

The Extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same has been placed in www.mic.in.

Material changes and commitments, if any, affecting the financial position of the company

During the year under review, application was made by M/s SREI Equipment Finance Limited, one of the Financial Secured Creditor to National Company Law Tribunal (NCLT), for default in repayment of term loan installments. NCLT admitted the application on 13.03.2018 and passed orders for initiation of Corpore Insolvency Resolution Process (CIRP). Sri Prabhakar Nandiraju was appointed by NCLT as Interim Resolution Professional. His appointment as Resolution Professsional was made by the Committee of Creditors (CoC) in their meeting held on 01.06.2018.

Against Expression of Interest invited by the Resolution Professional, 9 Resolution applicants expressed their interest to participate in submission of Resolution Plan. Out of 9 applicants, 8 applicants got qualified and out of 8 applicants, 3 Resolution Applicants namely M/s Cosyn Consortium, M/s Corpus Consortium and M/s Alchemist Asset Reconstruction Co Ltd submitted their Resolution Plans. CoC, in their meeting held on 12th November 2018 considered the Resolution Plan submitted by M/s Cosyn Consortium. After series of negotiations with the Resolution Applicant by the CoC, the final Resolution Plan submitted by M/s Cosyn Consortium on 05.12.2108 was approved on 06.12.2018 by the members of CoC present physically by casting their votes in favour of the Resolution Plan submitted by M/s Cosyn Consortium and voting percentage worked to 69%. On the same day, electronic voting lines were opened for the rest of the CoC members to cast their votes electronically by 7th December 2018. For the approved Resolution Plan is being intimated to Honorable NCLT, Hyderabad on 10-12-2018 for their approval.

Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future

Corporate Insolvency Resolution Process (CIRP) has been initiated under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") vide order dated 13th March, 2018 passed by Hon'ble National Company Law Tribunal (NCLT), Hyderabad. No other Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as Annexure - V to this Report.

Particulars of loans, guarantees or investments under section 186

Loans, Guarantees, Investments given during the Financial Year ended on 31st March 2018, which attracts the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, form part of the notes to the financial statements provided in this Annual Report.

Declaration with the compliance with the code of conduct by Members of the board and Senior Management personnel

The Company has complied with the requirements about code of conduct for Board members and Senior Management Personnel.

The said policy is available on the website of the Company.

Vigil Mechanism/Whistle Blower Policy

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website.

Mechanism for Board Evaluation

Clause 27(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 states that the board shall monitor and review the board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors.

Schedule IV of the Companies Act, 2013 states that the performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The Directors evaluation was broadly based on the parameters such as understanding of the Company's vision and objective, skills, knowledge and experience, participation and attendance in Board/Committee meetings; governance and contribution to strategy; interpersonal skills etc.

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Board Committees. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

A meeting of the Independent Directors was also held which reviewed the performance of Non-Independent Directors, Chairman and the quality, quantity and timelines of flow of information between the Company management and Board.

Disclosure pertaining to sexual harassment of women at workplace

The company as required under the provisions of "The Sexual Harassment of Women at Workplace (prohibition, Prevention and Redressal) Act, 2013" has framed a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Woman at Workplace and matters connected therewith of incidental thereto. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment

During the Financial year ended 31st March, 2018 the Company has neither received any complaints nor there are any pending complaints pertaining to sexual harassment.

Remuneration Policy :

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and fixing their remuneration. The Remuneration Policy is placed at the website www.mic.in.

Acknowledgements

The Management would also like to place on record their appreciation for the support & services of various Government & Quasi Government organizations like Department of Information technology & Communications, Department of Commercial Taxes, Customs & Central Excise, Income Tax, etc. The Management also thank the officials of the Bankers.

The Management would also like to thank the esteemed shareholders for their constant support, guidance & advice.

Sd/-
Prabhakar Nandiraju
Resolution Professional
for MIC Electronics Limited

Date : 06/12/2018
Place : Hyderabad

Annexure - I

PARTICULARS OF EMPLOYEES

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Director	Designation	Remuneration FY 17-18 (12 Months)	Remuneration FY 16-17 (12 Months)	% of Increase in Remune ration	Ratio of Remun-eration to MRE	Ratio of Remuneration to	
						Revenues FY-17-18	Net Profit FY 17-18
M.V. Ramana Rao	Managing Director	24,00,000	24,00,000	No Change	12.59	0.15%	--
L.N. Malleswara Rao	Executive Director & CFO	15,00,000	15,00,000	No Change	7.87	0.09%	--
Key Managerial Personnel							
M S Murali Krishnan	Company Secretary	9,98,400	NA	NA	5.24	0.06%	--

Remuneration paid to Independent Directors (Sitting Fee)

Name of Director	Remuneration FY 17-18 (12 Months)	Remuneration FY 16-17 (12 Months)	% Increase of Remuneration
Mr. N Srinivasa Rao	12,000	1,32,000	NIL
Mr. Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	1,44,000	1,56,000	NIL
Smt. V. Venkata Ramani	36,000	1,56,000	NIL
Mr. Bharatiraju Vegiraju	1,08,000	--	NIL

1. The Median Remuneration of the employees of the Company during the financial year was Rs. 1,90,677/- PA
2. In the financial year, there was a decrease of 5.51% in the median remuneration employees.
3. The number of permanent employees on the rolls of the Company as of March 31, 2018 and March 31, 2017 was 157 and 151 respectively.
4. Variations in the market capitalization of the Company:
   a. The Market Capitalization as on 31st March 2018 is Rs. 1,09,02,58,879/- and as on 31st March, 2017 is Rs. 3,40,29,29,229/- .
   b. Price earnings ratio of the Company as on 31st March, 2018 is (0.57) per share.

c. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer- The closing price of the company's equity shares on NSE as on 31st March, 2018 is Market Value Rs. 4.95/- Face value of Rs.2/- each representing a 83.5% of decrease over the IPO held on 2007 Market Value of Rs. 150/- each Face Value of Rs. 10/- per share.

Sub-division of shares held during the year 2008 face value of 10/- each as 2/- each.

5. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee

6. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - N.A. and

7. It is hereby confirmed that the remuneration is as per the remuneration policy of the Company.

Sd/-
Prabhakar Nandiraju
Resolution Professional
for MIC Electronics Limited

Date : 06/12/2018
Place : Hyderabad

Annexure II

Statement containing the salient features of the financial statements of subsidiaries

[Pursuant to first provision to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 – AOC-1]

(Amount in Rs.)

Name of the Subsidiary	Financial Period ended	Exchange Rate	Share Capital	Reserves & Surplus	Total assets	Total Liabilities(excluding share capital and reserves & surplus)	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for taxation	Profit/ (Loss) after Taxation	% of share holding
MIC Electronics Inc., USA	31.03.18	1 USD =65.13658	4,539,450	869,514	73,445,123	68,036,159	66,960,404	6,943	(460,715)	-	(460,715)	100%
*MIC Green Energy Solutions Private Limited	31.03.18	INR	100,000	-	11,513,319	1,051,339	-	-	-	-	-	100%

* Yet to commence operations of the business

Sd/-
Prabhakar Nandiraju
Resolution Professional
for MIC Electronics Limited

Date : 06/12/2018
Place : Hyderabad

Annexure III

Disclosure of Particulars of Contracts/Arrangements entered into by the Company

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. There are no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's-length basis

2. Contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arm's-length basis:

Sl	Name(s) of the related party	Nature of relationship	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Amount paid as advances if any (INR)
Advances to Subsidiary Companies					
1	MIC Green Energy Solutions Pvt. Ltd,	Subsidiary	Ongoing since Incorporation of the Company. (i.e 11/03/2009)	MIC Green Energy Solutions Pvt. Ltd. is a 100% subsidiary of MIC Electronics Limited.	---
2	MIC Electronics Inc. USA,	Subsidiary	Ongoing since Incorporation of the Company. (i.e 10/01/2007)	MIC Electronics Inc. USA, is a 100% subsidiary of MIC Electronics Limited.	---
Outstanding balances receivable from Subsidiaries					
	MIC Electronics Inc. USA,	Subsidiary	Ongoing	Supply of materials	---

Sl	Name(s) of the related party	Nature of relationship	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Amount paid as advances if any (INR)
Outstanding balances payable to Managerial Personnel					
Remuneration					
1.	M.V. Ramana Rao	Managing Director	NA	Remuneration of Rs. 24,00,000/- (including Perquisites of Rs. 7,20,00/-)	NIL
2.	L.N. Malleswara Rao	Executive Director	NA	Remuneration of Rs. 15,00,000/	NIL
Sitting Fee					
1	N. Srinivasa Rao	Independent Director	NA	Fee for attending Board Meeting of Rs. 1,53,600/-	NIL
2	A V S S C B Shekar Babu	Independent Director	NA	Fee for attending Board Meeting of Rs. 2,70,000/-	NIL
3.	V Venkata Ramani	Independent Director	NA	Fee for attending Board Meeting of Rs. 1,40,400/-	NIL
4	Bharatiraju Vegiraju	Independent Director	NA	Fee for attending Board Meeting of Rs. 97200/-	NIL

Note: Sitting Fee does not include Conveyance charges.

Sd/-
Prabhakar Nandiraju
Resolution Professional
for MIC Electronics Limited

Date : 06/12/2018
Place : Hyderabad

Annexure IV

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended 31st March, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
MIC Electronics Limited
CIN: L31909TG1988PLC008652
A-4/II, Electronic Complex,
Kushaiguda, Hyderabad – 500 062

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MIC Electronics Limited(hereinafter referred as the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the "Financial Year" ended on 31stMarch, 2018, (i.e. from 1stApril, 2017 to 31stMarch, 2018) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of

   A. Companies Act, 2013 (the "Act") and the rules made thereunder.

   B. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules madethereunder;

   C. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   D. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

   E. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

      (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

      (iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

      (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable

(vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;-Not Applicable

(vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not Applicable,and

(viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not Applicable.

F. The Management has identified and confirmed the following laws as specifically applicable to the Company:

a) Direct Tax Laws

b) Indirect Tax Laws/GST Act

e) The Finance Act

d) Labour Laws

e) Environmental Laws

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

(iii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

II. I further report that:

We have not reviewed the compliance of applicable financial laws including Direct and Indirect Tax laws by the Company as the same has been subject to review by the Statutory Auditors and others designated professionals.

In our opinion, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

g. Non-Compliance of Section 138, read with rule 13 of Companies Accounts Rules,2014 with respect to Appointment of Internal auditor.

h. Non-filing of certain periodical forms including annual filings, MGT-14 etc.,with Registrar of Companies as and when event demands.

i. Prior-approval for listing of ESOPs under ESOP 2017 was not granted by the Stock Exchanges due to some further requirements.

j. Share warrants issued to M/s. Leyard Hongkong Co. Ltd., were not forfeited by the Company according to Regulation 4(3) of ICDR, 2009.

k. Non-compliance of Section 6(3) and 47 of the Foreign Exchange Management Act, 1999, read with Regulation No15 of Notification No. FEMA.120/RB-2004 dated July 7, 2004, (GSR 757 (E) dated November 19, 2004) as amended, with respect to filing of Annual Performance Report and A.P. (DIR Series) Circular No.145 dated June 18, 2014.

l. Non-payment of dues with respect to Provident fund, ESI and Professional tax with respective departments and related compliance.

III. I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directorsand Women Director till initiation of Corporate Insolvency

Resolution Process. The powers of the existing Board of Directors of the Company are suspended and vested with the Resolution Professional the management of the affairs of the Company will be under the overall control, supervision and guidance of the Resolution professional from the date of the order till the completions of Corporate Insolvency Resolution Process.

2. Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent in advance as required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

4. All decisions of the Board and Committees were carried with requisite majority.

IV I further report that based on the information received and representation provided to us, there are adequate systems and processes in the company that commensurate with the size and operations of the company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

V. We further report that during the audit period the following events took place at the Company which had a bearing on the Company's affairs:

The Financial Creditors of the Company had initiated the Corporate Insolvency Resolution Process ("CIRP") due to the default made in repayment of borrowings and interest thereon. The Company was admitted to corporate insolvency resolution process vide order of the National Company Law Tribunal, ("NCLT") Bench, Hyderabad dated March 13, 2018 under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). The powers of the existing Board of Directors of the Company are suspended from the date of the order as per Section 17 of the IBC and vested with Mr. NandirajuPrabhakar, Resolution Professional.

For S R Vattikuti & Associates
Company Secretaries

Sd/-
Srinivasa Rao Vattikuti
Proprietor
C.P.No: 13966

Place : Hyderabad
Date : 11.07.2018

This Report is to be read with our letter of even date which is attached as Annexure –A and forms an integral part of this Report.

Annexure A

To,

The Members,
MIC Electronics Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Statutory and other records are the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company. We have relied on the report of the statutory auditor in respect of the same as per the guidance of the Institute of Company Secretaries of India.
4. Company was following system of obtaining reports from other departments to ensure compliance with applicable laws, rules, regulations and guidelines.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For S R Vattikuti & Associates
Company Secretaries

Sd/-
Srinivasa Rao Vattikuti
Proprietor
C.P.No: 13966

Place : Hyderabad
Date : 11.07.2018

Annexure V

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

1. Conservation of Energy:

Management has taken due care and conducted regular review of energy consumption and has taken immediate steps to curtail power consumption. Also adequate measures have been taken to conserve and reduce the energy consumption by using energy efficient computer monitors and other equipment. Air conditioners are used only when required and air conditioned areas have been treated with heat resistant material to reduce heat absorption.

2. Researches and Development:

(i) The efforts made towards technology absorption;- NIL

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution; NIL

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not Imported any technology

(a) The details of technology imported; NIL

(b) The year of import; NIL

(c) Whether the technology been fully absorbed; NIL

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; NIL

(iv) The expenditure incurred on Research and Development. NIL

3. Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Rupees in Lakhs

Particulars	31st March 2018 (12 Months)	31st March 2017 (12 Months)
Earnings	0.69	14.06
Outgo	232.25	645.42

Sd/-
Prabhakar Nandiraju
Resolution Professional
for MIC Electronics Limited

Date : 06/12/2018
Place : Hyderabad

ANNEXURE'S TO DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 27(2)of the Listing Agreement)

1) COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

MIC management continues to strive for excellence in Good Corporate Governance and Responsible Management Practices, benchmarking with best of global companies.

Your company believes that for a company to be successful it must maintain global standards of corporate conduct towards its stakeholders. The company believes that it is rewarding to be better managed and governed and to identify its activities with national interest. To that end, your company has always focused on good corporate governance which is the key driver of sustainable corporate growth and long term value creation.

Your company views corporate governance in its widest sense almost like a trusteeship, a philosophy to be progressed, a value to be imbibed and an ideology to be ingrained into the corporate culture.

It is not merely compliance and simply a matter of creating checks and balances; it is an ongoing measure of superior delivery of company's objectives with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to national need, shareholders benefit and employee growth, thereby delighting all its stakeholders, while minimizing the risks. The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness, fairness, accountability, propriety, equity, sustainable Value Creation, ethical practices and to develop capabilities and identify opportunities that best serve the goal of value creation, thereby creating an outperforming organization.

2) BOARD OF DIRECTORS

Composition and size of the Board:

As on 13th March, 2018, the Board of Directors comprises Six Directors out of which two of them are Executive Directors,one of them is Non-Independent & Non-Executive and the Three are Non-executive & Independent Directors. The names and categories of the Directors on the Board and also the number of Directorship and committee memberships held by them in other Companies are given below.

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors. The Board has no Institutional Nominee Directors.

According to Clause 27(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, if the Chairman is Executive Director, at least one half of the Board should consist of non-executive, Independent Directors. As provided below shows, this provision is met at MIC.

S.No.	Name of the Director	Director Identification Number (DIN)	Category
1	Dr. M V Ramana Rao	00010301	Promoter & Managing Director
2	Shri Atluri Venkata Ram (Resigned as Director with effect from 10th May 2018)	00753969	Non-Independent, Non Executive Director
3	Shri L N Malleswara Rao	00010318	Non-Independent, Executive Director

S.No.	Name of the Director	Director Identification Number (DIN)	Category
4*	Shri N Sreenivasa Rao (Resigned as Director with effect from 19th July 2017)	00014636	Independent, Non Executive Director
5	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	00692448	Independent, Non Executive Director
6	Smt. Venkata Ramani Vedula (Resigned as Director with effect from 10th May 2018)	01298522	Independent, Non Executive Director
7*	Shri Bharatiraju Vegiraju (Appointed as Additional Director on 24th July 2017and regularized as Independent Director at the AGM held on 29th September2017.) (Resigned as Director on 25th August 2018)	06939066	Independent, Non Executive Director

Meetings held and Attendance of Board Meetings:

During the financial year 2017-18, total of 6 (Six) Board Meetings were held.

The Dates on which the Board Meetings were held are: 10-May-17, 24-Jul-17, 4-Sep-17, 9-Sep-17, 12-Dec-17 and 12-Feb-18.

Attendance of Directors in the above said meetings:

Sr. No	Director	Attendance Particulars		
		Board Meetings		Presence at the Last AGM
		Held	Attended	
1	Dr. M V Ramana Rao	6	6	Yes
2	Shri Atluri Venkata Ram (Resigned as Director with effect from 10thMay 2018)	6	1	No
3	Shri L N Malleswara Rao	6	6	Yes
4	Shri N Sreenivasa Rao (Resigned as Director with effect from 19th July 2017)	2	1	Yes
5	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	6	6	Yes
6	Smt. Venkata Ramani Vedula (Resigned as Director with effect from 10th May 2018)	6	2	Yes
7	Shri Bharatiraju Vegiraju (Appointed as Additional Director on 24th July 2017 and regularized as Independent Director at the AGM held on 29thSeptember2017.) (Resigned as Director on 25th August 2018)	4	4	Yes

Gap between any of two of the Board meetings was not more than one hundred and twenty days.

The Information as required Clause 27(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 of the listing agreement is made available to the Board. The agenda and the related papers for consideration at the Board meeting are circulated sufficiently in advance of the Board Meetings.

Number of other Directorships and Committee Member / Chairmanships as on 31.03.2018:

S.No.	Director	Category	Other Directorship	Other Committee Membership	Other Committee Chairmanship
1	Dr. M V Ramana Rao	Promoter, Executive Director	2	-	-
2	Shri Atluri Venkata Ram (Resigned as Director with effect from 10th May 2018)	Non Independent, Non Executive	1	-	-
3	Shri L N Malleswara Rao	Non Independent, Executive	0	-	-
4	Shri N Sreenivasa Rao (Resigned as Director with effect from 19th July 2017)	Independent, Non-Executive	1	-	-
5	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	Independent, Non-Executive	1	1	1
6	Smt. Venkata Ramani Vedula (Resigned as Director with effect from 10th May 2018)	Independent, Non Executive	1	1	1
7	Shri Bharatiraju Vegiraju (Appointed as Additional Director on 24th July 2017 and regularized as Independent Director at the AGM held on 29th September 2017.) (Resigned as Director on 25th August 2018)	Independent, Non Executive	2	-	-

None of the directors on the board hold directorships in more than ten public companies and memberships in more than ten committees and they do not act as chairman of more than five committees across all companies in which they are directors.

Disclosure of relationship between directors inter-se:

None of the Directors of the Company are related to each other.

EVALUATION OF BOARD

In terms of Section 178(2) of the Companies Act, 2013 read with rules framed there under and part of schedule ii of listing regulations, the nomination & remuneration committee have evaluated the performance of each director, board and various committees for the financial year ended 31st March, 2018. The evaluation of the performance of each director was based on levelof participation in meetings, understanding the roles & responsibilities, understanding the strategic issues and challenges in the company. The evaluation of the performance of board was based on board composition, experience & competencies, understanding of businessand competitive environment, quality of discussions at the board meetings, time spent by the board on the company's long term goals and strategies. The independent directors at their meeting also

discussed the performance of the non executive directors including the chairman of the board. Based on the above broad parameters, the effectiveness of the board and its committees were found satisfactory.

Independent Directors

Your Company had at its Annual General Meeting (AGM) held on 30th September, 2014 has appointed Shri N. Srinivasa Rao and Mr. A A V V S S C B Sekhar Babu as an Independent Director to hold office for 5 (five) consecutive years. Smt. Venkata Ramani Vedula was appointed as Independent Director on 30th September 2015 to hold office for 5 (five) consecutive years. Shri N. Srinivas Rao resigned as Director with effect from 19th July, 2017. Shri Bharatiraju Vegiraju Appointed as Additional Director on 24th July 2017 and regularised as an Independent Director at the AGM held on 29th September 2017, Resigned as Director on 25th August 2018.

Independent Directors have submitted a declaration that they meet the criteria of Independence as per the provisions of Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. Company has issued the formal letter of appointment to the Independent Directors in the manner provided under the Companies Act, 2013.

Meeting of Independent Directors

The Independent Directors of the Company meet at least once in every financial year without the presence of Executive Directors or management personnel's. All Independent Directors strive to be present at such meetings.

During the Financial Year ended 31st March, 2018, 1 (one) meeting was held on 10th May2017.

Familiarization Programme for Independent Directors

Regulation 25(7) of the Listing Regulations mandates the Company to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. through various programmes.

The Company through its Managing Director/ Whole time Director/ Senior Managerial Personnel conduct programmes/ presentations periodically to familiarize the Independent Directors with the strategy, business and operations of the Company.

Such programmes/presentations will provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, services and product offerings, organization structure, finances, sales and marketing, human resources, technology, quality of products, facilities and risk management and such other areas as may arise from time to time. The above programme also includes the familiarization on statutory compliances as a Board member including their roles, rights and responsibilities. The Company also circulates news and articles related to the industry from time to time and provide specific regulatory updates.

The Familiarization programme for Independent Directors in terms of Regulation 25(7) of the LODR 2015 uploaded on the website of the Company.

PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS:

Pursuant to Regulation 17(10) of Listing Regulations, the performance evaluation of independent directors was done by the entire Board of Directors excluding independent director being evaluated. Broad parameters for reviewing the performance of Independent Directors amongst other include participation at the Board /Committee meetings, understanding their roles and responsibilities and business of the Company, effectiveness of their contribution/commitment, effective management of relationship with stakeholders, integrity and maintaining of confidentiality, exercise of independent judgment in the best interest of the Company, ability to contribute to and monitor corporate governance practice, adherence to the code of conduct for independent directors, bringing independent judgment during board deliberations on strategy, performance, risk management, etc.

3. BOARD COMMITTEES

The Company has the following standing committees on the Board

A) Audit Committee

The terms of reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the guideline set out in Clause 18(3) under Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Powers of Audit Committee

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The terms of reference, role and powers of the Audit Committee are as prescribed under Part C, Schedule II in terms of Regulation 18 of SEBI LODR Regulations read with Section 177 of the Companies Act, 2013 and includes overseeing of the Company's financial reporting process, reviewing with the management of the financial statements and the adequacy of the internal audit function, internal control and to discuss significant internal audit findings, statutory compliance and issues related to risk management and compliances.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

As on 31st March, 2018, the Audit Committee comprises the following Directors:

Name of the Director	Designation	Nature of Directorship
Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	Chairman	Independent Non Executive Director
Shri N Srinivasa Rao (Resigned as Director with effect from 19th July 2017)	Member	Independent Non Executive Director
Dr. V Venkata Ramani (Resigned as Director with effect from 10th May 2018)	Member	Independent Non Executive Director
Shri Bharatiraju Vegiraju (Appointed as Additional Director on 24th July 2017 and regularized as Independent Director at the AGM held on 29thSeptember 2017.) (Resigned as Director on 25th August 2018)	Member	Independent Non Executive Director

The Audit Committee consists of Three Independent who is financially literate as required by Clause 18(1) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Moreover, the Audit Committee has members who have accounting or related financial management expertise.

All recommendations made by the Audit Committee were accepted by the Board of Directors.

Audit Committee Meetings and Attendance:

During the Period 5 (Five) Audit Committee Meetings were held.

The Dates on which the Audit Committee Meetings were held are: 9-May-17, 4-Sep-17, 9-Sep-17, 11-Dec-17 and 12-Feb-18.

Sr. No	Director	No. of Meeting	
		Held	Attended
1.	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	5	5
2.	Shri N Srinivasa Rao	1	0
3.	Dr. V Venkata Ramani	5	1
4.	Shri BharatirajuVegiraju	4	4

The maximum time gap between any of two of the Audit Committee meetings was not more than one hundred and twenty days.

The Company Secretary acts as Secretary of the Audit Committee.

B) NOMINATION AND REMUNERATION COMMITTEE

The company's remuneration committee determines the company's policy's on the remuneration package of the Executive directors and approves the payment of remuneration to the Managerial Personnel.

The Broad terms of reference of Remuneration Committee are to determine on behalf of the Board and on behalf of Shareholders with agreed terms of reference, the Company's policy on specific remuneration package for executive directors, administration of Employees Stock Option Scheme and administration of employee compensation & benefit plans

As on 31st March 2018, the Composition of the committee as follows:

Name of the Director	Designation	Nature of Directorship	Profession
Dr. V Venkata Ramani	Chairperson	Independent Director	Service
Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	Member	Independent Director	Practicing Company Secretary
Shri N Srinivasa Rao (Resigned as Director with effect from 19th July 2017)	Member	Independent Director	Business
Shri Bharatiraju Vegiraju (Appointed as Additional Director on 24th July 2017 and regularized as Independent Director at the AGM held on 29thSeptember 2017.) (Resigned as Director on 25th August 2018)	Member	Independent Director	Practicing Company Secretary

The Nomination and remuneration committee consists of Three Independent who are qualified as required by Clause 19(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Nomination and remuneration committee Attendance:

During the Period I (one) Committee Meeting was held on 4th September 2017.

Name of the Director	No. of Meetings	
	Held	Attended
Dr. V Venkata Ramani	I	0
Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	I	I
Shri Bharatiraju Vegiraju	I	I

REMUNERATION PAID TO DIRECTORS:

Details of remuneration paid to the Executive Directors during the Period 2017-18 are given below:

Name of the Director	Relationship with other Directors	Business Relationship with company if any	Loans and advances from company	Total Remuneration (Rs.)
Dr. M V Ramana Rao	None	None	None	2400000
Shri L N Malleswara Rao	None	None	None	1500000

Note: Dr. M V Ramana Rao Remuneration excludes Rent free accommodation of Rs. 7,20,000/-

Non-Executive Directors Compensation:

As per the Provisions of Clause 17(6) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has not paid any compensation to non-executive Directors other than Sitting Fee for attending the Board Meeting. The Company has not issued any Stock Options to any Non-executive Directors, during the period under Review.

C) SHAREHODLERS'S RELATIONSHIP COMMITTEE:

Committee specifically looks into redressing of shareholders' and investors' complaints/grievances pertaining to share transfers, non- receipt of annual reports, dividend payments, issue of duplicate certificates, transmission(with or without legal representation) of shares and other miscellaneous complaints. The Committee oversees and review performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of Company's Code of Conduct for Prevention of Insider Trading in the company securities.

Composition of the Committee:

Name of the Director	Designation	Nature of Directorship	Profession
Shri N. Srinivasa Rao (Resigned as Director with effect from 19th July 2017)	Chairman	Independent Director	Business
Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	Member	Independent Director	Practicing Company Secretary

Name of the Director	Designation	Nature of Directorship	Profession
Dr. V Venkata Ramani (Resigned as Director with effect from 10th May 2018)	Member	Independent Director	Service
Shri Bharatiraju Vegiraju (Appointed as Additional Director on 24th July 2017 and regularized as Independent Director at the AGM held on 29thSeptember 2017.) (Resigned as Director on 25th August 2018)	Chairman	Independent Director	Practicing Company Secretary

Nomination and remuneration committee Attendance:

During the Period 1 (one) Committee Meeting was held on 12th February 2018.

Name of the Director	No. of Meetings	
	Held	Attended
Dr. V Venkata Ramani	1	0
Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	1	1
Shri Bharatiraju Vegiraju	1	1

Name & Designation of the Compliance officer : M S Murali Krishnan
Company Secretary

Email id for Investor Grievances: cs@mic.co.in

Number of shareholders complaints received so far.

At the beginning of the financial year pending complaints is 1. During the period the Company has received 1 complaint and resolved 1 complaint. There is 1 Pending complaint as on 31st March 2018.

During the Period there is no Shareholders' Relationship Committee Meetings during the period1st April 2017 to 31st March 2018.

The details of shares held by the Directors as on 31st March, 2018

Sr. No.	*Director*	Category	No. of Shares	% of Holding
1	Dr. M V Ramana Rao	Promoter, Executive Director	4644902	2.11
2	Shri Atluri Venkata Ram	Non-Independent, Non-Executive Director	2652255	1.20
3	Shri L N Malleswara Rao	Non-Independent, Executive Director	2424234	1.10
4	Shri Bharatiraju Vegiraju	Independent, Non Executive	-	-
5	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	Independent, Non Executive	-	-
6	Smt. VenkataRamaniVedula	Independent, Non Executive	-	-

4. SUBSIDIARY COMPANIES:

Subsidiary Companies as on 31st March 2018

1. MIC Electronics Inc (USA) in which Dr. M V Ramana Rao and Atluri Venkata Ram are Directors.
2. MIC Green Energy Solutions Private Limited (India) in which Dr M V Ramana Rao, Atluri Venkata Ram are Directors.

The Details of aforesaid Subsidiary Companies as required in accordance with Clause 27(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are provided in the Directors Report.

5. DETAILS OF GENERAL BODY MEETINGS:

Location and time of the last three AGM's / EGM's.

Financial Year	Date & Time	Venue	Nature of special resolutions, if any passed
2016-17	29-09-2017 11.00 A.M.	A-4/II, Electronic Complex, Kushaiguda, Hyderabad-62	1. Appointment of Mr. Vegiraju Bharathi Raju as an Independent Directors 2. Ratification of remuneration to Cost Auditor of the Company 3. Approval of MIC Electronics Limited ESOP 2017 4. Approval of grant of options to employees 5. Authorisation to NRC for implementation of ESOP 2017
	20-03-2017 11.00 A.M.	A-4/II, Electronic Complex, Kushaiguda, Hyderabad-62	Conversion of debt into equity shares
2015-16	30-09-2016 2.30P.M.	A-4/II, Electronic Complex, Kushaiguda, Hyderabad-62	NIL
2014-15	30-09-2015 3.30P.M.	Hall, Marigold by GreenPark, 7-1-25, Green Lands, Begumpet, Hyderabad - 500 016, Telangana	• Re-appointment of Dr. M V Ramana Rao (DIN 00010301), as Managing Director of the Company. • Re-appointment of Mr. L N Malleswara Rao (DIN 00010318), as Executive Director of the Company. • Alteration to the articles of association by Adoption of new set of Articles of Association of the Company. • Ratification of Resolution No. 2 of Extra-ordinary General Meeting held on 22nd August 2015 for allotment of Equity Share to Investors.
	22-08-2015 1.15 P.M	A-4/II, Electronic Complex, Kushaiguda, Hyderabad-62	• Increase of Authorised Capital and alteration of the Clause V of the Memorandum of Association. • Issue of equity shares on preferential basis to Investors. • Issue of Warrants convertible into equity shares on preferential basis to Investors.

Postal Ballot

No special resolution was put through postal ballot during the financial year 2017-18.

None of the business proposed to be transacted in the ensuing Annual General Meeting (AGM) require passing of a Special Resolution through postal ballot.

6. DISCLOSURES

- Related party transactions:

  No Transactions of material nature was entered in to by the Company with the related parties, Directors or the management, their subsidiaries or relatives conflicting with the Company's interest. Transactions with the related parties are disclosed in notes to accounts in the Annual Report.

- Penalties:

  No penalties have been imposed on the company by the stock exchanges where the company's shares are listed or by SEBI or any other statutory authority on any matter.

- Disclosure of Accounting Treatment:

  The Company follows the accounting standards as specified in the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts of the Audited Financial Statements for the Period ended 31st March 2018.

- Code of Conduct

  The Board has laid down a Code of Conduct covering the Ethical requirements to be complied with covering all the Board members and senior management personnel of the Company an affirmation of compliance with the code is received from them on an annual basis, which has been posted on the website www.mic.in

- CEO/CFO Certification

  The Chief Executive Officer and the Chief Financial Officer of the Company give certification on financial reporting and internal controls to the Board as required under Clause 27(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

- Appointment of Directors

  The Information required for appointment/re-appointment or regularization of Directors at the ensuing Annual General Meeting, is provided along with the AGM Notice and the explanatory Statement thereof.

- Compliance Reports:

  The Board has periodically reviewed the compliance reports of all laws applicable to the company and there are no instances of Non-compliances.

- Audit Qualifications:

  There are some qualifications in the financial statements and compliances of the Company for the Period ended 31st March 2018 detailed in the Directors Report.

- Whistle Blower Policy:

  Though the Company adopted whistle Blower Policy, no person is denied access to the Audit Committee.

- Risk Management

Business risk evaluation and management is an ongoing process within the organization. During the period under review, a detailed exercise on Business Risk Management (BRM) was initiated covering the entire gamut of business operations.

7. MEANS OF COMMUNICATION

- **Quarterly/Annual Results:** The Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges, immediately as they are taken on record/ approved. These financial results are normally published in Business Standard (English),Financial Express, Vishala Andhra and displayed on the Company's website www.mic.in
- **News Release, Presentation etc.:** The official news releases, detailed presentations made to media, institutional investors, financial analysis etc. are displayed on the Company's websitewww.mic.in
- **Website:** The Company's website www.mic.in contains separate dedicated section 'Investor information' where the shareholders information is available. Full Annual Report, Quarterly Results, Press Releases, Products and Services etc. are also available on the web-site in a user-friendly manner.
- **Ministry** of Corporate Affairs as a 'Green Initiative in the Corporate Governance' has issued a Circular no 17/ 2011 on 21 April 2011, permitting companies to service delivery of documents electronically on the registered members'/shareholders' email addresses under section 53 of the Companies Act, 1956.The company is accordingly proposing to send documents, such as Notice calling the general meeting, audited financial statements, directors' report, auditors' report etc in electronic form on the email ids provided by the shareholders & made available by them to the company through the depositories. Shareholders desiring to receive the said documents in physical form will continue to get the same in physical form.

  The company also files the following information, statements, reports on the website as specified by SEBI:

- Full version of the annual report including the balance sheet, profit and loss account, directors' report and auditors' report, cash flow statement, half-yearly financial statement and quarterly financial statements.
- Corporate governance report.
- Shareholding pattern.

8. GENERAL SHAREHOLDER INFORMATION

Date, Time& Venue of AGM	31st December 2018 at 9.30 AM at A-4/II, Electronic Complex, Kushaiguda, Hyderabad-500062 Telangana
Book Closure for AGM (Both days Inclusive)	25thDecember, 2018 to 31st December, 2018
Dividend Payment Date (if declared & approved)	NIL
Listing on Stock Exchanges	National Stock Exchange Ltd (NSE) Stock Code – MIC Bombay Stock Exchange Ltd (BSE) Stock Code – 532850
Registrars & Transfer Agents (RTA)	Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167,Bharatnagar, Hyderabad-500018 Tel: 040-23868257/258
Share Transfer System	Physical share transfers are processed and share certificates are returned to the Shareholders within a maximum Period of twenty one days from the date of receipt, Subject to the documents being valid and complete in all respects.

Dematerialization of shares	Company had Provided Demat facility through National Securities Depository Ltd & Central Depository Services Ltd ISIN: INE287C01029
CIN Number	L31909TG1988PLC008652
Outstanding GDRs / ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	Board of Directors of the Company at their meeting held on 15thFebruary 2016 allotted 3,30,00,000 convertible warrants of Rs.2/- each at a premium of Rs.23/- per warrant pursuant to in-principle approval received from your stock exchange vide your letter DCS/PREF/AM/PRE/695/2015-16 dated 4th February 2016 and from National Stock Exchange vide their letter NSE/LIST/59210 dated 28th January 2016. One of the warrant holder Leyard (Hong Kong) Co. Limited requested for 6 months' time for exercising their option to convert outstanding 3,00,00,000 Warrants into Equity Shares. To obtain necessary permission from the relevant statutory authorities for extension of time. To obtain the further extension of time application submitted to Securities and Exchange Board of India (SEBI), for extension of time limit for conversion of 3,00,00,000 Warrants into Equity Shares beyond 18 months from the date allotment under SEBI (ICDR) Regulations 2009. Another allottee Shri Puja Kamineni has not exercised the option to subscribe the equity shares underlying the warrants on or before the 15thAugust 2017 (i.e. 18 months from the date of allotment), hence all the 30,00,000 warrants stands cancelled. Based on the application submitted, Securities and Exchange Board of India (SEBI), vide their letter CFD/DIL-1/OW/19491/2017 stating that not to extend the conversion period of warrants into equity shares beyond 18 months. In this regard, further application has been submitted to the Chairman of SEBI for reconsideration of our application for extension of time limit for conversion of warrants into equity shares. ESOP 2017 plan approved by the shareholders at their 29th Annual General Meeting held on 29th September 2017. In-principal approval applied to National Stock Exchange Limited and Bombay Stock Exchange Limited, awaited for approval from stock exchanges.
Plant Locations	MIC Electronics Limited - EOU Plot No.192/B, Ground &Mazanine Floor, Phase-II, IDA, Cherlapally, Hyderabad - 500051 MIC Electronics Limited, Plot No.192/B, Ist Floor, IDA Phase-II, Cherlapally, Hyderabasd - 500051 MIC Electronics Limited, IP 47, Raipur, SahkariAudyogicKshetra, Raipur, BhagwanpurRoorkee, Uttarakhand, India - 247667
Address for Correspondence	Mr. M S Murali Krishnan Company Secretary MIC Electronics Limited A-4/II, Electronic Complex, Kushaiguda, Hyderabad-500062, Andhra Pradesh Email - cs@mic.co.in

- **Market Price data: High / Low during each month in the Period 2017-18 and performance in comparison to broad based indices such as NSE Nifty and BSE SENSEX.**

MONTH & YEAR	NSE (IN RS.)		NIFTY		BSE (IN RS.)		SENSEX	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
Apr-17	16.00	13.65	9367.15	9075.15	15.95	13.63	30184.22	29241.48
May-17	14.25	9.45	9649.60	9269.90	14.25	9.42	31255.28	29804.12
Jun-17	11.80	9.70	9709.30	9522.50	11.79	9.77	31522.87	30680.66
Jul-17	10.00	7.75	10114.85	9543.55	9.98	7.85	32672.66	31017.11
Aug-17	8.75	6.75	10137.85	9685.55	8.73	6.20	32686.48	31128.02
Sep-17	9.30	7.30	10178.95	9687.55	9.30	7.51	32524.11	31081.83
Oct-17	9.40	7.40	10384.50	9831.05	9.43	7.36	33340.17	31440.48
Nov-17	11.80	7.70	10490.45	10094.00	11.80	7.71	33865.95	32683.59
Dec-17	12.60	8.45	10552.40	10033.35	12.67	8.60	34137.97	32565.16
Jan-18	9.85	8.50	11171.55	10404.65	10.05	8.35	36443.98	33703.37
Feb-18	8.95	6.65	11117.35	10276.30	9.00	6.73	36256.83	33482.81
Mar-18	7.15	4.35	10525.50	9951.90	7.22	4.30	34278.63	32483.84

- **Distribution of Shareholding as on 31st March 2018**

Shares	Holders		Shares	
	Number	% To Total	No of Shares	% To Total
Upto - 500	32489	60.83	6445525	2.93
501 - 1000	7956	14.9	6963896	3.16
1001 - 2000	5145	9.63	8375702	3.8
2001 - 3000	2182	4.09	5744017	2.61
3001 - 4000	1034	1.94	3784283	1.72
4001 - 5000	1110	2.08	5354447	2.43
5001 - 10000	1807	3.38	14029324	6.37
10001 and above	1685	3.15	169557125	76.98
Total	53408	100	220254319	100

- **Share holding pattern as on 31st March 2018.**

Category	Holding as on 31-03-2018	% of Holding
BODIES CORPORATE	51052994	23.18
CLEARING MEMBER	3114185	1.41
CENTRAL/STATE GOVERNMENT(S)	0	0.00
FINANCIAL INSTITUTIONS/BANKS	216773	0.10
FOREIGN BODIES CORPORATE	0	0.00
FOREIGN INSTITUTIONAL INVESTORS	0	0.00
INSURANCE COMPANIES	0	0.00
MUTUAL FUNDS/UTI	0	0.00
NON RESIDENTIAL INDIVIDUALS	11276152	5.12
FOREIGN NATION	0	0.00
FOREIGN PORTFOLIO INVESTORS -INDIVIDUAL(FPI)	0	0.00
FOREIGN PORTFOLIO INVESTORS - CORPORATE(FPI)	0	0.00
PROMOTER AND PROMOTER GROUP	35237347	16.00
PUBLIC	119356143	54.19
TRUST	725	0.00
TOTAL	220254319	100.00

Sd/-
PrabhakarNandiraju
Resolution Professional
For MIC Electronics Limited

Date : 06/12/2018
Place : Hyderabad

DECLARATION

As provide under Clause 27(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchange, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the Period ended 31st March 2018.

Sd/-
Prabhakar Nandiraju
Resolution Professional
For MIC Electronics Limited

Date : 06/12/2018
Place : Hyderabad

04 CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
MIC Electronics Limited
Hyderabad

We have examined the compliance of Corporate Governance by MIC Electronics Limited ("the Company"), for the year ended 31st March, 2018, as per the relevant provisions of the Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations and representation given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreements.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S R Vattikuti & Associates**
Company Secretaries

Sd/-
V. Srinivasa Rao
Proprietor
C P No. 13966

Place : Hyderbad
Date : 06-11-2018

05 RESOLUTION PROFESSIONAL AND CHIEF FINANCIAL OFFICER CERTIFICATION

To

The Members

MIC Electronics Limited

We Prabhakar Nandiraju, Resolution Professional, and L N Malleswara Rao, Director & CFO of M/s. MIC Electronics Limited, to the best of our knowledge and belief,

We certify that :

1. We have reviewed financial statements and the Cash Flow statement for the period ended on 31st March 2018 and that to the best of our knowledge and belief :

   i) These statements do not contain any materially untrue statement of omit any material fact or contain statements that might be misleading.

   ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or volatile of the company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and the Audit committee that there are no :

   i) Significant changes in internal control over financial reporting during the year.

   ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

   iv) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).

   v) We further declare that all Board Members and designated Senior Management have affirmed compliance with the Code of Conduct for the Current year.

For MIC Electronics Limited

	Sd/-	Sd/-
Date : 06/12/2018	**Prabhakar Nandiraju**	**L N Malleswara Rao**
Place : Hyderabad	Resolution Professional	Director & CFO
		(DIN : 00010318)

(A) LED LIGHTING AND DISPLAY PRODUCTS

LED based products – Lighting and Displays – have become the accepted standard in their respective sectors because of their proven ability to reduce energy costs by more than half, ability to last many times more than current lighting or display alternatives and because they have significantly lower life time costs. Nearly every available market research report, including those from stalwarts like Frost and Sullivan, predicts double digit growth for these products for the next several years. India is often cited as the single largest and possibly strongest growth market for these products.

Having become established in the traditional lighting and Display sectors, the industry and markets are now embracing the use of "smart" lights and displays following the acceptance in broader market spaces of emerging Internet of Things devices and intelligent management networks for remote management of street lights and Out of Home advertising displays.

Prime Minister Modi's declaration at the Davos conference of World Leaders earlier this year that Climate Change is possibly the greatest threat mankind has faced and that India will step up to provide leadership as necessary to mitigate the effects of this only adds to the urgency and credibility of these reports. Energy Conservation and Renewable Energy Products are important foundations for such mitigation plans – and LED products are a key ingredient in such efforts.

The street light market in LED lighting, both grid connected as well as solar powered off grid lighting products are the areas to focus. And by extension smart street lights and accompanying management networks. Retail home lighting has become a commoditized supply market with little to distinguish between suppliers.

Street lighting market overall is estimated to be an approximately Rs. 30,000 Cr market of which solar street lights are about Rs. 2000 cr and Smart or Connected systems and components comprise about Rs. 12000 Cr.

Global LED Display Market In 2017 reached US$ 5.092 billion. Of this, the indoor fine pitch display (=P2.5) market in 2017 was US$ 1.141 billion with a CAGR of 12% between 2017-2021. The Micro LED market is expected to reach US$ 2.891 billion by 2025.

The Indian Market projections cumulative till 2023 are US$ 1.6 billion. These comprise LED Bill boards, Shopping malls and Digital Posters, Video walls deployed in Control Rooms, Displays in Conference rooms and Home Theaters. Additional areas of application include, Transportation Display Systems, Amusement Parks, Amphitheater and Television Studio, Events and Stadiums.

The above forecast does not include emerging Cinema screen market for large format fine pitch LED Displays, especially micro LED based Displays. Premium large format screens are the fastest growing segment in the cinema screen market, with the leading growth coming from the Asia Pacific Region.

MIC Electronics product portfolio matches these requirements well. Further, the industry and market moves to Smart and Networked systems can be of benefit to MIC in a couple of ways. First, the technical and product skills required are those which are intrinsic to MIC deriving from its successful foray into the telecommunications software and systems market much earlier in its history and continuing to be exercised today. Second, these products and systems can enable the pursuit of an "asset light" strategy for the company, minimizing the immediate need for large capital investments to scale the production of such items.

The overview of MIC's offering is as follows:

- Grid connected LED Street Lights, Industrial Lights & Indoor Lights – a wide range of products (25 variants) from12Watt to 400Watt with industry leading luminous efficacy > 120 lumen / watt, IP65 Compliant design and Smart LED Street Lights
- Solar (off-grid) LED Street Lights, LED Lanterns & Home Lighting Kits – rangeincludes 7W (MNRE-Model-III), 10W, 18W, 21W, 36W & 42W with an integrated LiFePO4 Battery pack, luminous efficacy > 139 lumen/watt. The Solar LED Lanterns are of three capacities (3W, 5W, 7W). Solar Home Lighting Kits include Pure DC type and AC-DC type.

- Railway Coach LED Lighting includes 18 variants of DC Coach Lighting products for retrofit as well as for new coaches and Emergency Coach Lights
- Display Products include those for Bill boards, Shopping malls and Digital Posters, Control roomsConference rooms, Home Theaters, Transportation Display Systems, Special Events, Stadiums, Amusement Parks and Amphitheaters. For Indoor as well as outdoor applications with Pitch sizes, depending on application but typically ranging from 1 to 4 mm indoor, and 4 to 10 mm outdoor
- RDSO (Indian Railways) approved specialty displays for passenger information and convenience
- MIC's newest offering, patent application pending, is a micro LED based <2 mm pitch offering that is at the cutting edge of LED Display technology, on a worldwide basis, and which offers not only the best picture by far of any technology at comparable pitch, but also offers energy consumption reduction potential on a sft by sft basis many times that of traditional LED or LCD screens. MICs micro LED product has already been deployed andis in continuous use in the Command and Control room facility of one of India's largest municipal corporations.

(B) Future Outlook

The recent passage of the IBC (Insolvency & Bankruptcy Code) has been a major change in the environment for the company.

SREI, one of the Secured Financial Creditor of the company filed an application before the Hon'ble National Company Law Tribunal (Hyderabad) for initiation of Corporate Insolvency Resolution Process ("CIRP") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC") against the Company.

The NCLT Hyderabad Bench admitted the said application vide its order dated March 13, 2018 ordering the commencement of CIRP against the Company and thereby automatically suspending the powers of the existing Board of Directors of the Company as per Section 17 of the IBC and vesting with Mr. Nandiraju Prabhakar, Resolution Professional.

The Resolution Professional has invited Expression of Interest from the prospective bidders for submission of Resolution Plans for revival of the Company. The Committee of Creditors in their meeting held on 06.12.2018 approved the Resolution Plan for revival of the company by M/s Cosyn Consortium who submitted their Resolution Plan on 05.12.2018. The approved Resolution Plan is being submitted to Hon'ble NCLT, Hyderabad on 06.12.2018 for their approval.

After the approval of the Resolution Plan by Hon'ble NCLT, Hyderabad, necessary funds will be infused by M/s Cosyn consortium to repay the loans and other liabilities as per the plan submitted. Necessary Working Capital funds also will be infused into the company to revive the business.

Sd/-
PrabhakarNandiraju
Resolution Professional
For MIC Electronics Limited

Date : 06/12/2018
Place : Hyderabad

07 INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

To

The Members of
MIC Electronics Limited

1. **Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC) :**

   The Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") on 13th March 2018 admitted an insolvency and bankruptcy petition filed by a financial creditor against MIC Electronics Limited ("the Company") and appointed Mr. N. Prabhakar to act as Interim Resolution Professional (IRP) with direction to initiate appropriate action contemplated with extent provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules. Mr N. Prabhakar was subsequently confirmed by the Committee of Creditors (CoC) as the Resolutional Professional (RP).

2. **Report on the Standalone Financial Statements :**

   We have audited the accompanying Ind AS standalone financial statements of MIC Electronics Limited("the Company") having registered office at A4, Electronic Complex, Kushaiguda, Hyderabad – 500 062 which comprise the Balance Sheet as at 31 March, 2018, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement, Statement of changes in equity and a summary of the significant accounting policies and other explanatory information for the year then ended.

3. **Management's Responsibility for the Ind AS Financial Statements :**

   The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Pursuant to ongoing Corporate Insolvency Resolution Process (CIRP) powers of the board of Directors have been suspended and these Powers are now vested with Resolution Professional (RP).

4. **Auditors' Responsibility:**

   Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

5. Basis for Qualified opinion :

We refer to following notes to standalone financial statements.

(a) Note 3.46 of the standalone financial statements, in respect of preparation of financial statements of the Company on going concern basis. During the year the Company has incurred a Net Loss of Rs.190.75 crores resulting into accumulated losses of Rs.127.99 crores and erosion of its Net worth as at 31st March 2018. The Company has obligations towards fund based borrowings aggregating to Rs.182.14 crores, operational creditors and statutory dues, subject to reconciliation/verification that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable.

(b) Note 3.47 to the standalone financial statements, in connection with trade receivables, security deposits , loans and advances, other financial and current assets aggregating to Rs.48.85 crores. There is existence of material uncertainties over the realisability of these amounts due to various factors such as disputes, age of these assets etc. Had the aforesaid assets been provided for impairment, loss after tax for the year ended 31st March 2018 would have been higher by the said provision and other equity would have been lower by the said provision.

(c) Note 3.48 to the standalone financial statements in respect of various claims submitted by financial creditors, operational creditors, workman or employee or authorized representative of workman or employees to Resolution Professional pursuing to IBC that are currently under consideration / reconciliation. Pending final reconciliation / admission of such claims by RP and NCLT, we are unable to comment on the consequential impact, if any, on these financial statements.

(d) Note 3.49 of the standalone financial statements in respect of non availability of confirmation of various trade receivables, trade payables etc. In absence of alternative corroborative evidence, we are unable to comment to the extent to which such balances are recoverable.

(e) Note 3.50 of the standalone financial statements in respect of physical verification reports of fixed assets aggregating to Rs.91.62 crores as at 31st March 2018. The management is still in the process of reconciliation of quantities as per verification reports with fixed assets records. Pending such reconciliation, physical verification and in the absence of any alternative collaborative evidence, we are unable to comment if there is any provision for impairment that is required to be made. However, physical verification of inventory has been made by a registered valuer and the net realizable value of inventories has been taken in the books.

(f) Note 3.51 of the standalone financial statements in respect of application for extension of time with SEBI by the company for another six months (i.e., upto 14.02.2018) for converting 3,00,00,000 share warrants given to M/s.Leyard Hongkong Co. Ltd. into equity shares . However, no extension has been granted by SEBI till date. We are of the opinion that the company should have forfeited the share warrants application money for an amount of Rs.18.76 crores since six months time for extension of time has been elapsed and no approval has been granted by SEBI. Had the company forfeited these amounts, the share warrants application money would have been squared off and the share forfeiture account would have been increased by the said amount.

(g) Note 3.52 of the standalone financial statements in respect of non provision of liability of the company of Rs.84.28 Crores in respect of some parties relating to borrowings upto 31.03.2018 as per the claims submitted by the parties to Resolution Professional since the matter is in litigation / settlement as per the explanations provided by the management. Had the company made a provision for the same the loss after tax for the year ended 31st March 2018 would have been higher by the said amount and other equity would have been lower by the said amount.

(h) Note 3.53 of the standalone financial statements in respect of non provision of interest expense of

Rs.7.94 crores on operational creditors upto 31.03.2018 as per the claims submitted by the parties to the resolution professional since the company is in the process of pursuing the matter for settlement. Had the company made a provision for the same the loss after tax for the year ended 31st March 2018 would have been higher by the said amount and other equity would have been lower by the said amount.

(i) Note 3.54 of the standalone financial statements in respect of non provision of liability against corporate guarantees issued to Andhra bank and Axis Bank Limited on behalf of M/s.Maave Electronics Pvt Ltd and M/s.Hyperion Green Energy India Pvt Ltd which have been invoked by banks but not acknowledged as debt by the company as the said companies are no longer related to MIC Electronics Limited. The total liability not acknowledged is Rs.8.76 crores as per the claims submitted by the said banks to Resolution Professional. Had the company made a provision for the same the loss after tax for the year ended 31st March 2018 would have been higher by the said amount and other equity would have been lower by the said amount.

6. Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except of the effects of the matters described in para 5(g), 5(h), 5(i) (i.e, had our observation been considered the total comprehensive loss for the period would have been Rs.(291.74) crores, other equity would have been Rs.(228.97) crores and Earning per share for the period would have been Rs.(13.25) and possible effects of the matters described in para 5(a), 5(b), 5(c), 5(d), 5(e) & 5(f) in the basis for qualified opinion, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its losses (including comprehensive income), its cash flows and the changes in equity for the year ended on that date.

7. Emphasis of matters:

Attention is invited to:

(a) Note 3.55 of the standalone financial statements in respect of the claim received from Income tax regarding TDS arrears of Rs.5.32 crores. However, as per company's records, only Rs.3.55 crores is liable towards TDS, Interest & penalty and an amount of Rs.1.77 crores is not liable and details have been provided to the IT Department by Resolution Professional.

(b) Note 3.56 of the standalone financial statements in respect of the claim received for VAT/CST by the Telangana commercial taxes department for Rs.2.15 crores. However, the company has provided only Rs.0.93 crores in the financials of the company. A reconciliation statement has been provided to the Commercial tax department by the Resolution Professional.

(c) Note 3.03 and 3.04 of the standalone financial statements in respect of investments and loans and advances to MIC Electronics Inc, USA (related party) against which a provision for impairment has been made for Rs.2.27 crores and Rs.5.27 crores respectively. However, no necessary forms/ intimations have been made to RBI in respect of matters relating to the investment and impairment.

Our report is not qualified in respect of these matters.

8. Other Matters :

We did not audit the separate financial statements of two subsidiary companies included in the standalone financial statements, out of which one of the companies financial results have not been subjected to audit.

According to the information and explanations given to us by the Management, these financial statements /financials information, in aggregate, are not material to the Company. Hence, we are unable to comment on the consequential impact, if any, on the financial statements.

9. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

2. As required by section 143 (3) of the Act, we report that:

   a. Except of the matters as described in the "Basis for qualified opinion" paragraph, we sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b. Except for the effects / possible effects of the matters described in the "Basis for qualified opinion" paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) , the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion due to the matters described in the "Basis for qualified opinion" paragraph, the aforesaid standalone financial statements do not comply with the Accounting Standards prescribed under section 133 of the Act, as applicable;

   e. The matter described in the "Basis for qualified opinion" and emphasis of matters paragraph above, may have an adverse effect on the functioning of the Company.

   f. In the term of section 17 (1) (b) of the Insolvency and Bankruptcy Code, 2016 ("the Code"), the powers of the board of directors have been suspended and be exercised by the interim resolution professional. Hence, written representation from directors have not been taken on record by the Board of Directors. Accordingly, we are unable to comment whether none of the director is disqualified as on March 31, 2018 from being appointed as a director in the terms of Section 164 (2) of the Act.

   g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the "Basis for qualified opinion" paragraph above;

   h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a disclaimer of opinion on the Company's internal financial controls over financial reporting.

   i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the information and explanations given to us:

      i. The company has disclosed the impact of pending litigations on its financial position to the extent ascertained, in its standalone financial statements;

      ii. Except for the effect/possible effects of the matters described under "Basis for qualified opinion" paragraph, the company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The company did not have any derivative contracts;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018;

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

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

Place: Hyderabad
Date: 11.07.2018

07 ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

1) (a) Subject to our comments in para 1 (b) below, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) According to the information and explanation given to us, the Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. However, the management is still in the process of reconciliation of quantities as per verification reports with fixed assets records. Pending such reconciliation and physical verification, we are unable to comment on the reasonableness of the physical verification programme and discrepancies that may arise on such reconciliation and physical verification of fixed assets.

(c) According to the information and explanation given to us, title deeds of immovable properties have been mortgaged as securities with lenders i.e., banks, financial institutions and others for security of the borrowings raised by the company. On the basis of examination of records of the company and the copies of the title deeds available with the company, the title deeds of immovable properties are held in the name of the company.

2) (a) According to the information and explanation given to us, the management has conducted the physical verification of inventory at reasonable intervals. Physical verification of inventory has also been made by a registered valuer and the net realizable value of inventories has been taken in the books.

(b) According to the information and explanation given to us, the discrepancies noticed on physical verification of the inventory as compared to book records have been properly dealt with in the books of account and were material.

3) The Company has granted interest free unsecured loan to a company covered in the Register maintained under section 189 of the Act, in respect of such loans ;

(a) In our opinion, the loan of Rs.35,900/- is not material and the terms and conditions and the schedule of repayment is not stipulated and considered by the company as repayable on demand.

(b) The company has made provision of doubtful loans and advances on this amount and the recovery of this amount is doubtful.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) We have broadly reviewed the cost records maintained by the company pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that prima facie , the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has not been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. There have been significant delays in a large number of cases in depositing these dues with the appropriate authorities.

According to the information and explanations given to us and records of the company examined by us, the following are the undisputed amounts payable in respect of Provident Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Duty of Customs, Excise Duty, Value added tax and Other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Name of the statue	Nature of the dues	Amount	Period to which the amount relates	Due date	date of pay ment
Finance Act, 1994	Service Tax	1,00,92,802	From 2011 onwards	Various dates	Nil
Employees Provident Fund & Miscellaneous provisions act, 1952	Provident Fund	1,91,21,255	From 2009 onwards	Various dates	Nil
Employees State Insurance Act, 1948	Employee State Insurance	28,38,459	From 2011 onwards	Various dates	Nil
APPT Act, 1987	Professional Tax	14,13,660	From 2011 onwards	Various dates	Nil
Income Tax Act, 1961	TDS	2,01,78,428	From 2012 onwards	Various dates	Nil
AP Valuse Added Tax Act, 2005	VAT	1,59,15,916	From 2015 onwards	Various dates	Nil
Goods and services Tax Act	GST	25,140	From 2017 onwards	Various dates	Nil
The Central Sales Tax Act, 1956	CST	1,07,77,639	From 2013 onwards	Various dates	Nil
T.S. Municipalities Act, 1965	Property Tax	59,84,774	From 2013 onwards	Various dates	Nil
Income Tax Act, 1961	Income Tax	68,97,374	From 2017 onwards	Various dates	Nil

(b) According to the information and explanations given to us and records of the company examined by us, the following are disputed dues relating to Wealth tax, Duty of Customs and Cess which have not been deposited with the appropriate authorities on account of any dispute.

Name of the Statue	Nature of the Dispute	Amount (Rs)	Period to which the amounts relate (F.Y)	Forum where the dispute is pending and amount deposited
Central Excise Act, 1944	Excise Duty	3,896,982/-	2008-2009	Customs, Excise & Service Tax Appelate tribunal, south zonal bench, Bangalore vide appeal no.C/2303 of 2010. Amt. deposited : Rs.2,896,982/-
Customs Act, 1962	Customs Duty	1,801,111/-	2008-2009	O/o. The Commissioner of Customs, Central Excise and Service Tax, Hyderabad III Commissionerate vide Appeal No.C/2302 of 2010.
The A.P.VAT Act, 2005	APVAT	840,705/-	2008-2009	Appelate Deputy Commissioner (CT), Secunderabad Division vide Appeal No.S/ 23/09-10/V. Amt. deposited :Rs. 840,705/-
The A.P.VAT Act, 2005	APVAT	545,677/-	2007-2008	Appelate Deputy Commissioner (CT), Secunderabad Division. Amt. deposited : Rs.545,677/-
The A.P.VAT Act, 2005	APVAT	1,809,145/-	2005-2006	WP No.14764/2009 filed with High Court, AP. Amt. deposited : Rs.1,809,145/-

8) As matters described in note 3.14, 3.16 and 3.18 to the financial statements and pursuance of repayment schedule stipulated in the sanction letter, the entire amount of borrowing including interest are overdue and continuing default as on 31st March 2018, therefore, we are unable to provide periods of default. Details of defaults in repayment of borrowings including interest are given below as per the books of accounts of the company.

Sl. No.	Name of the bank/institution	Amount of default (Rs.)
1.	UCO Bank	15,31,83,988
2.	Technology Development Board	27,38,00,664
3.	State Bank of India	99,88,84,007
4.	Srei Equipment Finance Ltd	11,54,30,151
5.	Reliance Capital Limited	3,51,02,000

However, though the below amounts are admitted by the Resolution Professional as part of CIRP, the company has not made a provision for these amounts in respect of the below financial institutions.

Sl. No.	Name of the bank/institution	Amount of default not provided in the books (Rs.)
1.	Srei Equipment Finance Ltd	32,14,54,641
2.	Reliance Capital Limited	51,37,41,645

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made preferential allotment or private placement of shares during the year under review according to the requirement of Sec 42 of the Companies Act 2013 and the amount raised have been used for the purposes for which the funds were raised.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

Sd/-
(CA N. RAJESH)
PARTNER
M.No : 223169

Place : Hyderabad
Date : 11/07/2018

07 ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of MIC ELECTRONICS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MIC ELECTRONICS LIMITED("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance. Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

07 ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Disclaimer of Opinion

According to the information and explanation given to us, the Company is still in the process of establishing internal financial controls over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Further, the company did not have proper internal audit system during the year commensurate with the size of the company and nature of its business.

Disclaimer of Opinion

Because of the significance of matters described in the basis for a disclaimer of opinion paragraph, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer has affected our opinion on the financial statements of the Company and we have issued qualified opinion on the financial statements.

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

Sd/-
(CA N. RAJESH)
PARTNER
M.No : 223169

Place : Hyderabad
Date : 11/07/2018

07 BALANCE SHEET AS AT 31st MARCH 2018

(Amount in Rs.)

	Particulars	Note.		As at 31.03.2018		As at 31.03.2017		As at 01.04.2016
I.	**ASSETS**							
(1)	**Non-Current Assets**							
	Property, Plant & Equipment	3.01	896,821,362		924,076,586		1,010,138,184	
	Capital Work-in-Progress		18,255,480		66,519,159		48,263,679	
	Other Intangible Assets	3.02	1,176,823		1,370,922		1,679,200	
	Financial Assets							
	(i) Investments	3.03		-	-		100,000	
	(ii) Loans	3.04		-	-		-	
	Deferred Tax Assets (net)	3.05		-	598,546,436		620,621,566	
	Other Non Current Assets	3.06	118,508,819		107,350,296		70,781,643	
				1,034,762,484		**1,697,863,399**		**1,751,584,272**
(2)	**Current Assets**							
	Inventories	3.07	505,563,420		1,136,659,676		752,268,618	
	Financial Assets							
	(i) Trade receivables	3.08	337,548,932		340,372,473		681,103,366	
	(ii) Cash & Cash Equivalents	3.09	562,761		1,683,369		10,382,957	
	(iii) Bank balances other than							
	(ii) above	3.10	16,473,186		13,999,531		13,566,701	
	(iv) Other Financial Assets	3.11	1,502,481		8,192,240		7,402,011	
	Other Current Assets	3.12	31,025,957		146,231,069		183,055,271	
				892,676,737		**1,647,138,358**		**1,647,778,924**
	TOTAL ASSETS			**1,927,439,221**		**3,345,001,757**		**3,399,363,196**
II.	**EQUITY AND LIABILITIES**							
	(1) Equity							
	Equity Share Capital	3.13	440,508,638		440,508,638		332,276,246	
	Other Equity		(1,279,869,704)	627,696,236		198,278,310		
				(839,361,066)		**1,068,204,874**		**530,554,556**
	(2) Liabilities							
	Non-current liabilities							
	Financial Liabilities							
	(i) Borrowings	3.14		-	373,925,786		120,354,523	
	(ii) Trade Payables		-			-	-	
	(iii) Other Financial Liabilities		-		-	-		
	Long Term Provisions	3.15	21,867,009		22,413,739		15,942,671	
	Deferred Tax Liabilities (net)		-			-	-	
	Other non current liabilities		-			-	-	
				21,867,009		**396,339,525**		**136,297,194**
	Current liabilities							
	Financial Liabilities							
	(i) Borrowings	3.16	148,630,315		103,462,729		1,028,976,766	
	(ii) Trade Payables	3.17	556,537,963		387,035,443		503,251,151	
	(iii) Other Financial Liabilities	3.18	1,807,545,008		1,175,112,439		1,030,500,854	

07 BALANCE SHEET AS AT 31st MARCH 2018

(Amount in Rs.)

Particulars	Note.	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Other current liabilities	3.19	225,322,618	207,949,373	169,782,675
Provisions	-		-	-
Current Tax Liabilities (Net)	3.20	6,897,374	6,897,374	-
		2,744,933,278	**1,880,457,358**	**2,732,511,446**
TOTAL EQUITY & LIABILITIES		**1,927,439,221**	**3,345,001,757**	**3,399,363,196**
See accompanying notes to financial statements	1-3.58			

per our report of even date
For PAVULURI & CO
Chartered Accountants
Firm Reg. No: 012194S

For and on behalf of the Board of Directors

Sd/-
Dr. M.V.Ramana Rao
Director

Sd/-
L.N.Malleswara Rao
Director & CFO

Sd/-
CA.N.Rajesh
Partner
M.No : 223169

Sd/-
M.S. Murali Krishnan
Company Secretary

Place : Hyderabad.
Date : 11.07.2018

07 STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31st MARCH 2018

(Amount in Rs.)

	Particulars	Note.	Year ending 31.03.2018		Year ending 31.03.2017	
I	**INCOME :**					
	Revenue from operations	3.21		1,641,702,898		2,508,691,161
	Other income	3.22		11,716,110		21,497,796
	Total Revenue			**1,653,419,008**		**2,530,188,957**
II	**EXPENDITURE :**					
	Cost of material consumed	3.23		1,451,677,113		1,662,604,245
	Purchase of traded goods			183,908,612		442,230,620
	(Increase)/ Decrease in Inventories	3.24		(257,153,877)		(381,186,253)
	Employee benefits expense	3.25		56,521,096		50,302,085
	Finance costs	3.26		244,188,780		285,181,712
	Depreciation and amortization expense	3.01/3.02		77,458,680		78,128,111
	Other expenses	3.27		249,509,960		711,711,533
	Total expenses			**2,006,110,364**		**2,848,972,053**
III	**Profit / (Loss) before exceptional items and tax (I - II)**			**(352,691,356)**		**318,783,096**
IV	**Exceptional Items**					
	Depletion in value of inventories		961,912,371		-	-
				961,912,371		-
V	**Profit / (Loss) before tax (III+IV)**			**(1,314,603,727)**		**(318,783,096)**
VI	Tax expenses:					
	Mat Credit entitlement		-		(6,897,374)	
	Deffered tax (Liability)/ Asset		(598,546,436)	(598,546,436)	(22,075,130)	(28,972,504)
VII	**Profit / (Loss) for the period from continuing operations (V - VI)**			**(1,913,150,163)**		**(347,755,600)**
VIII	**Other comprehensive Income**					
	A (i) Items That May Not Be Reclassified to Profit or Loss			5,584,223		(3,247,327)
	(ii) Income Tax Relating to Items That May Not Be Reclassified to Profit or Loss			-		-

07 STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31st MARCH 2018

(Amount in Rs.)

	Particulars	Note.	Year ending 31.03.2018	Year ending 31.03.2017
	B(i) Items That May Be Reclassified to Profit or Loss		-	-
	(ii) Income Tax Relating to Items That May Be Reclassified to Profit or Loss		-	-
IX	Total Comprehensive Income For The Period (VII+VIII) (Comprising Profit/(Loss) and Other Comprehensive Income For The Period		(1,907,565,940)	(351,002,927)
X	**Earnings per equity share of par value Rs.2 each**			
	Basic		(8.66)	(2.00)
	Diluted		(7.62)	(1.68)
	Notes forming part of financial statements		1-3.58	

per our report of even date
For PAVULURI & CO
Chartered Accountants
Firm Reg. No: 012194S

For and on behalf of the Board of Directors

Sd/-
Dr. M.V.Ramana Rao
Director

Sd/-
L.N.Malleswara Rao
Director & CFO

Sd/-
CA.N.Rajesh
Partner
M.No : 223169

Sd/-
M.S. Murali Krishnan
Company Secretary

Place : Hyderabad.
Date : 11.07.2018

07 STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2018

A. Movements in equity share capital

	No. of Shares	Equity Share Capital (Rs)
As at 01.04.2016	**16,61,38,123**	**33,22,76,246**
Changes in equity share capital	5,41,16,196	10,82,32,392
As at 31.03.2017	**22,02,54,319**	**44,05,08,638**
Changes in equity share capital	-	-
As at 31.03.2018	**22,02,54,319**	**44,05,08,638**

B. Other equity

Statement of Changes in Equity for the period ended 1st April 2016

(Amount in Rs.)

Particulars	Share Application Money pending Allotment	Reserves & Surplus						Revaluation Surplus	Money Received against Share Warrants	Total Other Equity
		Capital Reserve	Secutities Premium Reserve	Share warrants forfeited	Amalgam-ation Reserve	General Reserve	Retained Earnings			
Balance as at 01.04.2015	-	2,67,000	1,04,69,80,160	37,75,81,045	1,80,00,000	18,00,00,000	1,21,29,36,219	-	4,35,47,427	2,87,93,12,301
Issue of Equity Shares on conversion of share warrants	-	-	4,72,14,848	-	-	-	-	-	-	4,72,14,848
Money received during the year	-	-	-	-	-	-	-	-	17,24,45,774	**17,24,45,774**
Profit for the year	-	-	-	-	-	-	(1,10,88,56,043)	-	-	**(1,10,88,56,043)**
Ind AS adjustment on Fair valuation of assets	-	-	-	-	-	-	(1,79,18,38,570)	-	-	**(1,79,18,38,570)**
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2016	**-**	**2,67,000**	**1,09,41,95,458**	**37,75,81,045**	**1,80,00,000**	**18,00,00,000**	**(1,68,77,58,394)**	**-**	**21,59,93,201**	**19,82,78,310**

07 STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2017

Statement of Changes in Equity for the period ended 31st Martch 2017

(Amount in Rs.)

Particulars	Share Application Money pending Allotment	Reserves & Surplus						Revaluation Surplus	Money Received against Share Warrants	Total Other Equity
		Capital Reserve	Secutities Premium Reserve	Share warrants forfeited	Amalgam-ation Reserve	General Reserve	Retained Earnings			
Balance as at 01.04.2016	-	2,67,000	1,09,41,95,458	37,75,81,045	1,80,00,000	18,00,00,000	(1,68,77,58,394)	-	21,59,93,201	**19,82,78,310**
Issue of Equity Shares on conversion of share warrants	-	-	1,08,22,222	-	-	-	-	-	(3,24,66,666)	**(2,16,44,444)**
Issue of Equity Shares on conversion of secured, unsecured loans and trade creditors through preferential allotment	-	-	77,92,91,53	-	-	-	-	-		**77,92,91,532**
Money received during the year	-	-	-	-	-	-	-	-	2,45,25,000	**2,45,25,000**
Money paid during the year	-	-	-	-	-	-	-	-	(17,51,235)	**(17,51,235)**
Profit for the year	-	-	-	-	-	-	(34,77,55,600)	-	-	**(34,77,55,600)**
Other Comprehensive Income	-	-	-	-	-	-	(32,47,327)	-	-	**(32,47,327)**
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2017	**-**	**2,67,000**	**1,88,43,09,212**	**37,75,81,045**	**1,80,00,000**	**18,00,00,000**	**(2,03,87,61,321)**	**-**	**20,63,00,300**	**62,76,96,236**

07 STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2018

Statement of Changes in Equity for the period ended 31st March 2018

(Amount in Rs.)

Particulars	Share Application Money pending Allotment	Reserves & Surplus						Revaluation Surplus	Money Received against Share Warrants	Total Other Equity
		Capital Reserve	Secutities Premium Reserve	Share warrants forfeited	Amalgamation Reserve	General Reserve	Retained Earnings			
Balance as at 01.04.2017	-	2,67,000	1,88,43,09,212	37,75,81,045	1,80,00,000	18,00,00,000	(2,03,87,61,321)	-	20,63,00,300	**62,76,96,236**
Issue of Equity Shares on conversion of share warrants	-	-	-	-	-	-	-	-	-	-
Issue of Equity Shares on conversion of secured, unsecured loans and trade creditors through preferential allotment	-	-	-	-	-	-	-	-	-	-
Money received during the year	-	-	-	-	-	-	-	-	-	-
Share warrants forfeited during the year				1,87,50,000					(1,87,50,000)	-
Money paid during the year	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	(1,91,31,50,163)	-	-	**(1,91,31,50,163)**
Other Comprehensive Income	-	-	-	-	-	-	(55,84,223)	-	-	**55,84,223**
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2018	**-**	**2,67,000**	**1,88,43,09,212**	**39,63,31,045**	**1,80,00,000**	**18,00,00,000**	**(3,94,63,27,261)**	**-**	**18,75,50,300**	**(1,27,98,69,704)**

07 CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

(Amount in Rs)

Particulars	Figures as at the end of current reporting year 31 March 2018	Figures as at the end of current reporting year 31 March 2017
Cash Flow from Operating Activities		
Profit/(Loss) before Income tax from		
Continued Operations	(1,314,603,727)	(318,783,096)
Re-measurement gains/ (losses) on defined benefit plans	5,584,223	(3,247,327)
Profit before Income tax including discontinued operations	**(1,309,019,504)**	**(322,030,423)**
Adjustments for non cash/non operational expenses :		
Depreciation & amortisation expenses	77,458,680	78,128,111
Profit on disposal of property, plant & equipment	(112,100)	(535,000)
Financial Charges	244,188,780	285,181,712
Interest received /Other Income	(1,269,188)	(942,274)
Profit on sale of investments	-	(20,000)
Operating Profit before Working Capital Changes	**(988,753,332)**	**39,782,126**
Adjustments for working capital changes		
(Increase)/Decrease in Trade Receivables	2,823,541	340,730,893
(Increase)/Decrease in Inventories	631,096,256	(384,391,058)
(Increase)/Decrease in Other financial assets	6,689,759	(790,229)
Increase/(Decrease) in Other Non Current Assets	(11,158,523)	(36,568,653)
(Increase)/Decrease in Other Current Assets	115,205,112	36,824,202
Increase/(Decrease) in Trade Payables	169,502,520	(116,215,708)
(Increase)/Decrease in Provisions	(546,730)	6,471,068
Increase/(Decrease) in Other financial liabilities	632,432,569	144,611,585
Increase/(Decrease) in Other Current Liabilities	17,373,245	45,064,072
Increase/(Decrease) in Deferred Tax Asset	598,546,436	22,075,130
Cash generated from Operations	**2,161,964,185**	**57,811,302**
Financial Charges paid	(244,188,780)	(285,181,712)
Direct Taxes paid	(598,546,436)	(28,972,504)
Net Cash Flow from operating activities	**330,475,637**	**(216,560,788)**

07 CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

(Amount in Rs)

Particulars	Figures as at the end of current reporting year 31 March 2018	Figures as at the end of current reporting year 31 March 2017
Cash Flow from Investing Activities		
Expenditure on acquisition of tangible		
and intangible assets (net of Sale proceeds)	(49,897,257)	8,776,765
(Increase) / Decrease of Capital Work-in-Progress	48,263,679	(18,255,480)
Proceeds from sale of Investments	-	120,000
Interest Received/Other Income	1,269,188	942,274
Net Cash Flow from Investing Activities	**(364,390)**	**(8,416,441)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	(328,758,200)	(671,942,774)
Deposits paid towards LCs & BGs	(2,473,655)	(432,830)
Increase/(Decrease) in Share Capital	-	108,232,392
Increase/(Decrease) in Share Premium	-	790,113,754
Increase/(Decrease) in Share Warrants Application Money	-	(9,692,901)
Net Cash Flow from financing activities	**(331,231,855)**	**216,277,641**
Net Increase in Cash and Cash equivalents	(1,120,608)	(8,699,588)
Cash and Cash equivalents as at the beginning of the year	1,683,369	10,382,957
Cash and Cash equivalents as at the end of the year	**562,761**	**1,683,369**

per our report of even date
For PAVULURI & CO
Chartered Accountants
Firm Reg. No: 012194S

For and on behalf of the Board of Directors

Sd/-
Dr. M.V.Ramana Rao
Director

Sd/-
L.N.Malleswara Rao
Director & CFO

Sd/-
CA.N.Rajesh
Partner
M.No : 223169

Sd/-
M.S. Murali Krishnan
Company Secretary

Place : Hyderabad
Date : 11.07.2018

07 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Transition to Ind AS

The Company's standalone financial statements for the year ended March 31, 2018 are the first annual standalone financial statements prepared in accordance with Ind AS.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2016 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS Standalone Financial Statements for the year ended March 31, 2018, be applied consistently for all fiscal years presented.

All applicable Ind AS have been applied consistently wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the standalone financial statements under both Ind AS and Indian GAAP as of the transition date have been recognized directly in equity at the transition date.

2. Significant Accounting Policies

2.1 Basis of Preparation

(a) Statement of Compliance

The standalone financial statements has been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

For all the periods up to and including the year ended March 31, 2017 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements are the first, the Company has prepared in accordance with Ind AS. Refer to note on transition to Ind AS for information on how the Company adopted Ind AS.

(b) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits.

(c) Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest rupee except share and per share data.

(d) Use of estimates and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2.2 Summary of significant accounting policies

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone finan-

cial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

iii) Investment in subsidiaries

Investment in subsidiaries is measured at cost. Dividend income from subsidiaries is recognized when its right to receive the dividend is established.

iv) Financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial instrument is derecognized only when the Company has transferred its right to receive/ extinguish its obligation to pay cash flow from such financial instruments.

a) Non-derivative financial assets

Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost is represented by security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks .

b) Non-derivative financial liabilities

Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

v) Property plant and equipment:

Recognition and measurement: Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost at 1 April 2016, the date of transition except land and building which are valued at market value.

Depreciation: Normally the Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis from the date the assets are ready for intended use. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and related term. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

vi) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

vii) Inventory

a) Raw materials and Work in Progress are valued at cost. Finished goods are valued at cost or net realizable value which ever is less.

b) The basis of determining the cost is

Raw materials	:	Weighted average cost
Stores and spares	:	Weighted average cost
Work in process and finished goods	:	Material cost plus appropriate share of labour, related overheads and levies

c) In case of identified Obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

viii) Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

i) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 36-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 36 months ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 36 months ECL is a portion of the lifetime ECL which results from default events that are possible within 36 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

ii) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

iii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Untill the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

ix) Employee benefits

a) Gratuity & Provident Fund:

Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.

b) The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.

c) Accrued Leave Salary:

Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

x) Provisions

All the provision are recognized as per Ind AS 37. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

xi) Research & Development (R&D)

Revenue expenditure on R & D is charged to revenue in the year in which it is incurred. Capital expenditure, if any, on R & D is added to fixed assets.

xii) Revenue recognition:

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

a) Export sales: Export sales are recognized on the date of Bill of Lading.

b) Domestic sales: Domestic sales are accounted on the date of Forwarding Note (Rail dispatches / Lorry receipt / Delivery challan).

xiii) Finance income and expense

Finance income consists of interest income. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

xiv) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

xv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

xvi) Borrowing costs

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

07 PROPERTY, PLANT & EQUIPMENT

Note 3.01 : Property, Plant & Equipment

The changes in the carrying value of property, plant and equipment for the year ended 01st April, 2016 are as follows :

(Amount in Rs.)

	GROSS CARRYING VALUE					ACCUMULATED DEPRECIATION					NET CARRYING VALUE	
	As at 01.04.2015	Additions	Additions due to revaluation	Disposals	As at 31.03.2016	As at 01.04.2015	Additions	due to revaluation	Disposals	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Land & Land Development	15,512,484	-	215,066,516	-	230,579,000	-	-		-		- 230,579,000	15,512,484
Buildings	130,989,924	-	41,062,076	-	172,052,000	29,487,407	4,074,069	(33,561,476)	-		- 172,052,000	101,502,517
Plant & Machinery	961,735,477	1,900,950	-	-	963,636,427	311,131,009	65,336,361		-	376,467,370	587,169,057	650,604,468
Furniture & Fixtures	19,840,988	663,506	-	-	20,504,494	13,471,856	1,351,570		-	14,823,426	5,681,068	6,369,132
Office Equipment	2,999,119	-	-	-	2,999,119	1,982,122	265,091		-	2,247,213	751,906	1,016,997
Electrical Installations	13,129,859	-	-	-	13,129,859	7,264,447	1,358,963		-	8,623,410	4,506,449	5,865,412
D.G.Set	1,228,230	-	-	-	1,228,230	597,100	165,357		-	762,457	465,773	631,130
Transformer	1,109,125	-	-	-	1,109,125	535,083	148,459		-	683,542	425,583	574,042
Vehicles	18,659,927	-	-	67,247	18,592,680	13,530,235	2,041,433		67,247	15,504,421	3,088,259	5,129,692
Computers	34,183,896	108,992	-	-	34,292,888	33,678,009	49,304			33,727,313	565,575	505,887
Display Equipment not put to use	485,351,356	-	(480,497,842)	-	4,853,514	-	-		-		- 4,853,514	485,351,356
Total (Rs)	**1,684,740,385**	**2,673,448**	**(224,369,250)**	**67,247**	**1,462,977,336**	**411,677,268**	**74,790,607**	**(33,561,476)**	**67,247**	**452,839,152**	**1,010,138,184**	**1,273,063,117**

07 PROPERTY, PLANT & EQUIPMENT

The changes in the carrying value of property, plant and equipment for the year ended 31st March, 2017 are as follows :

(Amount in Rs.)

	GROSS CARRYING VALUE					ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2016	Additions	Additions due to revaluation	Disposals	As at 31.03.2017	As at 01.04.2016	Additions	Disposals	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Land & Land Development	230,579,000	-	-	9,500,000	221,079,000	-	-	-	-	221,079,000	230,579,000
Buildings	172,052,000	-	-	-	172,052,000	-	7,882,830	-	7,882,830	164,169,170	172,052,000
Plant & Machinery	963,636,427	764,378	-	-	964,400,805	376,467,370	65,277,193	-	441,744,563	522,656,242	587,169,057
Furniture & Fixtures	20,504,494	19,030	-	-	20,523,524	14,823,426	1,467,004	-	16,290,430	4,233,094	5,681,068
Office Equipment	2,999,119	44,008	-	-	3,043,127	2,247,213	217,164	-	2,464,377	578,750	751,906
Electrical Installations	13,129,859	-	-	-	13,129,859	8,623,410	1,332,369	-	9,955,779	3,174,080	4,506,449
D.G.Set	1,228,230	-	-	-	1,228,230	762,457	165,357	-	927,814	300,416	465,773
Transformer	1,109,125	-	-	-	1,109,125	683,542	148,459	-	832,001	277,124	425,583
Vehicles	18,592,680	-	-	588,284	18,004,396	15,504,421	1,158,970	588,284	16,075,107	1,929,289	3,088,259
Computers	34,292,888	418,744	-	-	34,711,632	33,727,313	158,412	-	33,885,725	825,907	565,575
Display Equipment not put to use	4,853,514	-	-	-	4,853,514	-	-	-	-	4,853,514	4,853,514
Total (Rs)	**1,462,977,336**	**1,246,160**	**-**	**10,088,284**	**1,454,135,212**	**452,839,152**	**77,807,758**	**588,284**	**530,058,626**	**924,076,586**	**1,010,138,184**

07 PROPERTY, PLANT & EQUIPMENT

The changes in the carrying value of property, plant and equipment for the year ended 31st March, 2018 are as follows :

(Amount in Rs.)

	GROSS CARRYING VALUE					ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2017	Additions	Additions due to revaluation	Disposals	As at 31.03.2018	As at 01.04.2017	Additions	Disposals	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land & Land Development	221,079,000	-	-	-	221,079,000	-	-	-	-	221,079,000	221,079,000
Buildings	172,052,000	48,263,679	-	-	220,315,679	7,882,830	8,259,681	-	16,142,511	204,173,168	164,169,170
Plant & Machinery	964,400,805	388,613	-	-	964,789,418	441,744,563	64,892,808	-	506,637,371	458,152,047	522,656,242
Furniture & Fixtures	20,523,524	984,290	-	-	21,507,814	16,290,430	1,365,648	-	17,656,078	3,851,736	4,233,094
Office Equipment	3,043,127	123,600	-	-	3,166,727	2,464,377	213,043	-	2,677,420	489,307	578,750
Electrical Installations	13,129,859	-	-	-	13,129,859	9,955,779	1,293,023	-	11,248,802	1,881,057	3,174,080
D.G.Set	1,228,230	-	-	-	1,228,230	927,814	165,357	-	1,093,171	135,059	300,416
Transformer	1,109,125	-	-	-	1,109,125	832,001	148,459	-	980,460	128,665	277,124
Vehicles	18,004,396	-	-	1,248,188	16,756,208	16,075,107	504,778	1,248,188	15,331,697	1,424,511	1,929,289
Computers	34,711,632	111,619	-	-	34,823,251	33,885,725	284,228	-	34,169,953	653,298	825,907
Display Equipment not put to use	4,853,514	-	-	-	4,853,514	-	-	-	-	4,853,514	4,853,514
Total (Rs)	**1,454,135,212**	**49,871,801**	**-**	**1,248,188**	**1,502,758,825**	**530,058,626**	**77,127,025**	**1,248,188**	**605,937,463**	**896,821,362**	**924,076,586**

07 PROPERTY, PLANT & EQUIPMENT

Note 3.02 : Intangible Assets

The changes in the carrying value of intangible assets for the year ended 31st March, 2016 are as follows :

(Amount in Rs.)

	GROSS CARRYING VALUE					ACCUMULATED DEPRECIATION					NET CARRYING VALUE	
	As at 01.04.2015	Additions	Additions due to revaluation	Disposals	As at 31.03.2016	As at 01.04.2015	Additions		Disposals	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Computer Software	15,053,389	74,425	-		- 15,127,814	13,135,732	312,882		-	13,448,614	1,679,200	1,917,657
Total (Rs)	**15,053,389**	**74,425**	**-**	**-**	**15,127,814**	**13,135,732**	**312,882**		**-**	**13,448,614**	**1,679,200**	**1,917,657**

The changes in the carrying value of intangible assets for the year ended 31st March, 2017 are as follows :

(Amount in Rs.)

	GROSS CARRYING VALUE					ACCUMULATED DEPRECIATION					NET CARRYING VALUE	
	As at 01.04.2016	Additions	Additions due to revaluation	Disposals	As at 31.03.2017	As at 01.04.2016	Additions		Disposals	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Computer Software	15,127,814	12,075	-		- 15,139,889	13,448,614	320,353		-	13,768,967	1,370,922	1,679,200
Total (Rs)	**15,127,814**	**12,075**	**-**	**-**	**15,139,889**	**13,448,614**	**320,353**		**-**	**13,768,967**	**1,370,922**	**1,679,200**

The changes in the carrying value of intangible assets for the year ended 31st March, 2018 are as follows :

(Amount in Rs.)

	GROSS CARRYING VALUE					ACCUMULATED DEPRECIATION					NET CARRYING VALUE	
	As at 01.04.2017	Additions	Additions due to revaluation	Disposals	As at 31.03.2018	As at 01.04.2017	Additions		Disposals	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer Software	15,139,889	**137,555**	-		- 15,277,444	13,768,967	331,654		-	14,100,621	1,176,823	1,370,922
Total (Rs)	**15,139,889**	**137,555**	**-**	**-**	**15,277,444**	**13,768,967**	**331,654**		**-**	**14,100,621**	**1,176,823**	**1,370,922**

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE - 3.03			
Investments			
Investments carried at cost, Unquoted equity shares in subsidiaries:			
MIC Electronics Inc., USA (10,00,000 No of ordinary shares of $0.10 each fully paid up purchased at a premium of $0.40 each converted into Indian Rupees using the conversion rate of 45.3945)	-	-	22,697,250
MIC Green Energy Solutions Pvt. Ltd. 10,000 equity shares of Rs. 10/- each	-	-	100,000
MIC Candilux Pvt Ltd 10,000 equity shares of Rs. 10/- each	-	-	100,000
	-	**-**	**22,897,250**
Less : Provision for impairment of investments (INDAS Adjustment)	-	-	22,797,250
	-	**-**	**100,000**
NOTE - 3.04			
Loans			
Loans and advances to related parties Unsecured, considered doubtful :			
MIC Green Energy Solutions P Ltd	35,900	-	948,667
MIC Electronics Inc, USA	-	-	52,657,650
	35,900	**-**	**53,606,317**
Less : Provision for doubtful loans & advances (INDAS Adjustment)			53,606,317
Less : Provision for doubtful loans & advances	35,900		
	-	**-**	**-**
NOTE - 3.05			
Deferred Tax Asset			
On Depreciation (Difference as per Books & as Per Income Tax Act)		(112,381,900)	(94,234,996)
On Accrued compensation to employees	-	3,077,952	4,926,285
On IT Disallowances	-	57,557,349	38,286,758
On Others	-	650,293,035	671,643,519
	-	**598,546,436**	**620,621,566**

Note : The company has made a provision of Rs.2.28 crores for impairment of investments in the subsidiary companies (IndAS adjustment) , since the networth has been eroded in the subsidiary companies and the recovery of these investments are doubtful.

Note : The company has made a provision of Rs.5.36 crores of loans and advances in the subsidiary companies (IndAS adjustment), since the networth has been eroded in the subsidiary companies and the recovery of these advances are doubtful.

Note : The company had reversed the deferred tax asset of Rs.59.85 crores during the financial year 2017-18 as the company is unsure about the profit in the forseeable future.

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE - 3.06			
Other Non Current Assets			
Unsecured, Considered Good :			
Security Deposits			
- Deposit-Delhi Metro Rail Corpn	23,916,725	23,916,725	23,916,725
- Other Secured Deposits	91,592,094	80,227,551	43,864,918
Others			
- Share Application money pending allotment in other companies	3,000,000	3,000,000	3,000,000
	118,508,819	**107,144,276**	**70,781,643**
Unsecured, considered doubtful :			
Capital advances	-	-	122,019,659
Security Deposits			
- Deposit-Delhi Metro Rail Corpn	-	-	31,234,162
- Other Secured Deposits	-	206,020	38,107,753
Others			
- Share Application money pending allotment in other companies	-	-	5,850,000
- Pre-operative expenses - Lighting expansion (IREDA) Project	-	-	4,348,576
	-	**206,020**	**201,560,150**
Less : INDAS Adjustment	-	-	201,560,150
	118,508,819	**107,350,296**	**70,781,643**

The IndAS adjustment is pertaining to long over due advances and deposits whose recoveries are doubtful are written off.

NOTE - 3.07

Inventories

Raw Material		122,422,274		146,389,566		143,291,156
Material under customs clearance		55,890,420		-		-
Work-in-Progress	1,109,607,572		842,770,455	-	2,073,508,640	
Less : Depletion in value of inventories	914,285,972	195,321,600	-	842,770,455	1,595,249,728	478,258,912
Finished Goods	136,461,387			146,144,627		129,469,917
Less : Depletion in value of inventories	6,246,987	130,214,400				
Stores and Spares		1,714,726		1,355,028		1,248,633
		505,563,420		**1,136,659,676**		**752,268,618**

Materials under customs clearance represent certain materials imported and pending for customs clearance whose purchase value have been taken. With respect demurrages and other claims, the same have not been provided as they will be known at the time of clearance of materials.

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE - 3.08			
Trade Receivables			
Trade receivables outstanding for a period exceeding six months from the date of payment	433,310,529	329,439,991	144,611,878
Other Trade receivables	183,780,755	302,752,567	799,066,530
	617,091,284	632,192,558	943,678,408
Less : Loss Allowance	279,542,352	291,820,085	-
	337,548,932	340,372,473	943,678,408
Less : Indas adjustment			262,575,042
	337,548,932	340,372,473	681,103,366
Break-up security details			
i) Secured, Considered good	-	-	-
ii) UnSecured, Considered good	337,548,932	340,372,473	681,103,366
iii) Doubtful	279,542,352	291,820,085	-
NOTE - 3.09			
Cash & Cash equivalents			
Balance with Banks :			
In Current Accounts	560,127	1,075,978	4,322,271
Cash in Hand	2,634	607,391	6,060,686
	562,761	1,683,369	10,382,957
NOTE - 3.10			
Bank balances others than 3.09 above			
In Margin Money Accounts	16,473,186	13,999,531	13,566,701
	16,473,186	13,999,531	13,566,701
NOTE - 3.11			
Other Financial Assets			
Advances to related parties	-	2,187,209	2,505,991
Advance for expenses	1,502,481	6,005,031	4,896,020
	1,502,481	8,192,240	7,402,011

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE- 3.12			
Other Current Assets			
Unsecured Considered Good			
Other Advances			
(i) Prepaid Expenses	366,627	448,900	447,987
(ii) Balances with Govt Authorities			
Cenvat Deposit	-	12,022,228	17,911,251
Deferred Cenvat Credit	-	22,500	93,750
Service tax receivable	-	4,705,457	1,575,669
VAT credit	-	1,081,947	1,063,273
TDS receivable	2,518,855	8,223,689	5,069,636
IGST Receivable	10,753	-	-
CGST/SGST/IGST Input	18,805,523	-	-
VAT deposit refundable	435,150	435,150	435,150
(iii) Others			
Advance for Materials	7,690,681	57,047,092	79,843,441
Advance for Services	372,970	12,954,359	1,963,921
Other advances	825,397	49,287,184	71,657,356
	31,025,957	146,228,506	180,061,434
Unsecured Considered Doubtful			
(i) Balances with Govt Authorities			
Entry Tax & Octori Deposit	-	-	605,940
Cenvat credit receivable	-	2,563	2,100,725
VAT credit	-	-	2,249,668
VAT deposit refundable	-	-	759,056
TDS receivable	8,320,328	-	5,653,914
(ii) Other Advances			
Advance for Materials	41,043,194	-	14,101,691
Advance for Services	787,731	-	4,373,142
Amounts receivable against sale of investments	-	-	19,852,578
Other advances	18,133,229	-	527,399,334
	68,284,481	2,563	577,096,048
Less : INDAS Adjustment	-	-	574,102,211
Less : Provision for bad and doubtful advances	68,284,481	-	-
	31,025,957	146,231,069	183,055,271

NOTE- 3.13

Equity Share Capital

(Amount in Rs.)

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No.of Shares	Amount (Rs)	No.of Shares	Amount (Rs)	No.of Shares	Amount (Rs)
I. Authorised:						
Equity shares of Rs 2/- each with voting rights	270,000,000	540,000,000	270,000,000	540,000,000	250,000,000	500,000,000
II. Issued,Subscribed and Paid up:						
Equity shares of Rs 2/- each with voting rights	220,254,319	440,508,638	220,254,319	440,508,638	166,138,123	332,276,246
	220,254,319	440,508,638	220,254,319	440,508,638	166,138,123	332,276,246

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Management is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

a) Details of Reconciliation of Share Capital

	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Equity shares with voting rights:-				
Opening Balance	220,254,319	440,508,638	166,138,123	332,276,246
Fresh Issue	-	-	54,116,196	108,232,392
Closing Balance	**220,254,319**	**440,508,638**	**220,254,319**	**440,508,638**

b) Details of shares held by each shareholder holding more than 5% shares:

Sr No	Class of shares / Name of shareholder	As at 31st March, 2018		As at 31st March, 2017	
		Number of shares held	% holding	Number of shares held	% holding
	Equity shares with voting rights				
1	Malaxmi Infraventures India Pvt Ltd	14,089,347	6.40%	14,089,347	6.40%
2	Ideamax Consultancy Services Pvt Ltd	-	-	12,292,760	5.58%

NOTE - 3.14

Borrowings

	Current Portion (*)	Non-Current Portion	Current Portion (*)	Non-Current Portion	Current Portion (*)	Non-Current Portion
Secured Loans						
Long Term Loans - From Banks						
UCO Bank	71,231,180	-	71,231,180	-	71,231,180	-
State Bank of India, SAM Branch	590,000,000	-	330,324,232	197,300,000	-	-
Long Term Loans - Others						
Technology Development Board	150,000,000	-	150,000,000	-	150,000,000	-
L&T Finance Ltd	-	-		-	99,235,770	8,456,550
Srei Equipment Finance Ltd	100,000,000	-	8,928,736	91,071,264	169,748,167	-
Loans Under hire purchase against vehicles			-	-	41,629	-
Unsecured Loans						
Financial Contribution from EESL	111,897,973	-	-	85,554,522	-	111,897,973
	1,023,129,153	**-**	**560,484,148**	**373,925,786**	**490,256,746**	**120,354,523**

(*) Current portion of Long-term liabilities shown under other current liabilities

a) Term Loan taken from UCO Bank is secured as follows:

Primary Security: (i) 1st hypothecation charge over the plant and machinery, LED Display boards, software and other fixed assets of the project at 8 Delhi Metro Railway Stations (DMRC). (ii) 1st charge on receivables arising out of the DMRC project. Collateral Security: Second charge on the fixed assets of the company other than what has been taken as first charge. UCO Bank is further secured by personal guarantee of the Managing Director of the company.

b) Term Loan taken from State Bank of India is secured as follows:

a) Primary Security: (i) Exclusive Charge on hypothecation of stock (ii) Exclusive charge on hypothecation of Receivables

b) Collateral Security: (i) Pari-passu first charge on the below mentioned fixed assets along with Technology Development Board of India

1) EM Land admeasuring 4444.44 sq.yards with industrial building comprising of Plot No.A 4/1 to A4/7 situated at Sy.Nos.321,321/5, 321/6 & 321/1A, Electronic Complex at Kushaiguda, RR District, Telangana state valued for Rs.15.42 cores as on 25.02.2016

2) EM on residential plot no.41, 42, 60 and 61 at Kowkoor, Alwal Municipality, Hyderabad, Telangana State admeasuring 820 Sq.Yards valued for Rs.0.32 Crores as on 19.02.2016.

3) EM on industrial site admeasuring 1455 sq.mts with building with 5035 sft builtup area at Plot No.47, Raipur Industrial Area, Bhagawanpur, Roorkee Tahsil, Haridswar District, Uttaranchal State valued at Rs.1.25 crores as on 18.02.2016

4) EM on industrail site at Khasra No.117 admeasuring 269.54 sq Mt (322.38 Sq.Yards) situated at Raipur Paragana, Roorkee Tehsil, Haridwar District valued for Rs.0.22 crores as on 18.02.2016

5) Second charge on EM of industrial plot no.192/B, Sy.No.274 admeasuring 5341 Sq.Yartds situated at Phase II, IDA, Cherlapally Village, Ghatkesar Mandal, RR District, Telangana (First charge held of M/s.Srei Equipment Finance Pvt Ltd for term loan of Rs.24.00 crores) valued at Rs.20.51 crores

6) Charge on unencumbered Plant & Machinery of the company for Rs.9.15 crores as on 2016.

c) SBI is further secured by personal guarantees of Managing Director & Executive Director of the company.

c) Term Loan taken from Technology Development Board is secured as follows:

(i) Paripassu first charge on the below mentioned fixed assets along with State Bank of India.

1) EM Land admeasuring 4444.44 sq.yards with industrial building comprising of Plot No.A 4/1 to A4/7 situated at Sy.Nos.321,321/5, 321/6 & 321/1A, Electronic Complex at Kushaiguda, RR District, Telangana state valued for Rs.15.42 cores as on 25.02.2016

2) EM on residential plot no.41, 42, 60 and 61 at Kowkoot, Alwal Municipality, Hyderabad, Telangana State admeasuring 820 Sq.Yards valued for Rs.0.32 Crores as on 19.02.2016.

3) EM on industrial site admeasuring 1455 sq.mts with building with 5035 sft builtup area at Plot No.47, Raipur Industrial Area, Bhagawanpur, Roorkee Tahsil, Haridswar District, Uttaranchal State valued at Rs.1.25 crores as on 18.02.2016

4) EM on industrail site at Khasra No.117 admeasuring 269.54 sq Mt (322.38 Sq.Yards) situated at Raipur Paragana, Roorkee Tehsil, Haridwar District valued for Rs.0.22 crores as on 18.02.2016

(ii) Personal guarantees of Managing Director & Executive Director of the Company. (iii) Pledge of 37.50 Lakh shares held by promoter.

d) Term Loan taken from Srei Equipment Finance Ltd is secured as follows:

(i) Hypothecation of IT Equipments, work stations & power electronic equipment

(ii) Collateral Security : First charge on (Second charge held by State Bank of India) a) land with building located at Plot no.192/B, Sy.No.274 admeasuring 5341 Sq.Yards situated at Phase II, IDA, Cherlapally Village, Ghatkesar Mandal, RR District, Telangana with all the furniture & fixtures

(iii) Personal Guarantee of the Managing Director of the company.

e) Financial contribution from Energy Efficiency Services Limited :

MIC Electronics Limited (MIC) has entered a joint implementation agreement with Energy Effficiency Services Ltd (EESL) for joint implementation of order received from Nashik Municipal Corporation (NMC) for supply and maintenance of LED Luminaries. As per the agreement EESL shall extend financial contribution of Rs.39.93 crores payable in monthly instalments during the project period based on achievement of specified mile stones of the project. The first instalment shall be due after 30 days from the issue of "Implementation Completion Certificate" by NMC in favour of MIC on completion of installation of LED Lights.

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE- 3.15			
Long Term Provisions			
Provision for employee benefits			
- Provision for gratuity	13,892,714	13,525,005	13,452,906
- Provision for leave encashment	7,974,295	8,888,734	2,489,765
	21,867,009	22,413,739	15,942,671

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE- 3.16			
Borrowings			
(A) Secured Loans			
Working capital loans - From Banks			
State Bank of India-Cash Credit	-	-	574,278,985
	-	-	574,278,985
(B) UnSecured Loans			
(i) Loans from related parties			
Loans from directors	3,954,062	5,550,883	1,765,062
(ii) Intercorporate Loans			
Malaxmi Infra Ventures (India) Pvt Ltd	-	-	187,167,233
Sriba Seabase Pvt Ltd	-	-	6,000,000
Arkay Energy (Rameswarm) Limited	-	-	100,000,000
Bhagyanagar Investments & Trading Pvt Ltd	-	-	80,000,000
Sai Roshini Capital Pvt Ltd	-	3,000,000	-
JBB Infrastructures Pvt Ltd	12,000,000	12,000,000	12,000,000
MIC Electronics Limited			
Employees welfare trust	6,270,534	6,270,534	6,270,534
Reliance Capital Ltd	35,102,000	36,602,000	36,602,000
Sri Kanakadurga Castings Pvt Ltd	5,000,000	5,000,000	5,000,000
Think Solar India Pvt Ltd	46,460,155	335,155	435,155
Kiran impex pvt ltd	39,843,564	34,704,157	19,457,797
	148,630,315	103,462,729	454,697,781
Total Borrowings (A+B)	**148,630,315**	**103,462,729**	**1,028,976,766**

Note : Liability of Rs.17.30 crores relates to Reliance Capital Limited is not provided in the books since the matter is in litigation / settlement. The company is in the process of pursuing the matter for settlement and is confident of positive outcome of settlement.

NOTE - 3.17

Trade Payables

Payables for materials	545,458,287		377,667,591		491,468,514	
Payables for services	11,079,676		9,367,852		12,677,707	
		556,537,963		387,035,443		504,146,221
Less : Ind AS Adjustment						895,070
		556,537,963		387,035,443		503,251,151

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE - 3.18			
Other Financial Liabilities			
Current maturities of long term borrowings (Refer Note No : 3.14)	1,023,129,153	560,484,148	490,256,746
Interest accrued and due on borrowings			
- Interest accrued and due on long term borrowings	630,067,630	490,808,546	258,760,093
- Interest accrued and due on short term borrowings	19,542,133	2,994,187	159,051,501
- Interest accrued and due on others	5,901,302	-	-
Share Warrants Application Money refundable	72,308,866	73,587,866	76,073,331
Payables on purchase of fixed assets	4,184,218	5,112,449	6,875,073
Payables for expenses	47,514,796	37,768,333	36,248,177
Audit Fees Payable	4,896,910	4,356,910	4,345,030
	1,807,545,008	**1,175,112,439**	**1,031,609,951**
Less : Ind AS Adjustment	-	-	1,109,097
	1,807,545,008	**1,175,112,439**	**1,030,500,854**

Note : Interest of Rs.66.98 crores is not provided on some parites related to borrowings in the books since the matter is in litigation / settlement. The company has also not provided interest expense of Rs.7.94 crores on operational creditors upto 31.03.2018 , since the company is in the process of pursuing the matter for settlement and is confident of positive outcome of settlements.

NOTE - 3.19

Other Current Liabilities

Statutory remittances	94,106,899	94,929,763	62,999,828
Salaries Payable	96,158,574	81,556,153	79,791,046
Directors remuneration Payable	2,870,264	2,419,498	369,698
Advance from customers	5,055,761	3,960,645	4,949,283
Other payables	27,131,120	25,083,314	22,713,948
	225,322,618	207,949,373	170,823,803
Less : Ind AS Adjustment			1,041,128
	225,322,618	207,949,373	169,782,675

NOTE - 3.20

Current Tax Liabilities (NET) :

Provision for Income Tax	6,897,374	6,897,374	-
	6,897,374	6,897,374	-

(Amount in Rs.)

Particulars		As at 31.03.2018		As at 31.03.2017
NOTE- 3.21				
Revenue from Operations				
(A) Revenue from Sale of products (including excise duty)				
Exports	69,575		1,406,907	
Domestic	1,418,252,979		2,026,459,014	
Freight & Insurance recd. on Sales	1,800		1,250	
		1,418,324,354		**2,027,867,171**
Traded Goods		186,251,100		466,379,813
		1,604,575,454		**2,494,246,984**
(B) Other operating revenues				
Equipment Lease Rentals	7,143,223		-	
AMC Charges & Service Charges	8,753,062		8,003,785	
Transport, Loading & Unloading receipts	17,170,781		2,065,164	
Installation Charges	4,060,378		4,375,228	
		37,127,444		14,444,177
		37,127,444		**14,444,177**
Total Revenue from Operations (A+B)		**1,641,702,898**		**2,508,691,161**
NOTE - 3.22				
Other Incomes				
Interest Received		1,269,188		942,274
Credit Balances written back		2,853,018		3,942,798
Rents received		1,835,028		1,898,160
Profit on sale of invesment		-		20,000
Profit on sale of assets		112,100		535,000
Bad debts collected		2,631,766		4,535,142
Other Income		3,015,010		-
Foreign exchange gain		-		9,624,422
		11,716,110		**21,497,796**

(Amount in Rs.)

Particulars		As at 31.03.2018		As at 31.03.2017
NOTE - 3.23				
Cost of Materials Consumed				
A) Raw Material Consumed				
Opening Stock		146,389,566		143,291,156
Purchases	1,469,505,483		1,683,399,305	
Less : Depletion in value of stocks	41,379,412			
Less : Material capitalised during the year	-		18,255,480	
Less : Material consumed for R & D	601,517		345,654	
		1,427,524,554		1,664,798,171
		1,573,914,120		1,808,089,327
Less : Closing Stock		122,422,274		146,389,566
Raw Material Consumed		**1,451,491,846**		**1,661,699,761**
B) Packing Materials and consumables				
Opening Stock		1,355,028		1,248,633
Purchase of packing material & consumables		438,535		934,618
Freight & Carriage Inwards		106,430		76,261
		1,899,993		2,259,512
Less : Closing Stock		1,714,726		1,355,028
Consumption		**185,267**		**904,484**
Total Cost of material consumed		**1,451,677,113**		**1,662,604,245**
NOTE - 3.24				
Changes in Inventory				
Closing Stock of :				
Work-in-Progress		1,109,607,572		842,770,455
Finished Goods / FG in transit		136,461,387		146,144,627
	Total (A)	**1,246,068,959**		**988,915,082**
Opening Stock of :				
Work-in-Progress	842,770,455		2,073,508,640	
Less : Depletion in value of inventories	-	842,770,455	1,595,249,728	478,258,912
Finished Goods		24,050,457		12,342,404
Trading goods		122,094,170		117,127,513
	Total (B)	**988,915,082**		**607,728,829**
Increase/(Decrease) in Stock (A-B)		**257,153,877**		**381,186,253**

(Amount in Rs.)

Particulars		As at 31.03.2018		As at 31.03.2017
NOTE- 3.25				
Employee Benefit expense				
Salary, Wages, Allowances & other Benefits		39,875,238		39,219,459
Directors Remuneration		3,900,000		3,900,000
Gratuity		7,038,032		2,505,066
Leave Salary		2,222,384		1,527,100
P. F. & ESI Contribution		2,525,772		2,256,547
Staff Welfare Expenses		959,670		893,913
		56,521,096		**50,302,085**
NOTE - 3.26				
Financial Cost				
Bank Charges		3,630,588		3,617,478
Interest on :				
Term Loan	217,699,714		233,109,190	
Others - Interest on other loans/ICDs & financial charges	22,858,478	240,558,192	48,455,044	281,564,234
		244,188,780		**285,181,712**
NOTE - 3.27				
Financial Cost, Other expences				
Job-works, Installation charges & Maintenance Expenses		9,137,054		15,957,553
Power and Fuel		3,278,291		2,854,621
Insurance		596,936		745,022
Repairs & Maintenance		838,422		655,563
Printing & Stationary		488,633		487,431
Postage, Telephones & Internet		1,488,778		1,395,582
Rent		1,842,667		1,391,000
Rates & Taxes		7,047,459		8,206,384
Excise duty on stock transfers		-		5,523,276
Excise duty		55,471,619		200,042,340
Professional Charges		12,708,428		14,050,647
Auditors Remuneration				
As Statutory Auditors	413,000		402,500	
As Tax auditors	177,000	590,000	172,500	575,000
General Expenses		8,955,220		7,904,525
Foreign exchange		6,778,778		-
LD Charges		2,363,170		3,452,763
Security Expenses		-		628,922
Travelling & Conveyance		8,959,542		10,336,108
Bad debts & debit balances written off		27,721,600		4,433,050
Provision for bad/doubtful debts/advances		56,042,648		291,820,085
Vehicle Maintenance		1,594,904		1,196,195
Sales Tax		34,113,022		129,436,126
Selling & Distribution Expenses		2,036,034		2,764,046
R & D Expenses		7,456,755		7,855,294
		249,509,960		711,711,533

NOTE - 3.28

(i) In the opinion of the management the Trade Receivables, Current Assets, Loans and Advances are expected to realise the amount at which they are stated and provision for all known liabilities have been adequately made in the accounts.

(ii) The balances of trade receivables, trade payables, long term loans & advances, short term loans & advances, other current assets & other current liabilities are subject to confirmation from respective parties.

NOTE - 3.29

Foreign Currency / Exchange Transactions :

(Amount in Rs.)

Sl No.	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 1st April 2016
A)	Value of Imports on CIF Basis			
	Components	22,423,935	62,433,020	164,770,345
		22,423,935	62,433,020	164,770,345
B)	Expenditure			
	Travelling	801,612	2,109,095	1,676,053
		801,612	2,109,095	1,676,053
C)	Earnings in Foreign Exchange			
	FOB Value of Exports	69,575	1,406,907	45,456,617
		69,575	1,406,907	45,456,617

NOTE - 3.30

Contingent Liabilities : The following contingent liabilities are not provided for.

(Amount in Rs.)

Sl No.	Particulars	As at 31th March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Counter guarantees given by the company to banks towards issue of B.Gs.	6,931,750	7,147,530	23,909,110
2	Counter guarantees given by the company to banks towards issue of B.Gs to Customs & Central Excise Dept.	6,096,982	6,096,982	7,096,982
3	Bonds executed to Customs & Central Excise Dept. (net of BGs)	82,300,000	82,300,000	82,300,000
4	Corporate Guarantees given by the company to banks Invoked but not acknowledged	87,566,670	70,000,000	70,000,000
5	Claims against the company , not acknowledged:	34,226,950	34,226,950	34,226,950
	TAX Matters in Appeals			
1	Excise Duty	3,896,982	4,485,832	3,896,982
2	Customs Duty	1,801,111	1,801,111	1,801,111
3	Sales Tax	3,195,527	3,195,527	3,195,527

NOTE - 3.31

Managerial Remuneration :

(Amount in Rs.)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 1st April 2016
Managing Director			
Remuneration	2,400,000	2,400,000	2,400,000
Perquisite value of Rent	720,000	384,000	384,000
Director			
Remuneration	1,500,000	1,500,000	1,500,000
Total	**4,620,000**	**4,284,000**	**4,284,000**

NOTE- 3.32

Disclosure in respect of operating lease:

i) Lease payment recognized in the statement of Profit & Loss Account for the year: Rs.Nil (Previous year- Rs.Nil)

ii) lease amounts not recognised during the year : First Leasing Company of India Ltd transferred the lease rentals receivables from MIC Electronics Ltd to Reliance Capital Ltd. As per the agreement, lease rentals are payable in 59 monthly instalments to Reliance Capital Ltd and the last instalment is due in Dec'14. MIC Electronics Ltd received a notice from Reliance Capital Ltd on 20.01.2012 about the loan agreement termination for delay in payment of lease rentals. Subsequently First Leasing Company stopped billing lease rentals w.e.f 01.04.2012. Hence MIC Electronics Ltd stopped recognizing lease rentals in the books from 01.04.2012. The unrecognized lease rentals from Apr'17 to Mar'18 is Rs.Nil. (Total unrecognised lease rentals upto 31.03.17 is Rs.17.30 crores)

NOTE- 3.33

Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors. As per the records with the company, none of the enterprises have been identified as Micro, Small and Medium Enterprises.

NOTE - 3.34

Value of Imported and Indigenous Materials Consumed and their Percentage to total consumption:

(Amount in Rs.)

Particulars	For the year ended 31st March, 18		For the year ended 31st March, 17	
	Value	%	Value	%
Imported	140,496,814	8.59%	65,460,364	3.11%
Indigeneous (including purchase of traded goods)	1,495,088,911	91.41%	2,039,374,501	96.89%
Total	**1,635,585,725**	**100.00%**	**2,104,834,865**	**100.00%**

NOTE - 3.35

Figures have been rounded off to nearest rupee. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Note : 3.36 : Disclosure Under Accounting Standards

3.36.1 Employee Benefits as per Ind-As 19

General Description of defined/contributory benefit plans

Plan	Description
Gratuity	Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.
Provident Fund	The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.
Accrued Leave Salary	Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

Other Disclosures :

Other defined benefit plans :

(Amount in Rs.)

	Gratuity	Accrued Leave Salary
A.Changes in the present value of the obligation as on 31st March 2017		
Present value of obligation at the beginning of the year	13,452,906	2,489,765
Interest cost	1,003,587	185,736
Current service cost	787,295	1,247,123
Past service cost	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on obligation	(1,718,783)	4,966,110
Present value of obligation at the end of the period	13,525,005	8,888,734
31st March 2018		
Present value of obligation at the beginning of the year	13,525,005	8,888,734
Interest cost	904,823	594,656
Current service cost	1,029,805	1,583,288
Past service cost	924,921	-
Benefits paid/payable	-	-
Actuarial gain/loss on obligation	(2,491,840)	(3,092,383)
Present value of obligation at the end of the period	13,892,714	7,974,295
B. Changes in the fair value of the plan Assets as on 31st March 2017		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period		
31st March 2018		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period		
C. Amounts recognised in the Balance sheet as on 31st March 2017		
Present value of the obligations at the end of the year	13,525,005	8,888,734
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet 31st March 2018	(13,525,005)	(8,888,734)

Present value of the obligations at the end of the year	13,892,714	7,974,295
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet	(13,892,714)	(7,974,295)
D. Amounts recognised in the Statement of P&L for the period ended		
Expenses recognised in Statement of Profit and Loss		
31st March 2017		
Current service cost	787,295	1,247,123
Past service cost	-	-
Interest cost	1,003,587	185,736
Expected return on plan assets	-	-
Net acturarial gain/loss recognised in the year	-	-
Expenses recognised in Statement of Profit and Loss	1,790,882	1,432,859
31st March 2018		
Current service cost	1,029,805	1,583,288
Past service cost	924,921	-
Interest cost	904,823	594,656
Expected return on plan assets	-	-
Net acturarial gain/loss recognised in the year	-	-
Expenses recognised in Statement of Profit and Loss	**2,859,549**	**2,177,944**

E. Principal Actuarial Assumptions:

	DESCRIPTION	2017-18	2016-17
i.	Discount Rate	7.65%	6.69%
ii.	Mortality Rate	IALM(2006-08) ULT	IALM(2006-08) ULT
iii.	Medical Cost Trend rates	5.00%	5.00%
iv.	Expected average remaining service	12.19%	12.58%
v.	Employee Attrition Rate (Past Service)	PS:0 TO 40 : 3%	PS : 0 TO 40 : 3%

i) The discount rate adopted above is based on market yields at the balance sheet date on government bonds.

ii) In line with the report of the 3rd Pay Revision Committee, the ceiling of gratuity enhanced from Rs.10 lakhs to Rs.20 lakhs for provision of gratuity.

F. Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is :

Gratuity

	1% Increase 31/3/2018	1% Decrease 31/3/2018
A Effect of 1% Change in the Assumed Discount Rate 1. Effect on PVO	13,010,717	14,893,390
A Effect of 1% Change in the Assumed Salary Rate 2. Effect on PVO	14,889,288	13,000,341

NOTE- 3.37

Segment Information (Ind AS 108): The company is operating only in one segment i.e, LED based products and hence no segmental reporting is made.

NOTE- 3.38

Related party disclosures :

In Accordance with the Ind AS Issued by the ICAI, the transactions with related parties are given below:

a. List of Related Parties where there exists controlling interest and the nature of relationship :

Sl No.	Name of the Related Party	Nature of Relationship
1	M/s.MIC Electronics Inc., USA	100% Subsidiary Companies
2	M/s.MIC Green Energy Solutions Pvt Ltd	
3	Dr.M.V.Ramana Rao, Managing Director	
4	Shri L.N.Malleswara Rao, Executive Director & CFO	Key Management Personnel
5	Shri M.S.Muralikrishnan, Company Secretary	

b) Aggregated Related party transactions

i) Particulars of transactions during the year

(Amount in Rs.)

Sl No.	Nature of Transaction	for the year ended 31st March, 2018	for the year ended 31st March, 2017	for the year ended 1st March, 2016
	Expenditure during the year			
1	Remuneration to Key Managerial personnel	4,898,400	4,456,587	4,500,000
2	Rents paid towards accommodation provided to Management personnel	720,000	384,000	384,000
3	Sitting fee and other expenses reimbursed to Directors	308,824	494,233	525,901

ii) Amounts due from /(due to) related parties at the year end

(Amount in Rs.)

Sl No.	Nature of Transaction	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
1	**Investments in Subsidiaries :**			
	M/s.MIC Green Energy Solutions Pvt Ltd	-	-	100,000
	M/s.MIC Electronics Inc., USA	-	-	22,697,250
	M/s.MIC Candilux Pvt Ltd	-	-	100,000
2	**Advances to Subsidiaries :**			
	M/s.MIC Green Energy Solutions Pvt Ltd	-	-	948,667
	M/s.MIC Electronics Inc., USA	-	-	52,657,650
3	**Outstanding balances receivable from Subsidiaries**			
	M/s.MIC Electronics Inc., USA	-	-	6,768,640
4	Outstanding balances payable to Management Pesonnel	5,892,064	6,483,519	408,298
5	Sitting fee and other expenses payable to Directors	2,490,862	2,220,862	2,045,862

NOTE- 3.39

Calculation of earnings per share (Ind AS 33) (Amount in Rs.)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit attributable to Share Holders	(1,907,565,940)	(351,002,927)
No. of Equity Shares Outstanding	220,254,319	220,254,319
Weighted No. of Equity Shares	220,254,319	175,715,062
Convertible Share Warrants	30,000,000	33,000,000
No. of diluted equity shares	250,254,319	208,715,062
Nominal Value of Equity Share	2.00	2.00
Basic EPS	(8.66)	(2.00)
Diluted EPS	(7.62)	(1.68)

NOTE - 3.40

Accounting for deferred taxes on Income (Ind AS 12)

Necessary details have been disclosed in note no.3.05

NOTE - 3.41

Intangible Assets (Ind AS-38) - R & D

The Research & Development expenditure, charged to statement of profit & loss during the year is Rs.74.57 lakhs (previous year Rs.78.55 Lakhs)

NOTE - 3.42

Provisions, Contingent Liabilities and Contingent Assets (Ind AS-37) : Necessary details in regard to provisions have been disclosed in notes 3.30

Note - 3.43 :

Disclosure as required under Regulation 34(3) and 53(f) of SEBI (LODR)

3.43.1 Loans and advances in the nature of loans to Subsidiary companies where there is no repayment schedule or no interest :

(Amount in Rs.)

Name of the Company	Outstanding balance			Maximum Balance outstanding		
	As at 31/03/2018	As at 31/03/2017	As at 31/03/2016	As at 31/03/2018	As at 31/03/2017	As at 31/03/2016
MIC Green Energy Solutions Pvt. Ltd.	-	-	948,667	-	-	948,667
MIC Electronics Inc.	-	-	52,657,650	-	-	52,657,650
Total	-	-	53,606,317	-	-	53,606,317

3.43.2 There are no Investments by the loanees as mentioned in 3.43.1 in the shares of MIC Electronics Ltd.

3.43.3 The company does not have any associate companies as on 31st March, 2018

3.43.4 There are no loans and advances in the nature of loans to firms/companies in which directors are interested.

Note-3.44 : Others

3.44.1 Fair Value Measurement

Financial instruments by category

(Amount in Rs.)

	As at March 18			As at March 17		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Investments			-			-
Trade receivables			337,548,932			340,372,473
Cash and cash equivalents			562,761			1,683,369
Other bank balances			16,473,186			13,999,531
Loans			-			-
Other financial assets			1,502,481			8,192,240
Total	**-**	**-**	**356,087,360**			**364,247,613**
Financial Liabilities						
Borrowings			148,630,315			477,388,515
Trade payables			556,537,963			387,035,443
Other financial liabilities			1,807,545,008			1,175,112,439
Total	-	-	2,512,713,286	-	-	2,039,536,397

	As at April 16		
	FVTPL	FVTOCI	Amortised cost
Financial Assets			
Investments			100,000
Trade receivables			681,103,366
Cash and cash equivalents			10,382,957
Other bank balances			13,566,701
Loans			-
Other financial assets			7,402,011
Total	**-**	**-**	**712,555,035**
Financial Liabilities			
Borrowings			1,149,331,289
Trade payables			503,251,151
Other financial liabilities			1,030,500,854
Total	**-**	**-**	**2,683,083,294**

1. Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) as of 31 March 2018, and 1 April 2017, respectively, are not included.

2. Other liabilities that are not financial liabilities (such as statutory dues payable, advances from customers and certain other accruals) as of 31 March 2018, and 1 April 2017, respectively, are not included.

The carrying amounts of above financial assets and labilities are considered to be same as their fair values, due to their short-term nature.

3.44.2 Financial Risk Management

a) Risk Management Framework

The Company's Management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Management has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Management on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Management monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, loans	Ageing analysis	Diversification of bank deposits and closing monitoring of receivables
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Regular follow up on receivables and temporary borrowings to meet day to day operations.
Market risk-currency risk	Imports giving rise to foreign currency payables	-	-

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

(a) Trade receivables

"The Company sales are generally based on advance payments and credit sales. The trade receivables in the books are mainly on account of credit sales to different parties, government undertakings like Railways, EESL etc.

Expected credit loss for trade receivables under simplified approach is detailed as per the below tables:

Year ended 31 March 2018

(Amount in Rs.)

Ageing	< 6 months	6-12 months	>1-3 years	>3 years	Total
Gross carrying amount	183,780,755	75,004,442	332,664,875	25,641,212	617,091,284
Expected loss rate	20.35	74.36	49.51	84.43	45.30
Expected credit losses (loss allowance provision)	37,405,956	55,772,055	164,715,493	21,648,848	279,542,352
Carrying amount of trade receivables (net of impairment)	146,374,799	19,232,387	167,949,382	3,992,364	337,548,932

Year ended 31 March 2017

(Amount in Rs.)

Ageing	< 6 months	6-12 months	>1-3 years	>3 years	Total
Gross carrying amount	302,752,567	185,472,170	139,475,397	4,492,424	632,192,558
Expected loss rate	20.79	61.89	79.07	84.51	46.16
Expected credit losses (loss allowance provision)	62,949,986	114,785,456	110,288,036	3,796,607	291,820,085
Carrying amount of trade receivables (net of impairment)	239,802,581	70,686,714	29,187,361	695,817	340,372,473

Year ended 31 March 2016

(Amount in Rs.)

Ageing	< 6 months	6-12 months	>1-3 years	>3 years	Total
Gross carrying amount	799,066,530	32,806,581	36,537,271	75,268,026	943,678,408
Expected loss rate					
Expected credit losses (loss allowance provision)	150,445,700	31,812,630	5,279,882	75,036,830	262,575,042
Carrying amount of trade receivables (net of impairment)	648,620,830	993,951	31,257,389	231,196	681,103,366

iii. Reconciliation of loss allowance provision - trade receivables

Loss allowance on 1 April 2016	262,575,042
Changes in loss allowance	29,245,043
Loss allowance on 31 March 2017	291,820,085
Changes in loss allowance	(12,277,733)
Loss allowance on 31 March 2018	279,542,352

The impairment provisions for trade receivables disclosed above are based on assumptions about risk of default and expected loss rates.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

However, the Company is facing financial difficulties and currently does not have sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

i. Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in Rs.)

Year ended 31 March 2018	On demand	Less than 6 months	6 Months to 1 year	More than one year	Total
Borrowings	148,630,315				148,630,315
Trade payables	556,537,963				556,537,963
Other financial liabilities	1,807,545,008				1,807,545,008
Total	2,512,713,286	-	-	-	2,512,713,286

Year ended 31 March 2017	On demand	Less than 6 months	6 Months to 1 year	More than one year	Total
Borrowings	477,388,515				477,388,515
Trade payables	387,035,443				387,035,443
Other financial liabilities	1,175,112,439				1,175,112,439
Total	2,039,536,397	-	-	-	2,039,536,397

Year ended 31 March 2016	On demand	Less than 6 months	6 Months to 1 year	More than one year	Total
Borrowings	1,149,331,289				1,149,331,289
Trade payables	503,251,151				503,251,151
Other financial liabilities	1,030,500,854				1,030,500,854
Total	2,683,083,294	-	-	-	2,683,083,294

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk

Since majority of the Company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

The Company's exposure to foreign currencies in minimal and hence no sensitivity analysis is presented.

3.44.3 First Time Adoption of Ind AS

Explanation of Transition to Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of the opening Ind AS balance sheet as at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Indian GAAP or previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows is set out in the following tables and the notes that accompany the tables.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed Cost

Ind AS 101 permits a first-time adopter to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making the necessary adjustments for the de-commissioning liabilities. This exemption can also be used for intangible assets covered by the Ind AS 38 intangible assets and investments in subsidiaries, associates and joint ventures. Accordingly, the Company has elected to measure allof its property, plant and equipment (Except land and buildings), intangible assets and investments in subsidiaries and associates at their previous GAAP carrying value.

A.2 Ind AS mandatory exemptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS' at the date of transition to Ind AS shall be consistant with the estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies) unless there is an objective evidence that those estimates were in error.

"Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with the previous GAAP. The Company made estimates for the following items in accordance with Ind AS at the date of transition as there were not required under previous GAAP. Impairment of financial assets (Trade Receivables) based on the expected credit loss model.

A.2.2 Classification and measurement of financial assets (other than equity instruments)

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

A.2.3 De-recognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions for Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows first time adopter to apply the derecognition requirements provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past Ind AS 101 retrospectively from the date of entity's choosing, transactions was obtained at the time of initially accounting for the transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind-AS.

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cashflows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

B.1 Reconciliation of equity as at the date of transition (1 April 2016)

(Amount in Rs.)

Particulars	Previous GAAP*	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	1,200,945,958	(190,807,774)	1,010,138,184
Capital work-in-progress	172,365,474	(124,101,795)	48,263,679
Other intangible assets	1,679,200	-	1,679,200
Financial assets			
(i) Investments	22,897,250	(22,797,250)	100,000
(ii) Loans	53,606,317	(53,606,317)	-
Deferred tax assets (Net)	620,621,566	-	620,621,566
Other non-current assets	272,341,793	(201,560,150)	70,781,643
Total non-current assets	**2,344,457,558**	**(592,873,286)**	**1,751,584,272**
Current assets			
Inventories	752,268,618	-	752,268,618
Financial assets			
(i) Trade receivables	943,670,023	(262,566,657)	681,103,366
(ii) Cash and cash equivalents	10,382,957	-	10,382,957
(iii) Bank balances other than (ii) above	13,566,701	-	13,566,701
(iv) Other financial assets	7,402,011	-	7,402,011
Current tax assets (net)	**1,727,290,310**	**(262,566,657)**	**1,464,723,653**
Other current assets	755,157,482	(572,102,211)	183,055,271
Total Assets	**4,826,905,350**	**(1,427,542,154)**	**3,399,363,196**

EQUITY AND LIABILITIES			
Equity			
Equity share capital	332,276,246	-	332,276,246
Other equity			
Reserves and surplus	1,990,116,880	(1,791,838,570)	198,278,310
Other reserves			
Total equity	**2,322,393,126**	**(1,791,838,570)**	**530,554,556**
LIABILITIES			
Non-current liabilities			
Financial liabilities	128,437,268	(8,082,745)	120,354,523
Other financial liabilities			
Provisions	15,942,671	-	15,942,671
Total non-current liabilities	**144,379,939**	**(8,082,745)**	**136,297,194**
Current liabilities			
Financial liabilities			
(i) Borrowings	1,028,976,766	-	1,028,976,766
(ii) Trade and other payables	504,146,221	(895,070)	503,251,151
(iii) Other financial liabilities	656,185,495	374,315,359	1,030,500,854
Other current liabilities	170,823,803	(1,041,128)	169,782,675
Total current liabilities	**2,360,132,285**	**372,379,161**	**2,732,511,446**
Total liabilities	**2,504,512,224**	**364,296,416**	**2,868,808,640**
Total equity and liabilities	4,826,905,350	(1,427,542,154)	3,399,363,196

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

B.2 Reconciliation of equity as at 31 March 2017

(Amount in Rs.)

Particulars	Previous GAAP*	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	1,128,058,718	(203,982,132)	924,076,586
Capital work-in-progress	190,620,954	(124,101,795)	66,519,159
Other intangible assets	1,370,922	-	1,370,922
Financial assets			
(i) Investments	22,797,250	(22,797,250)	-
(ii) Loans	53,606,317	(53,606,317)	-
Deferred tax assets (Net)	618,986,091	(20,439,655)	598,546,436
Other non-current assets	306,680,934	(199,330,638)	107,350,296
Total non-current assets	**2,322,121,186**	**(624,257,787)**	**1,697,863,399**

Current assets			
Inventories	1,136,659,676	-	1,136,659,676
Financial assets			
(i) Trade receivables	887,758,810	(547,386,337)	340,372,473
(ii) Cash and cash equivalents	1,683,369	-	1,683,369
(iii) Bank balances other than (ii) above	13,999,531	-	13,999,531
(iv) Other financial assets	8,192,240	-	8,192,240
Current tax assets (net)	2,048,293,626	(547,386,337)	1,500,907,289
Other current assets	718,796,626	(572,565,557)	146,231,069
Assets classified as held for sale			
Total Assets	**5,089,211,438**	**(1,744,209,681)**	**3,345,001,757**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	440,508,638	-	440,508,638
Other equity			
Reserves and surplus	2,795,834,032	(2,168,137,796)	627,696,236
Total equity	3,236,342,670	(2,168,137,796)	1,068,204,874
LIABILITIES			
Non-current liabilities			
Financial liabilities	373,925,786	-	373,925,786
Provisions	19,967,625	2,446,114	22,413,739
Total non-current liabilities	**393,893,411**	**2,446,114**	**396,339,525**
Current liabilities			
Financial liabilities			
(i) Borrowings	103,462,729	-	103,462,729
(ii) Trade and other payables	387,930,513	(895,070)	387,035,443
(iii) Other financial liabilities	751,694,240	423,418,199	1,175,112,439
Current tax liabilities	6,897,374	-	6,897,374
Other current liabilities	208,990,501	(1,041,128)	207,949,373
Total current liabilities	**1,458,975,357**	**421,482,001**	**1,880,457,358**
Total liabilities	**1,852,868,768**	**423,928,115**	**2,276,796,883**
Total equity and liabilities	**5,089,211,438**	**(1,744,209,681)**	**3,345,001,757**

B.3 Reconciliation of total comprehensive income for the year ended 31 March 2017

(Amount in Rs.)

Particulars	Previous GAAP*	Ind AS Impact	Ind AS
Continuing operations			
Revenue from operations	2,308,648,821	200,042,340	2,508,691,161
Other income	25,437,811	(3,940,015)	21,497,796
Total income	2,334,086,632	196,102,325	2,530,188,957
Expenses			
Cost of materials consumed	1,662,604,245	-	1,662,604,245
Purchase of traded goods	442,230,620	-	442,230,620
(Increase)/ Decrease in Inventories	(381,186,253)	-	(381,186,253)
Employee benefit expense	51,103,298	(801,213)	50,302,085
Depreciation and amortisation expense	74,319,353	3,808,758	78,128,111
Other expenses	225,198,479	486,513,054	711,711,533
Finance costs	225,987,742	59,193,970	285,181,712
Total expenses	2,300,257,484	548,714,569	2,848,972,053
Profit/(loss) before exceptional items and tax	33,829,148	(352,612,244)	(318,783,096)
Profit before tax from continuing operations	33,829,148	(352,612,244)	(318,783,096)
Income tax expense			
– Current tax	6,897,374	-	6,897,374
– Deferred tax	1,635,475	20,439,655	22,075,130
Total tax expense	8,532,849	20,439,655	28,972,504
Profit from continuing operations	**25,296,299**	**(373,051,899)**	**(347,755,600)**
Discontinued operations			
Loss from discontinued operation before tax			
Tax income of discontinued operation			
Loss from discontinued operations			
Profit for the year			
Other comprehensive income	-	(3,247,327)	(3,247,327)
Items that will not be re classified to profit and loss			
Re-measurements of post-employment benefit obligations			
Income tax relating to these items			
Other comprehensive income for the year, net of tax	**25,296,299**	**(376,299,226)**	**(351,002,927)**
Total comprehensive income for the year	**25,296,299**	**(376,299,226)**	**(351,002,927)**

B.4 Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017:

(Amount in Rs.)

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	(181,537,535)	(35,023,253)	(216,560,788)
Net cash flow from investing activities	(20,221,589)	11,805,148	(8,416,441)
Net cash flow from financing activities	179,492,835	36,784,806	216,277,641
Net increase/(decrease) in cash and cash equivalents	(22,266,289)	13,566,701	(8,699,588)
Cash and cash equivalents as at 1 April 2016	23,949,658	(13,566,701)	10,382,957
Effects of exchange rate changes on cash and cash equivalents	-		-
Cash and cash equivalents as at 31 March 2017	1,683,369	-	1,683,369

C. Notes to first-time adoption

Note 1 : Fair Valuation as deemed cost of property, plant and equipment :

The company have considered fair value for property, plant & equipment with an impact of Rs.(19.08) crores and buidling in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

Note 2 : Fair Valuation of financial assets :

The company has valued financial assets(other than investment in subsidiaries which are accounted at cost), at fair value, impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in profit and loss account or other comprehensive income, as the case may be.

Note 3 : Deferred Tax

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves on the date of transition, with consequential impact to the Profit and Loss account for the subsequent periods.

Note 4 : Impairment of Financial Assets - Trade Receivables

As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts is Rs.29.18 Crores as at 31 March 2017. Consequently, the total equity as at 31 March 2017 decreased by Rs.29.18 Crores and profit for the year ended 31 March 2017 decreased by Rs.29.18 Crore.

Note 5 : Prior Period Items

Under previous GAAP, prior period items identified in a particular period were disclosed separately in computing the net profit for that period. Under Ind AS, prior period items are recognised by restating the comparative amounts for the period to which the error pertains. Where the error pertains to a period prior to the earliest reporting period, adjustments are made to the opening balances of assets, liabilities and equity of the earliest reporting period. As a result as on March 17 on account of prior period items, other equity stands decrease by Rs.5.39 Crores (April 16 : decrease Rs.36.53 Crores), assets have increased by Rs.0.33 Crore (April 16 : increase Rs.0.20 Crore) and liabilities have been increased by Rs.5.72 Crore (April.16 : increased by Rs.36.73 Crore).

Note 6 : Excise Duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty as the excise duty is collected by the company as a principal. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by Rs.20,00,42,340/- There is no impact on the total equity and profit.

Note 7 : Remeasurement of post employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 decreased by Rs.0.32 crores. Total Equity stands decreased by the said amount as at 31 March 2017.

Note 8 : Others

Other adjustments primarily comprise of depreciation and foreign exchange fluctuation adjustments.

Reconciliation of Net profit as previously reported (referred to as "Previous GAAP") and the total comprehensive income as per Ind-AS is mentioned in the table below.

(Amount in Rs.)

Particulars	Year ended as on 31 March 2017
Net Profit/(Loss) from Ordinary activities after tax as reported under Previous GAAP	**25,296,299**
Add/(Less)	
Actuary Gain/Loss on employee defined benefit funds recognised in other comprehensive income	801,213
Effect of provision for Trade Receivables	(291,820,085)
Effect of Depreciation and Others	(13,174,358)
Effect of Restatement of prior period	(53,844,599)
Other Expenses	5,425,585
Change in Deferred Tax On accounts of the Above	(20,439,655)
Net Profit as per Ind AS	**(347,755,600)**
Actuary Gain/(Loss) on employee defined benefit funds recognised in other comprehensive income (net of taxes)	(3,247,327)
Total Comprehensive Income	**(351,002,927)**

Reconciliation of Equity as previously reported (referred to as "Previous GAAP") and the equity as per Ind-AS is mentioned in the table below

(Amount in Rs.)

Particulars	As at 31 March 2017	As at 1 April 2016
Total Equity under Previous GAAP	**3,236,342,670**	**2,322,393,126**
Add/(Less) : Adjustment for Ind AS:		
Indas adjustment/Provision for expected credit losses on trade receivables	554,395,127	262,575,042
Expenditure on enabling facilities	328,083,927	314,909,569
Effect of restatement of Prior period Items	419,177,925	365,333,326
Change in Deferred Tax On accounts of the Above	20,439,655	-
Other items	846,041,162	849,020,633
Total adjustment of Equity	**2,168,137,796**	**1,791,838,570**
Total equity as per Ind AS	**1,068,204,874**	**530,554,556**

Other Notes

3.45 "Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of MIC Electronics Limited (""company"") under the provisions of the Insolvency and Bankrupty Code, 2016 ('Code') by an order of the National Company Law Trubinal (NCLT), Hyderabad with effect from 13th March 2018. As per Section 17 of the Code, appointed Mr.N.Prabhakar as the interim Resolution Professional (IRP) in terms of IBC. Mr.N.Prabhakar was subsequently confirmed by the committee of creditors (CoC) as the Resolution Professional (RP). An appeal has been filed at NCLAT, Delhi by Dr.M.V.Ramana Rao being share holder of the company against the NCLT order and admission of claim of M/s.Srei Equipment Finance Pvt Ltd, the applicant at the NCLT. The case has been posted for final hearing on 26th July 2018. Any outcome of the CIRP is subject to final decision of the Hon.NCLAT in the above matter."

Accordingly, RP took control of the management and operations of the company. As the powers of the Board of Directors have been suspended, the above results have not been adopted by the Board of Directors. However, the same have been reviewed and signed by Shri M.V.Ramana Rao, Director of the Company. These financial statements have there after been taken on record by the RP on 11th July 2018 for filing with Stock Exchanges.

3.46 During the year , the company has incurred a net loss of Rs.190.75 crores resulting into accumulated losses of Rs.127.99 crores as at 31st March 2018 and erosion of its networth. The company has obligations towards fund based borrowings aggregating to Rs.182.14 crores subject to reconciliation / verification as stated in 3.48 below that have been demanded or recalled by the financial creditors pursuant to CIRP, obligations pertaining to operations including unpaid creditors and statutory dues as at 31st March 2018. The company's ability to continue as going concern is dependent upon many factors including continued support from financial creditors, operational creditors and submission of a viable revival / resolution plan by the prospective investor/bidder. In the opinion of the management, resolution and revival of the company is possible in forseeable future, accordingly, in view of the ongoing CIRP, above results have been prepared on the basis that the company is a going concern. As part of CIRP, creditors of the company are called upon to submit their claims to the Resolution Professional in terms of the applicable provisions of the IBC, 2016. Claims submitted by the financial and operational creditors have been verified and admitted by the RP on the basis of books and records and other supporting details.In some instances, the amount of claim admited by the RP is different than the amount reflecting in the books of accounts of the Company.

3.47 The company has certain trade receivables , security deposits , loans and advances, other financial and current assets aggregating to Rs.48.85 crores. The management of the company is confident of recovery of the aforesaid dues.

3.48 There are various claims submitted by financial creditors, operational creditors, workman or employees and authorised representative of workman or employees and others to resoluction professional pursuant to IBC. The claims received from the parties and subject to further validation or verification by RP.

3.49 Confirmation of balances could not be obtained as at 31st March 2018 for various trade receivables, trade payables though the management has requested for confirmation of balances. The management has already made provision for doubtful receivables / advances and believes that no material adjustments would be required in books of accounts upon receipt of these confirmations.

3.50 Physical verification of fixed assets aggregating to Rs.91.62 crores (WDV as on 31 March 2018) has been carried out by the management. The management is still in the process of reconciliation of quantities as per verification reports with fixed assets records but believe that all the fixed assets of the company are physically in existance and are showed at WDV of the assets as on 31st March 2018.

Physical verification of inventory aggregating to Rs.50.56 crores has been carried out by the management. The management believe that no item of inventory has a net realisable value in the ordinary course of business which is less than the amount at which it is inclued in the inventories. Accordingly, necessary provision has been made in the books of accounts.

3.51 The company has applied for extension of time with SEBI by another six months (i.e., upto 14.02.2018) for converting 3,00,00,000 share warrants given to M/s.Leyard Hongkong Co. Ltd. into equity shares . However, no extension has been granted by SEBI till date. The management hopes and wait for SEBI to extend the time line for conversion of share warrants and accordingly no forfeiture has been made in respect of the share warrants.

3.52 The company has not provided liability of Rs.84.28 Crores in respect of some parties relating to borrowings upto 31.03.2018 as per the claims submitted by the parties to Resolution Professional since the matter is in litigation / settlement. The management of the company is confident of positive outcome of litigations or settlements.

3.53 The company has not provided for interest expense of Rs.7.94 crores on operational creditors upto 31.03.2018 as per the claims submitted by the parties to the resolution professional since the company is in the process of pursuing the matter for settlement. The management of the company is confident of positive outcome of settlement.

3.54 The company has issued corporate guarantees issued to Andhra bank and Axis Bank Limited on behalf of M/s.Maave Electronics Pvt Ltd and M/s.Hyperion Green Energy India Pvt Ltd which have been invoked by banks but not acknowledged as debt by the company as the said companies are no longer related to MIC Electronics Limited. The total liability not acknowledged is Rs.8.76 crores as per the claims submitted by the said banks to Resolution Professional.

3.55 During the year, the company has received a claim of TDS arrears of Rs.5.32 crores from Income Tax department. However, as per company's records, only Rs.3.55 crores is liable towards TDS, Interest & penalty. The remaining amount of Rs.1.77 crores is not liable and the details have been provided to the Income Tax Deparment by the Resolution Professional.

3.56 During the year, the company has received a claim of VAT/CST by the Telangana commercial taxes department for Rs.2.15 crores. However, as per company's records, only Rs.0.93 crores is liable towards this. A reconciliation statement has been provided to the Commercial tax department by the Resolution Professional.

3.57 The company has made a provision of Rs.2.28 crores for impairment of investments and Rs.5.36 crores of loans and advances in the subsidiary companies, since the networth has been eroded in the subsidiary companies and the recovery of these investments and advances are doubtful.

3.58 The company had reversed the deferred tax asset of Rs.59.85 crores during the financial year 2017-18 as the company is unsure about the profit in the forseeable future.

08 INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Members of
MIC Electronics Limited

1. Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC) :

The Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") on 13th March 2018 admitted an insolvency and bankruptcy petition filed by a financial creditor against MIC Electronics Limited ("the Holding Company or the Company") and appointed Mr. N. Prabhakar to act as Interim Resolution Professional (IRP) with direction to initiate appropriate action contemplated with extent provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules. Mr N. Prabhakar was subsequently confirmed by the Committee of Creditors (CoC) as the Resolutional Professional (RP).

2. Report on the Consolidated Financial Statements :

We have audited the accompanying consolidated financial statements of MIC Electronics Limited ("the Holding Company or the Company") having registered office at A4, Electronic Complex, Kushaiguda, Hyderabad – 500 062 and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the group") which comprise the Consolidated Balance Sheet as at 31 March, 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, Consolidated Statement of changes in equity and a summary of the significant accounting policies and other explanatory information for the year then ended.

3. Management's Responsibility for the Consolidated Financial Statements :

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including consolidated other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Pursuant to ongoing Corporate Insolvency Resolution Process (CIRP) powers of the board of Directors have been suspended and these Powers are now vested with Resolution Professional (RP).

4. Auditors' Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Group's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

5. Basis for Qualified opinion :

We refer to following notes to consolidated financial statements.

(a) Note 3.42 of the consolidated financial statements, in respect of preparation of financial statements of the Company on going concern basis. During the year the Company has incurred a Net Loss of Rs.190.80 crores resulting into accumulated losses of Rs.121.41 crores and erosion of its Net worth as at 31st March 2018. The Company has obligations towards fund based borrowings aggregating to Rs.182.14 crores, operational creditors and statutory dues, subject to reconciliation/verification that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable.

(b) Note 3.43 to the consolidated financial statements, in connection with trade receivables, security deposits, loans and advances, other financial and current assets aggregating to Rs.49.61 crores. There is existence of material uncertainties over the realisability of these amounts due to various factors such as disputes, age of these assets etc. Had the aforesaid assets been provided for impairment, loss after tax for the year ended 31st March 2018 would have been higher by the said amount and other equity would have been lower by the said provision.

(c) Note 3.44 to the consolidated financial statements in respect of various claims submitted by financial creditors, operational creditors, workman or employee or authorized representative of workman or employees to Resolution Professional pursuing to IBC that are currently under consideration / reconciliation. Pending final reconciliation / admission of such claims by RP and NCLT, we are unable to comment on the consequential impact, if any, on these financial statements.

(d) Note 3.45 of the consolidated financial statements in respect of non availability of confirmation of various trade receivables, trade payables etc. In absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable.

(e) Note 3.46 of the consolidated financial statements in respect of physical verification reports of fixed assets aggregating to Rs.91.62 crores as at 31st March 2018. The management is still in the process of reconciliation of quantities as per verification reports with fixed assets records. Pending such reconciliation, physical verification and in the absence of any alternative collaborative evidence, we are unable to comment if there is any provision for impairment that is required to be made. However, physical verification of inventory has been made by a registered valuer and the net realizable value of inventories has been taken in the books.

(f) Note 3.47 of the consolidated financial statements in respect of application for extension of time with SEBI by the company for another six months (i.e., upto 14.02.2018) for converting 3,00,00,000 share warrants given to M/s.Leyard Hongkong Co. Ltd. into equity shares . However, no extension has been granted by SEBI till date. We are of the opinion that the company should have forfeited the share warrants application money for an amount of Rs.18.76 crores since six months time for extension of time has been elapsed and no approval has been granted by SEBI. Had the company forfeited these amounts, the share warrants application money would have been squared off and the share forfeiture account would have been increased by the said amount.

(g) Note 3.48 of the consolidated financial statements in respect of non provision of liability of the company of Rs.84.28 Crores in respect of some parties relating to borrowings upto 31.03.2018 as per the claims submitted by the parties to Resolution Professional since the matter is in litigation / settlement. Had the company made a provision for the same the loss after tax for the year ended 31st March 2018 would have been higher by the said amount and other equity would have been lower by the said amount.

(h) Note 3.49 of the consolidated financial statements in respect of non provision of interest expense of Rs.7.94 crores on operational creditors upto 31.03.2018 as per the claims submitted by the parties to the resolution professional since the company is in the process of pursuing the matter for settlement. Had the company made a provision for the same the loss after tax for the year ended 31st March 2018 would have been higher by the said amount and other equity would have been lower by the said amount.

(i) Note 3.50 of the consolidated financial statements in respect of non provision of liability against corporate guarantees issued to Andhra bank and Axis Bank Limited on behalf of M/s.Maave Electronics Pvt Ltd and M/s.Hyperion Green Energy India Pvt Ltd which have been invoked by banks but not acknowledged as debt by the company as the said companies are no longer related to MIC Electronics Limited (Holding company). The total liability not acknowledged is Rs.8.76 crores as per the claims submitted by the said banks to Resolution Professional. Had the company made a provision for the same the loss after tax for the year ended 31st March 2018 would have been higher by the said amount and other equity would have been lower by the said amount.

6. Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except of the effects of the matters described in para 5(f), 5(g), 5(h) i.e, had our observation been considered the total comprehensive loss for the period would have been Rs.(291.78) crores, other equity would have been Rs.(222.39) crores and Earning per share for the period would have been Rs.(13.25) and possible effects of the matters described in para 5(a), 5(b), 5(c), 5(d), 5(e) & 5(i) in the basis for qualified opinion, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2018, and its consolidated losses (including consolidated other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

7. Emphasis of matters:

Attention is invited to:

(a) Note 3.51 of the consolidated financial statements in respect of the claim received from Income tax regarding TDS arrears of Rs.5.32 crores. However, as per company's records, only Rs.3.55 crores is liable towards TDS, Interest & penalty and an amount of Rs.1.77 crores is not liable and details have been provided to the IT Department by Resolution Professional.

(b) Note 3.52 of the consolidated financial statements in respect of the claim received for VAT/CST by the Telangana commercial taxes department for Rs.2.15 crores. However, the company has provided only Rs.0.93 crores in the financials of the company. A reconciliation statement has been provided to the Commercial tax department by the Resolution Professional.

Our report is not qualified in respect of these matters.

8. 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 2018. 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 2018. These unaudited financial statements approved by the respective directors of this company 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 unaudited financial statements.

9. Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:

   a. Except of the matters as described in the "Basis for qualified opinion" paragraph, we sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b. Except for the effects / possible effects of the matters described in the "Basis for qualified opinion" paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including consolidated other comprehensive income) , the consolidated Cash Flow Statement and the consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account.

d. In our opinion due to the matters described in the "Basis for qualified opinion" paragraph, the aforesaid consolidated financial statements do not comply with the Accounting Standards prescribed under section 133 of the Act, as applicable;

e. The matter described in the "Basis for qualified opinion" and emphasis of matters paragraph above, may have an adverse effect on the functioning of the Company.

f. In the term of section 17 (1) (b) of the Insolvency and Bankruptcy Code, 2016 ("the Code"), the powers of the board of directors have been suspended and be exercised by the interim resolution professional. Hence, written representation from directors have not been taken on record by the Board of Directors. Accordingly, we are unable to comment whether none of the director is disqualified as on March 31, 2018 from being appointed as a director in the terms of Section 164 (2) of the Act. In case of the subsidiary companies, on the basis of the reports of the statutory auditors of its subsidiary companies, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the "Basis for qualified opinion" paragraph above;

h. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a disclaimer of opinion on the Company's internal financial controls over financial reporting.

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the information and explanations given to us:

i. The group has disclosed the impact of pending litigations on its financial position to the extent ascertained, in its consolidated financial statements;

ii. Except for the effect/possible effects of the matters described under "Basis for qualified opinion" paragraph, the group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The group did not have any derivative contracts;

iii. There were no amounts which were required to the transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2018;

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

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

Place: Hyderabad
Date: 11.07.2018

ANNEXURE A AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

"Annexure A" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of MIC ELECTRONICS LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MIC ELECTRONICS LIMITED("the Company") and its Indian subsidiaries as of March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Disclaimer of Opinion

According to the information and explanation given to us, the Holding Company is still in the process of establishing internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Further, the holding company did not have proper internal audit system during the year commensurate with the size of the company and nature of its business.

Disclaimer of Opinion

Because of the significance of matters described in the basis for a disclaimer of opinion paragraph, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer has affected our opinion on the financial statements of the Company and we have issued qualified opinion on the financial statements.

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

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

Place: Hyderabad
Date: 11.07.2018

08 CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2018

(Amount in Rs.)

	Particulars	Note.		As at 31.03.2018		As at 31.03.2017		As at 01.04.2016
I.	**ASSETS**							
(1)	**Non-Current Assets**							
	Property, Plant & Equipment	3.01	896,821,362		924,076,586		1,010,138,184	
	Capital Work-in-Progress		18,255,480		66,519,159		48,263,679	
	Other Intangible Assets	3.02	1,176,823		1,370,922		1,679,200	
	Financial Assets							
	(i) Investments	3.03	66,960,404		66,674,949		67,949,669	
	(ii) Loans		-		-		-	
	Deferred Tax Assets (net)	3.04	-		598,546,436		620,621,566	
	Other Non Current Assets	3.06	119,802,547		108,600,017		72,237,087	
				1,103,016,616		1,765,788,069		1,820,889,385
(2)	**Current Assets**							
	Inventories	3.07	505,563,420		1,136,659,676		752,268,618	
	Financial Assets							
	(i) Trade receivables	3.08	337,548,932		340,372,473		687,872,006	
	(ii) Cash & Cash Equivalents	3.09	615,438		1,776,888		10,581,144	
	(iii) Bank balances other than							
	(ii) above	3.10	16,473,186		13,999,531		13,566,701	
	(iv) Other Financial Assets	3.11	7,740,025		15,192,850		7,402,011	
	Other Current Assets	3.12	31,078,066		146,282,956		182,972,411	
				899,019,067		1,654,284,374		1,654,662,891
	TOTAL ASSETS			**2,002,035,683**		**3,420,072,443**		**3,475,552,276**
II.	**EQUITY AND LIABILITIES**							
(1)	Equity							
	Equity Share Capital	3.13	440,508,638		440,508,638		332,276,246	
	Other Equity		(1,214,058,077)		693,372,305		266,460,402	
				(773,549,439)		1,133,880,943		598,736,648
(2)	**Liabilities**							
	Non-current liabilities							
	Financial Liabilities							
	(i) Borrowings	3.14	-		373,925,786		120,354,523	
	(ii) Trade Payables	-		-		-		
	(iii) Other Financial Liabilities	-		-		-		
	Long Term Provisions	3.15	21,867,009		22,413,739		15,942,671	
	Deferred Tax Liabilities (net)	-		-		-		
	Other non current liabilities	-		-		-		
				21,867,009		396,339,525		136,297,194

08 CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2018

(Amount in Rs.)

Particulars	Note.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Current liabilities				
Financial Liabilities				
(i) Borrowings	3.16	148,630,315	101,708,667	1,027,211,704
(ii) Trade Payables	3.17	565,277,798	397,383,882	512,814,211
(iii) Other Financial Liabilities	3.18	1,807,590,008	1,175,912,679	1,030,709,844
Other current liabilities	3.19	225,322,618	207,949,373	169,782,675
Provisions		-	-	-
Current Tax Liabilities (Net)	3.20	6,897,374	6,897,374	-
		2,753,718,113	1,889,851,975	2,740,518,434
TOTAL EQUITY & LIABILITIES		**2,002,035,683**	**3,420,072,443**	**3,475,552,276**
See accompanying notes to financial statements	1-3.53			

per our report of even date
For PAVULURI & CO
Chartered Accountants
Firm Reg. No: 012194S

For and on behalf of the Board of Directors

Sd/-
Dr. M.V.Ramana Rao
Director

Sd/-
L.N.Malleswara Rao
Director & CFO

Sd/-
CA.N.Rajesh
Partner
M.No : 223169

Sd/-
M.S. Murali Krishnan
Company Secretary

Place : Hyderabad.
Date : 11.07.2018

08 CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31st MARCH 2018

(Amount in Rs.)

	Particulars	Note.		Year ending 31.03.2018		Year ending 31.03.2017
I	**INCOME :**					
	Revenue from operations	3.21		1,641,702,898		2,508,691,161
	Other Income	3.22		11,723,053		21,497,796
	Total Revenue			**1,653,425,951**		**2,530,188,957**
II.	**EXPENDITURE :**					
	Cost of material consumed	3.23		1,451,677,113		1,662,718,361
	Purchase of traded goods			183,908,612		442,230,620
	(Increase)/ Decrease in Inventories	3.24		(257,153,877)		(381,186,253)
	Employee benefits expense	3.25		56,521,096		50,302,085
	Finance Costs	3.26		244,234,189		285,199,242
	Depreciation and amortization expense	3.01/3.02		77,458,680		78,128,111
	Other expenses	3.27		249,896,310		712,847,810
	Total expenses			**2,006,542,123**		**2,850,239,976**
III.	**Profit/(Loss) before exceptional items and tax (I-II)**			**(353,116,172)**		**(320,051,019)**
IV	**Exceptional Items**					
	Depletion in value of inventories		961,912,371		-	
				961,912,371		**-**
V	**Profit/(Loss) before tax (III+IV)**			**(1,315,028,543)**		**(320,051,019)**
VI	**Tax expenses:**					
	Mat Credit entitlement		-		(6,897,374)	
	Deffered tax (Liability)/Asset		(598,546,436)	(598,546,436)	(22,075,130)	(28,972,504)
VII	**Profit/(Loss) for the period from continuing operations (V - VI)**			**(1,913,574,979)**		**(349,023,523)**
VIII	**Other comprehensive Income**					
	A (i) Items That May Not Be Reclassified to Profit or Loss			-		

08 CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31st MARCH 2018

(Amount in Rs.)

	Particulars	Note.	Year ending 31.03.2018	Year ending 31.03.2017
	(ii) Income Tax Relating to Items That May Not Be Reclassified to Profit or Loss		-	
	B (i) Items That May Be Reclassified to Profit or Loss		5,584,223	(3,247,327)
	(ii) Income Tax Relating to Items That May Be Reclassified to Profit or Loss		-	
IX	Total Comprehensive Income For The Period (VII+VIII) (Comprising Profit/(Loss) and Other Comprehensive Income For The Period)		**(1,907,990,756)**	**(352,270,850)**
X	**Earnings per equity share of par value Rs 2/- each**			
	Basic		(8.66)	(2.00)
	Diluted		(7.62)	(1.69)
	Notes forming part of financial statements	1-3.53		

per our report of even date
For PAVULURI & CO
Chartered Accountants
Firm Reg. No: 012194S

For and on behalf of the Board of Directors

Sd/-
Dr. M.V.Ramana Rao
Director

Sd/-
L.N.Malleswara Rao
Director & CFO

Sd/-
CA.N.Rajesh
Partner
M.No : 223169

Sd/-
M.S. Murali Krishnan
Company Secretary

Place : Hyderabad.
Date : 11.07.2018

08 STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2018

A. Movements in Equity Share Capital

	No. of Shares	Equity Share Capital (Rs)
As at 01.04.2016	**16,61,38,123**	**33,22,76,246**
Changes in equity share capital	5,41,16,196	10,82,32,392
As at 31.03.2017	**22,02,54,319**	**44,05,08,638**
Changes in equity share capital	-	-
As at 31.03.2018	**22,02,54,319**	**44,05,08,638**

B. Other Equity

Statement of Changes in Equity for the period ended 1st April 2016

(Amount in Rs.)

Particulars	Share Application Money pending Allotment	Reserves & Surplus						Revaluation Surplus	Money Received against Share Warrants	Total Other Equity
		Capital Reserve	Secutities Premium Reserve	Share warrants forfeited	Amalgam-ation Reserve	General Reserve	Retained Earnings			
Balance as at 01.04.2015	-	267,000	1,046,980,610	377,581,045	18,000,000	180,000,000	1,194,844,734	-	43,547,427	2,861,220,816
Issue of Equity Shares on conversion of share warrants	-	-	47,214,848	-	-	-	-	-	-	47,214,848
Money received during the year	-	-	-	-	-	-	-	-	172,445,774	**172,445,774**
Profit for the year	-	-	-	-	-	-	(1,108,881,424,)	-	-	**(1,108,881,424)**
Effect of currency translation on consolidation	-	-	-	-	-	-	3,126,751	-	-	3,126,751
Ind AS adjustment on Fair valuation of assets	-	-	-	-	-	-	(1,708,666,363)	-	-	(1,708,666,363)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2016	**-**	**267,000**	**1,094,195,458**	**377,581,045**	**18,000,000**	**180,000,000**	**(1,619,576,302)**	**-**	**215,993,201**	**266,460,402**

08 STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2017

Statement of Changes in Equity for the period ended 31st March 2017

(Amount in Rs.)

Particulars	Share Application Money pending Allotment	Reserves & Surplus						Revaluation Surplus	Money Received against Share Warrants	Total Other Equity
		Capital Reserve	Secutities Premium Reserve	Share warrants forfeited	Amalgamation Reserve	General Reserve	Retained Earnings			
Balance as at 01.04.2016	-	267,000	1,094,195,458	377,581,045	18,000,000	180,000,000	(1,619,576,302)	-	215,993,201	**266,460,402**
Issue of Equity Shares on conversion of share warrants	-	-	10,822,222	-	-	-	-	-	(32,466,666)	**(21,644,444)**
Issue of Equity Shares on conversion of secured, unsecured loans and trade creditors through preferential allotment	-	-	779,291,532	-	-	-	-	-		**779,291,532**
Money received during the year	-	-	-	-	-	-	-	-	24,525,000	**24,525,000**
Money paid during the year	-	-	-	-	-	-	-	-	(17,51,235)	**(17,51,235)**
Profit for the year	-	-	-	-	-	-	(349,023,523)	-	-	**(349,023,523)**
Effect of currency translation on consolidation							(1,238,100)			**(1,238,100)**
Other Comprehensive Income	-	-	-	-	-	-	(3,247,327)	-	-	**(3,247,327)**
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2017	**-**	**2,67,000**	**1,884,309,212**	**377,581,045**	**18,000,000**	**180,000,000**	**(1,973,085,252)**	**-**	**206,300,300**	**693,372,305**

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2018

Statement of Changes in Equity for the period ended 31st March 2018

(Amount in Rs.)

Particulars	Share Application Money pending Allotment	Reserves & Surplus						Revaluation Surplus	Money Received against Share Warrants	Total Other Equity
		Capital Reserve	Secutities Premium Reserve	Share warrants forfeited	Amalgamation Reserve	General Reserve	Retained Earnings			
Balance as at 01.04.2017	-	267,000	1,884,309,212	377,581,045	18,000,000	180,000,000	(1,973,085,252)	-	206,300,300	**693,372,305**
Issue of Equity Shares on conversion of share warrants	-	-	-	-	-	-	-	-	-	-
Issue of Equity Shares on conversion of secured, unsecured loans and trade creditors through preferential allotment	-	-	-	-	-	-	-	-	-	-
Money received during the year	-	-	-	-	-	-	-	-	-	-
Share warrants forfeited during the year				18,750,000					(18,750,000)	-
Money paid during the year	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	(1,913,574,979)	-	-	**(1,913,574,979)**
Effect of currency translation on consolidation							560,374			**560,374**
Other Comprehensive Income	-	-	-	-	-	-	(5,584,223)	-	-	**5,584,223**
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2018	**-**	**267,000**	**1,884,309,212**	**396,331,045**	**18,000,000**	**180,000,000**	**(3,880,515,634)**	**-**	**187,550,300**	**(1,214,058,077)**

08 CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

(Amount in Rs)

Particulars	Figures as at the end of current reporting year 31 March 2018	Figures as at the end of current reporting year 31 March 2017
Cash Flow from Operating Activities		
Profit/(Loss) before Income tax from Continued Operations	(1,315,028,543)	(320,051,019)
Re-measurement gains/ (losses) on defined benefit plans	5,584,223	(3,247,327)
Effect of currency framlation on consolidation	560,374	(1,238,100)
Profit before Income tax including discontinued operations	**(1,308,883,946)**	**(324,536,446)**
Adjustments for non cash/non operational expenses :		
Depreciation & amortisation expenses	77,458,680	78,128,111
Loss on disposal of property, plant & equipment	(112,100)	(535,000)
Financial Charges	244,234,189	285,199,242
Interest received /Other Income	(1,269,188)	(942,274)
Profit on sale of investments	-	(20,000)
Operating Profit before Working Capital Changes	**(988,572,365)**	**37,293,633**
Adjustments for working capital changes		
(Increase)/Decrease in Trade Receivables	2,823,541	347,499,533
(Increase)/Decrease in Inventories	631,096,256	(384,391,058)
(Increase)/Decrease in Other financial assets	7,452,825	(7,790,839)
Increase/(Decrease) in Other Non Current Assets	(11,202,530)	(36,362,930)
(Increase)/Decrease in Other Current Assets	115,204,890	36,689,455
Increase/(Decrease) in Trade Payables	167,893,916	(115,430,329)
(Increase)/Decrease in Provisions	(546,730)	6,471,068
Increase/(Decrease) in Other financial liabilities	631,677,329	145,202,835
Increase/(Decrease) in Other Current Liabilities	17,373,245	45,064,072
Increase/(Decrease) in Deferred Tax Asset	598,546,436	22,075,130
Cash generated from Operations	**2,160,319,178**	**59,026,937**
Financial Charges paid	(244,234,189)	(285,199,242)
Direct Taxes paid	(598,546,436)	(28,972,504)
Net Cash Flow from operating activities	**328,966,188**	**(217,851,176)**

08 CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

(Amount in Rs)

Particulars	Figures as at the end of current reporting year 31 March 2018	Figures as at the end of current reporting year 31 March 2017
Cash Flow from Investing Activities		
Expenditure on acquisition of tangible and intangible assets (net of Sale proceeds)	(49,897,257)	8,776,765
(Increase) / Decrease of Capital Work-in-Progress	48,263,679	(18,255,480)
Purchase of Investments	(285,455)	1,294,720
Interest Received/Other Income	1,269,188	942,274
Net Cash Flow from Investing Activities	**(649,845)**	**(7,241,721)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	(327,004,138)	(671,931,774)
Deposits paid towards LCs & BGs	(2,473,655)	(432,830)
Increase/(Decrease) in Share Capital	-	108,232,392
Increase/(Decrease) in Share Premium	-	790,113,754
Increase/(Decrease) in Share Warrants Application Money	-	(9,692,901)
Net Cash Flow from financing activities	**(329,477,793)**	**216,288,641**
Net Increase in Cash and Cash equivalents	(1,161,450)	(8,804,256)
Cash and Cash equivalents as at the beginning of the year	1,776,888	10,581,144
Cash and Cash equivalents as at the end of the year	**615,438**	**1,776,888**

per our report of even date
For PAVULURI & CO
Chartered Accountants
Firm Reg. No: 012194S

For and on behalf of the Board of Directors

Sd/-
Dr. M.V.Ramana Rao
Director

Sd/-
L.N.Malleswara Rao
Director & CFO

Sd/-
CA.N.Rajesh
Partner
M.No : 223169

Sd/-
M.S. Murali Krishnan
Company Secretary

Place : Hyderabad.
Date : 11.07.2018

08 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Transition to Ind AS

The Company's consolidated financial statements for the year ended March 31, 2018 are the first annual consolidated financial statements prepared in accordance with Ind AS.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2016 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS consolidated Financial Statements for the year ended March 31, 2018, be applied consistently for all fiscal years presented.

All applicable Ind AS have been applied consistently wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated financial statements under both Ind AS and Indian GAAP as of the transition date have been recognized directly in equity at the transition date.

2 Significant Accounting Policies

2.1 Basis of Preparation

(a) Statement of Compliance

The consolidated financial statements has been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

For all the periods up to and including the year ended March 31, 2017 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements are the first, the Company has prepared in accordance with Ind AS. Refer to note on transition to Ind AS for information on how the Company adopted Ind AS.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits.

(c) Functional and presentation currency

The consolidated financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest rupee except share and per share data.

(d) Use of estimates and judgement

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(e) Principles of consolidation

The consolidated financial statements have been prepared on the following basis :

i. The consolidated financial statements are prepared to the extent possible by using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except as otherwise stated.

ii. the financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as specified in Indian Accounting Standard 110 - "Consolidated Financial Statements".

iii. The difference between the cost of investment in the subsidiaries, the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

iv. Non controlling interest in net profit/loss of the subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the share holders of the company.

v. Non controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet seperately from liabilities and equity of the Company's share holders.

vi. The financial statements of MIC Electronics Inc., USA have been prepared on accrual basis and according to the historical cost basis assmuing the Company is a going concern and converted in Indian Ruppes considering as non-integral operation as per Indian Accounting Standard 21 - "the effects of changes in Foreign Exchange Rates" for the purpose of consolidated financial statements.

2.2 Summary of significant accounting policies

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

iii) Investment in subsidiaries

Investment in subsidiaries is measured at cost. Dividend income from subsidiaries is recognized when its right to receive the dividend is established.

iv) Financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial instrument is derecognized only when the Company has transferred its right to receive/ extinguish its obligation to pay cash flow from such financial instruments.

a) Non-derivative financial assets

Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost is represented by security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks.

b) Non-derivative financial liabilities

Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

v) Property plant and equipment:

Recognition and measurement: Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost at 1 April 2016, the date of transition except land and building which are valued at market value.

Depreciation: Normally the Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis from the date the assets are ready for intended use. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and related term. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated

with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

vi) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

vii) Inventory

a) Raw materials and Work in Progress are valued at cost. Finished goods are valued at cost or net realizable value which ever is less.

b) The basis of determining the cost is

Raw materials	: Weighted average cost
Stores and spares	: Weighted average cost

Work in process and finished goods : Material cost plus appropriate share of labour, related overheads and levies

c) In case of identified Obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

viii) Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

i) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 36-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 36 months ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 36 months ECL is a portion of the lifetime ECL which results from default events that are possible within 36 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

ii) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life

of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

iii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Untill the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

ix) Employee benefits

a) Gratuity & Provident Fund:

Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.

b) The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.

c) Accrued Leave Salary:

Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

x) Provisions

All the provision are recognized as per Ind AS 37. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

xi) Research & Development (R&D)

Revenue expenditure on R & D is charged to revenue in the year in which it is incurred. Capital expenditure, if any, on R & D is added to fixed assets.

xii) Revenue recognition:

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

a) Export sales: Export sales are recognized on the date of Bill of Lading.

b) Domestic sales: Domestic sales are accounted on the date of Forwarding Note (Rail dispatches / Lorry receipt / Delivery challan).

xiii) Finance income and expense

Finance income consists of interest income. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

xiv) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax

asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

xv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

xvi) Borrowing costs

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

08 PROPERTY, PLANT & EQUIPMENT

Note 3.01 : Property, Plant & Equipment

The changes in the carrying value of property, plant and equipment for the year ended 01st April, 2016 are as follows :

(Amount in Rs.)

	GROSS CARRYING VALUE					ACCUMULATED DEPRECIATION					NET CARRYING VALUE	
	As at 01.04.2015	Additions	Additions due to revaluation	Disposals	As at 31.03.2016	As at 01.04.2015	Additions	due to revaluation	Disposals	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Land & Land Development	15,512,484	-	215,066,516	-	230,579,000	-	-		-		- 230,579,000	15,512,484
Buildings	130,989,924	-	41,062,076	-	172,052,000	29,487,407	4,074,069	(33,561,476)	-		- 172,052,000	101,502,517
Plant & Machinery	961,735,477	1,900,950	-	-	963,636,427	311,131,009	65,336,361		-	376,467,370	587,169,057	650,604,468
Furniture & Fixtures	19,840,988	663,506	-	-	20,504,494	13,471,856	1,351,570		-	14,823,426	5,681,068	6,369,132
Office Equipment	2,999,119	-	-	-	2,999,119	1,982,122	265,091		-	2,247,213	751,906	1,016,997
Electrical Installations	13,129,859	-	-	-	13,129,859	7,264,447	1,358,963		-	8,623,410	4,506,449	5,865,412
D.G.Set	1,228,230	-	-	-	1,228,230	597,100	165,357		-	762,457	465,773	631,130
Transformer	1,109,125	-	-	-	1,109,125	535,083	148,459		-	683,542	425,583	574,042
Vehicles	18,659,927	-	-	67,247	18,592,680	13,530,235	2,041,433		67,247	15,504,421	3,088,259	5,129,692
Computers	34,183,896	108,992	-	-	34,292,888	33,678,009	49,304			33,727,313	565,575	505,887
Display Equipment not put to use	485,351,356	-	(480,497,842)	-	4,853,514	-	-		-		- 4,853,514	485,351,356
Total (Rs)	**1,684,740,385**	**2,673,448**	**(224,369,250)**	**67,247**	**1,462,977,336**	**411,677,268**	**74,790,607**	**(33,561,476)**	**67,247**	**452,839,152**	**1,010,138,184**	**1,273,063,117**

08 PROPERTY, PLANT & EQUIPMENT

The changes in the carrying value of property, plant and equipment for the year ended 31st March, 2017 are as follows :

(Amount in Rs.)

	GROSS CARRYING VALUE					ACCUMULATED DEPRECIATION					NET CARRYING VALUE	
	As at 01.04.2016	Additions	Additions due to revaluation	Disposals	As at 31.03.2017	As at 01.04.2016	Additions	due to revaluation	Disposals	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Land & Land Development	230,579,000	-	-	9,500,000	221,079,000	-	-		-	-	221,079,000	230,579,000
Buildings	172,052,000	-	-		172,052,000	-	7,882,830		-	7,882,830	164,169,170	172,052,000
Plant & Machinery	963,636,427	764,378	-		964,400,805	376,467,370	65,277,193		-	441,744,563	522,656,242	587,169,057
Furniture & Fixtures	20,504,494	19,030	-		20,523,524	14,823,426	1,467,004		-	16,290,430	4,233,094	5,681,068
Office Equipment	2,999,119	44,008	-		3,043,127	2,247,213	217,164		-	2,464,377	578,750	751,906
Electrical Installations	13,129,859	-	-		13,129,859	8,623,410	1,332,369		-	9,955,779	3,174,080	4,506,449
D.G.Set	1,228,230	-	-		1,228,230	762,457	165,357		-	927,814	300,416	465,773
Transformer	1,109,125	-	-		1,109,125	683,542	148,459		-	832,001	277,124	425,583
Vehicles	18,592,680	-	-	588,284	18,004,396	15,504,421	1,158,970		588,284	16,075,107	1,929,289	3,088,259
Computers	34,292,888	418,744	-		34,711,632	33,727,313	158,412		-	33,885,725	825,907	565,575
Display Equipment not put to use	4,853,514	-	-		4,853,514	-	-		-	-	4,853,514	4,853,514
Total (Rs)	**1,462,977,336**	**1,246,160**	**-**	**10,088,284**	**1,454,135,212**	**452,839,152**	**77,807,758**	**-**	**588,284**	**530,058,626**	**924,076,586**	**1,010,138,184**

08 PROPERTY, PLANT & EQUIPMENT

The changes in the carrying value of property, plant and equipment for the year ended 31st March, 2018 are as follows :

(Amount in Rs.)

	GROSS CARRYING VALUE					ACCUMULATED DEPRECIATION					NET CARRYING VALUE	
	As at 01.04.2017	Additions	Additions due to revaluation	Disposals	As at 31.03.2018	As at 01.04.2017	Additions	due to revaluation	Disposals	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land & Land Development	221,079,000	-	-		221,079,000	-	-		-	-	221,079,000	221,079,000
Buildings	172,052,000	48,263,679	-		220,315,679	7,882,830	8,259,681		-	16,142,511	204,173,168	164,169,170
Plant & Machinery	964,400,805	388,613	-		964,789,418	441,744,563	64,892,808		-	506,637,371	458,152,047	522,656,242
Furniture & Fixtures	20,523,524	984,290	-		21,507,814	16,290,430	1,365,648		-	17,656,078	3,851,736	4,233,094
Office Equipment	3,043,127	123,600	-		3,166,727	2,464,377	213,043		-	2,677,420	489,307	578,750
Electrical Installations	13,129,859	-	-		13,129,859	9,955,779	1,293,023		-	11,248,802	1,881,057	3,174,080
D.G.Set	1,228,230	-	-		1,228,230	927,814	165,357		-	1,093,171	135,059	300,416
Transformer	1,109,125	-	-		1,109,125	832,001	148,459		-	980,460	128,665	277,124
Vehicles	18,004,396	-	-	1,248,188	16,756,208	16,075,107	504,778		1,248,188	15,331,697	1,424,511	1,929,289
Computers	34,711,632	111,619	-		34,823,251	33,885,725	284,228		-	34,169,953	653,298	825,907
Display Equipment not put to use	4,853,514	-	-		4,853,514	-	-		-	-	4,853,514	4,853,514
Total (Rs)	**1,454,135,212**	**49,871,801**	**-**	**1,248,188**	**1,502,758,825**	**530,058,626**	**77,127,025**		**1,248,188**	**605,937,463**	**896,821,362**	**924,076,586**

08 PROPERTY, PLANT & EQUIPMENT

Note 3.02 : Intangible Assets

The changes in the carrying value of intangible assets for the year ended 31st March, 2016 are as follows :

(Amount in Rs.)

	GROSS CARRYING VALUE					ACCUMULATED DEPRECIATION					NET CARRYING VALUE	
	As at 01.04.2015	Additions	Additions due to revaluation	Disposals	As at 31.03.2016	As at 01.04.2015	Additions		Disposals	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Computer Software	15,053,389	74,425	-		- 15,127,814	13,135,732	312,882		-	13,448,614	1,679,200	1,917,657
Total (Rs)	**15,053,389**	**74,425**	**-**	**-**	**15,127,814**	**13,135,732**	**312,882**		**-**	**13,448,614**	**1,679,200**	**1,917,657**

The changes in the carrying value of intangible assets for the year ended 31st March, 2017 are as follows :

(Amount in Rs.)

	GROSS CARRYING VALUE					ACCUMULATED DEPRECIATION					NET CARRYING VALUE	
	As at 01.04.2016	Additions	Additions due to revaluation	Disposals	As at 31.03.2017	As at 01.04.2016	Additions		Disposals	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Computer Software	15,127,814	12,075	-		- 15,139,889	13,448,614	320,353		-	13,768,967	1,370,922	1,679,200
Total (Rs)	**15,127,814**	**12,075**	**-**	**-**	**15,139,889**	**13,448,614**	**320,353**		**-**	**13,768,967**	**1,370,922**	**1,679,200**

The changes in the carrying value of intangible assets for the year ended 31st March, 2018 are as follows :

(Amount in Rs.)

	GROSS CARRYING VALUE					ACCUMULATED DEPRECIATION					NET CARRYING VALUE	
	As at 01.04.2017	Additions	Additions due to revaluation	Disposals	As at 31.03.2018	As at 01.04.2017	Additions		Disposals	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer Software	15,139,889	**137,555**	-		- 15,277,444	13,768,967	331,654		-	14,100,621	1,176,823	1,370,922
Total (Rs)	**15,139,889**	**137,555**	**-**	**-**	**15,277,444**	**13,768,967**	**331,654**		**-**	**14,100,621**	**1,176,823**	**1,370,922**

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31st MARCH 2018

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE - 3.03			
Investments			
Investments carried at cost, Unquoted equity shares in subsidiaries:			
Other Investments by MIC Electronics Inc, USA	66,960,404	66,674,949	67,949,669
	66,960,404	66,674,949	67,949,669
NOTE - 3.04			
Deferred Tax Asset			
On Depreciation (Difference as per Books & as Per Income Tax Act)	-	(112,381,900)	(94,234,996)
On Accrued compensation to employees	-	3,077,952	4,926,285
On IT Disallowances	-	57,557,349	38,286,758
On Others	-	650,293,035	671,643,519
	-	598,546,436	620,621,566

Note : The company had reversed the deferred tax asset of Rs.59.85 crores during the financial year 2017-18 as the company is unsure about the profit in the forseeable future.

NOTE - 3.05

Other Non Current Assets

Unsecured, Considered Good :			
Security Deposits			
- Deposit-Delhi Metro Rail Corpn	23,916,725	23,916,725	23,916,725
- Other Secured Deposits	91,734,483	80,369,333	44,009,410
Others			
- Share Application money pending allotment in other companies	3,000,000	3,000,000	3,000,000
Pre-operative expenses -Subsidiaries	713,153	669,753	842,962
Preliminary Expenses to the extent not written off	438,186	438,186	467,990
	119,802,547	**108,393,997**	**72,237,087**
Unsecured, considered doubtful :			
Capital advances	-	-	122,019,659
Security Deposits			
- Deposit-Delhi Metro Rail Corpn	-		31,234,162
- Other Secured Deposits	-	206,020	38,107,753
Others			
- Share Application money pending allotment in other companies	5,850,000		
- Pre-operative expenses - Lighting expansion (IREDA) Project	-	-	4,348,576
	-	206,020	201,560,150

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Less : INDAS Adjustment			201,560,150
	119,802,547	**108,600,017**	**72,237,087**

The IndAS adjustment is pertaining to long over due adavances and deposits whose recoveries are doubtful are written off.

NOTE- 3.06

Inventories

Raw Material		122,422,274		146,389,566		143,291,156
Material under customs clearance		55,890,420		-		-
Work-in-Progress	1,109,607,572		842,770,455		2,073,508,640	
Less : Depletion in value of inventories	914,285,972	195,321,600	-	842,770,455	1,595,249,728	478,258,912
Finished Goods	136,461,387					
Less : Depletion in value of inventories	6,246,987	130,214,400		146,144,627		129,469,917
Stores and Spares		1,714,726		1,355,028		1,248,633
		505,563,420		**1,136,659,676**		**752,268,618**

Materials under customs clearance represent certain materials imported and pending for customs clearance whose purchase value have been taken. With respect demurrages and other claims, the same have not been provided as they will be known at the time of clearance of materials.

NOTE- 3.07

Trade Receivables

Trade receivables outstanding for a period exceeding six months from the due date of payments	433,310,529	329,439,991	144,611,878
Other Trade receivables	183,780,755	302,752,567	799,066,530
	617,091,284	**632,192,558**	**943,678,408**
Less : Loss Allowance	**279,542,352**	**291,820,085**	
	337,548,932	**340,372,473**	**943,678,408**
Less : Indas adjustment	**255,806,402**		
	337,548,932	**340,372,473**	**687,872,006**
Break-up security details			
i) Secured, Considered good	-	-	-
ii) UnSecured, Considered good	337,548,932	340,372,473	687,872,006
iii) Doubtful	279,542,352	291,820,085	-

NOTE- 3.08

Cash & Cash equivalents

Balance with Banks :			
In Current Accounts	612,804	1,169,497	4,464,571
Cash in Hand	2,634	607,391	6,116,573
	615,438	**1,776,888**	**10,581,144**

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE- 3.09			
Bank balances others than 3.08 above			
In Margin Money Accounts	16,473,186	13,999,531	13,566,701
	16,473,186	**13,999,531**	**13,566,701**
NOTE- 3.10			
Other Financial Assets			
Advances to related parties	6,237,544	9,187,819	2,505,991
Advance for expenses	1,502,481	6,005,031	4,896,020
	7,740,025	**15,192,850**	**7,402,011**
NOTE- 3.11			
Other Current Assets			
Unsecured Considered Good			
Other Advances			
(i) Prepaid Expenses	418,736	500,787	501,527
(ii) Balances with Govt Authorities			
Cenvat Deposit	-	12,022,228	17,911,251
Deferred Cenvat Credit	-	22,500	93,750
Service tax receivable	-	4,705,457	1,575,669
VAT credit	-	1,081,947	1,063,273
TDS receivable	2,518,855	8,223,689	5,069,636
IGST Receivable	10,753	-	-
CGST/SGST/IGST Input	18,805,523	-	-
VAT deposit refundable	435,150	435,150	435,150
(iii) Others			
Advance for Materials	7,690,681	57,047,092	79,843,441
Advance for Services	372,970	12,954,359	1,963,921
Other advances	825,397	49,287,184	71,520,956
	31,078,066	**146,280,393**	**179,978,574**
Unsecured Considered Doubtful			
(i) Balances with Govt Authorities			
Entry Tax & Octori Deposit	-	-	605,940
Cenvat credit receivable	-	2,563	2,100,725
VAT credit	-	-	2,249,668
VAT deposit refundable	-	-	759,056
TDS receivable	8,320,328	-	5,653,914

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(ii) Other Advances			
Advance for Materials	41,043,194	-	14,101,691
Advance for Services	787,731	-	4,373,142
Amounts receivable against sale of investments	-	-	19,852,578
Other advances	18,133,229	-	527,399,334
	68,284,481	**2,563**	**577,096,048**
Less : INDAS Adjustment	-	-	574,102,211
Less : Provision for bad and doubtful advances	**68,284,481**	**-**	**-**
	31,078,066	**146,282,956**	**182,972,411**

NOTE- 3.13

Equity Share Capital

(Amount in Rs.)

	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No.of Shares	**Amount (Rs)**	**No.of Shares**	**Amount (Rs)**	**No.of Shares**	**Amount (Rs)**
I. Authorised:						
Equity shares of Rs 2/- each with voting rights	270,000,000	540,000,000	270,000,000	540,000,000	250,000,000	500,000,000
II. Issued,Subscribed and Paid up:						
Equity shares of Rs 2/- each with voting rights	220,254,319	440,508,638	220,254,319	440,508,638	166,138,123	332,276,246
	220,254,319	440,508,638	220,254,319	440,508,638	166,138,123	332,276,246

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

a) Details of Reconciliation of Share Capital

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Equity shares with voting rights:- Opening Balance	220,254,319	440,508,638	166,138,123	332,276,246
Fresh Issue	-	-	54,116,196	108,232,392
Closing Balance	**220,254,319**	**440,508,638**	**220,254,319**	**440,508,638**

b) Details of shares held by each shareholder holding more than 5% shares:

Sr No	Class of shares / Name of shareholder	As at 31st March, 2018		As at 31st March, 2017	
		Number of shares held	% holding	Number of shares held	% holding
	Equity shares with voting rights				
1	Malaxmi Infraventures India Pvt Ltd	14,089,347	6.40%	14,089,347	6.40%
2	Ideamax Consultancy Services Pvt Ltd	-	-	12,292,760	5.58%

NOTE - 3.13

Borrowings

	Current Portion (*)	Non-Current Portion	Current Portion (*)	Non-Current Portion	Current Portion (*)	Non-Current Portion
Secured Loans						
Long Term Loans - From Banks						
UCO Bank	71,231,180	-	71,231,180	-	71,231,180	-
State Bank of India, SAM Branch	590,000,000	-	330,324,232	197,300,000	-	-
Long Term Loans - Others						
Technology Development Board	150,000,000	-	150,000,000	-	150,000,000	-
L&T Finance Ltd		-		-	99,235,770	8,456,550
Srei Equipment Finance Ltd	100,000,000	-	8,928,736	91,071,264	169,748,167	-
Loans Under hire purchase against vehicles			-	-	41,629	-
Unsecured Loans						
Financial Contribution from EESL	111,897,973	-	-	85,554,522	-	111,897,973
	1,023,129,153	**-**	**560,484,148**	**373,925,786**	**490,256,746**	**120,354,523**

(*) Current portion of Long-term liabilities shown under other current liabilities

a) Term Loan taken from UCO Bank is secured as follows:

Primary Security: (i)* 1st hypothecation charge over the plant and machinery, LED Display boards, software and other fixed assets of the project at 8 Delhi Metro Railway Stations (DMRC). (ii) 1st charge on receivables arising out of the DMRC project. Collateral Security: Second charge on the fixed assets of the company other than what has been taken as first charge. UCO Bank is further secured by personal guarantee of the Managing Director of the company.

b) Term Loan taken from State Bank of India is secured as follows:

a) Primary Security: (i) Exclusive Charge on hypothecation of stock (ii) Exclusive charge on hypothecation of Receivables

b) Collateral Security: (i) Pari-passu first charge on the below mentioned fixed assets along with Technology Development Board of India

1) EM Land admeasuring 4444.44 sq.yards with industrial building comprising of Plot No.A 4/1 to A4/7 situated at Sy.Nos.321,321/5, 321/6 & 321/1A, Electronic Complex at Kushaiguda, RR District, Telangana state valued for Rs.15.42 cores as on 25.02.2016

2) EM on residential plot no.41, 42, 60 and 61 at Kowkoor, Alwal Municipality, Hyderabad, Telangana State admeasuring 820 Sq.Yards valued for Rs.0.32 Crores as on 19.02.2016.

3) EM on industrial site admeasuring 1455 sq.mts with building with 5035 sft builtup area at Plot No.47, Raipur Industrial Area, Bhagawanpur, Roorkee Tahsil, Haridswar District, Uttaranchal State valued at Rs.1.25 crores as on 18.02.2016

4) EM on industrail site at Khasra No.117 admeasuring 269.54 sq Mt (322.38 Sq.Yards) situated at Raipur Paragana, Roorkee Tehsil, Haridwar District valued for Rs.0.22 crores as on

5) Second charge on EM of industrial plot no.192/B, Sy.No.274 admeasuring 5341 Sq.Yards situated at Phase II, IDA, Cherlapally Village, Ghatkesar Mandal, RR District, Telangana (First charge held of M/s.Srei Equipment Finance Pvt Ltd for term loan of Rs.24.00 crores) valued at Rs.20.51 crores

6) Charge on unencumbered Plant & Machinery of the company for Rs.9.15 crores as on 2016.

c) SBI is further secured by personal guarantees of Managing Director & Executive Director of the company.

c) Term Loan taken from Technology Development Board is secured as follows:

(i) Paripassu first charge on the below mentioned fixed assets along with State Bank of India.

1) EM Land admeasuring 4444.44 sq.yards with industrial building comprising of Plot No.A 4/1 to A4/7 situated at Sy.Nos.321,321/5, 321/6 & 321/1A, Electronic Complex at Kushaiguda, RR District, Telangana state valued for Rs.15.42 cores as on 25.02.2016

2) EM on residential plot no.41, 42, 60 and 61 at Kowkoot, Alwal Municipality, Hyderabad, Telangana State admeasuring 820 Sq.Yards valued for Rs.0.32 Crores as on 19.02.2016.

3) EM on industrial site admeasuring 1455 sq.mts with building with 5035 sft builtup area at Plot No.47, Raipur Industrial Area, Bhagawanpur, Roorkee Tahsil, Haridswar District, Uttaranchal State valued at Rs.1.25 crores as on 18.02.2016

4) EM on industrail site at Khasra No.117 admeasuring 269.54 sq Mt (322.38 Sq.Yards) situated at Raipur Paragana, Roorkee Tehsil, Haridwar District valued for Rs.0.22 crores as on 18.02.2016

(ii) Personal guarantees of Managing Director & Executive Director of the Company. (iii) Pledge of 37.50 Lakh shares held by promoter.

d) Term Loan taken from Srei Equipment Finance Ltd is secured as follows:

(i) Hypothecation of IT Equipments, work stations & power electronic equipment

(ii) Collateral Security : First charge on (Second charge held by State Bank of India) a) land with building located at Plot no.192/B, Sy.No.274 admeasuring 5341 Sq.Yards situated at Phase II, IDA, Cherlapally Village, Ghatkesar Mandal, RR District, Telangana with all the furniture & fixtures

(iii) Personal Guarantee of the Managing Director of the company.

e) Financial contribution from Energy Efficiency Services Limited :

MIC Electronics Limited (MIC) has entered a joint implementation agreement with Energy Efficiency Services Ltd (EESL) for joint implementation of order received from Nashik Municipal Corporation (NMC) for supply and maintenance of LED Luminaries. As per the agreement EESL shall extend financial contribution of Rs.39.93 crores payable in monthly instalments during the project period based on achievement of specified mile stones of the project. The first instalment shall be due after 30 days from the issue of "Implementation Completion Certificate" by NMC in favour of MIC on completion of installation of LED Lights.

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE- 3.14			
Long Term Provisions			
Provision for employee benefits			
- Provision for gratuity	13,892,714	13,525,005	13,452,906
- Provision for leave encashment	7,974,295	8,888,734	2,489,765
	21,867,009	22,413,739	15,942,671

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE- 3.15			
Borrowings			
(A) Secured Loans			
Working capital loans - From Banks			
State Bank of India-Cash Credit	-	-	574,278,985
	-	-	574,278,985
(B) UnSecured Loans			
(i) Loans from related parties			
Loans from directors	3,954,062	3,796,821	-
(ii) Intercorporate Loans			
Malaxmi Infra Ventures (India) Pvt Ltd	-	-	187,167,233
Sriba Seabase Pvt Ltd	-	-	6,000,000
Arkay Energy (Rameswarm) Limited	-	-	100,000,000
Bhagyanagar Investments & Trading Pvt Ltd	-	-	80,000,000
Sai Roshini Capital Pvt Ltd	-	3,000,000	-
JBB Infrastructures Pvt Ltd	12,000,000	12,000,000	12,000,000
MIC Electronics Limited Employees welfare trust	6,270,534	6,270,534	6,270,534
Reliance Capital Ltd	35,102,000	36,602,000	36,602,000
Sri Kanakadurga Castings Pvt Ltd	5,000,000	5,000,000	5,000,000
Think Solar India Pvt Ltd	46,460,155	335,155	435,155
Kiran impex pvt ltd	39,843,564	34,704,157	19,457,797
	148,630,315	**101,708,667**	**452,932,719**
Total Borrowings (A+B)	**148,630,315**	**101,708,667**	**1,027,211,704**

Note : Liability of Rs.17.30 crores relates to Reliance Capital Limited is not provided in the books since the matter is in litigation / settlement. The company is in the process of pursuing the matter for settlement and is confident of positive outcome of settlement.

NOTE - 3.16

Trade Payables

Payables for materials	545,172,500		388,005,257		501,009,802	
Payables for services	11,105,298		9,378,625		12,699,479	
		565,277,798		397,383,882		513,709,281
Less : Ind AS Adjustment						895,070
		565,277,798		**397,383,882**		**512,814,211**

(Amount in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE - 3.17			
Other Financial Liabilities			
Current maturities of long term borrowings (Refer Note No : 3.13)	1,023,129,153	560,484,148	490,256,746
Interest accrued and due on borrowings			
- Interest accrued and due on long term borrowings	630,067,630	490,808,546	258,760,093
- Interest accrued and due on short term borrowings	19,542,133	2,994,187	159,051,501
- Interest accrued and due on others	5,901,302	-	-
Share Warrants Application Money refundable	72,308,866	73,587,866	76,073,331
Payables on purchase of fixed assets	4,184,218	5,112,449	6,875,073
Payables for expenses	47,514,796	38,531,073	36,397,167
Audit Fees Payable	4,941,910	4,394,410	4,405,030
	1,807,590,008	1,175,912,679	1,031,818,941
Less : Ind AS Adjustment	-	-	1,109,097
	1,807,590,008	1,175,912,679	1,030,709,844

Note : Interest of Rs.66.98 crores is not provided on some parites related to borrowings in the books since the matter is in litigation / settlement. The company has also not provided interest expense of Rs.7.94 crores on operational creditors upto 31.03.2018 , since the company is in the process of pursuing the matter for settlement and is confident of positive outcome of settlements.

NOTE - 3.18

Other Current Liabilities

Statutory remittances	94,106,899	94,929,763	62,999,828
Salaries Payable	96,158,574	81,556,153	79,791,046
Directors remuneration Payable	2,870,264	2,419,498	369,698
Advance from customers	5,055,761	3,960,645	4,949,283
Other payables	27,131,120	25,083,314	22,713,948
	225,322,618	207,949,373	170,823,803
Less : Ind AS Adjustment			1,041,128
	225,322,618	207,949,373	169,782,675

NOTE - 3.19

Current Tax Liabilities (NET) :

Provision for Income Tax	6,897,374	6,897,374	-
	6,897,374	**6,897,374**	**-**

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31st MARCH 2018

(Amount in Rs.)

Particulars		As at 31.03.2018		As at 31.03.2017
NOTE- 3.20				
Revenue from Operations				
(A) Revenue from Sale of products (including excise duty)				
Exports	69,575		1,406,907	
Domestic	1,418,252,979		2,026,459,014	
Freight & Insurance recd. on Sales	1,800		1,250	
		1,418,324,354		**2,027,867,171**
Traded Goods		186,251,100		466,379,813
		1,604,575,454		**2,494,246,984**
(B) Other operating revenues				
Equipment Lease Rentals	7,143,223		-	
AMC Charges & Service Charges	8,753,062		8,003,785	
Transport, Loading & Unloading receipts	17,170,781		2,065,164	
Installation Charges	4,060,378		4,375,228	
		37,127,444		14,444,177
		37,127,444		**14,444,177**
Total Revenue from Operations (A+B)		**1,641,702,898**		**2,508,691,161**
NOTE - 3.21				
Other Incomes				
Interest Received		1,269,188		942,274
Credit Balances written back		2,853,018		3,942,798
Rents received		1,835,028		1,898,160
Profit on sale of invesment		-		20,000
Profit on sale of assets		112,100		535,000
Bad debts collected		2,631,766		4,535,142
Other Income		3,021,953		-
Foreign exchange gain		-		9,624,422
		11,723,053		**21,497,796**

(Amount in Rs.)

Particulars		As at 31.03.2018		As at 31.03.2017
NOTE - 3.22				
Cost of Materials Consumed				
A) Raw Material Consumed				
Opening Stock		146,389,566		143,291,156
Purchases	1,469,505,483		1,683,513,421	
Less : Depletion in value of stocks	41,379,412			
Less : Material capitalised during the year	-		18,255,480	
Less : Material consumed for R & D	601,517		345,654	
		1,427,524,554		1,664,912,287
		1,573,914,120		**1,808,203,443**
Less : Closing Stock		122,422,274		146,389,566
Raw Material Consumed		**1,451,491,846**		**1,661,813,877**
B) Packing Materials and consumables				
Opening Stock		1,355,028		1,248,633
Purchase of packing material & consumables		438,535		934,618
Freight & Carriage Inwards		106,430		76,261
		1,899,993		**2,259,512**
Less : Closing Stock		1,714,726		1,355,028
Consumption		**185,267**		**904,484**
Total Cost of material consumed		**1,451,677,113**		**1,662,718,361**
NOTE - 3.23				
Changes in Inventory				
Closing Stock of :				
Work-in-Progress		1,109,607,572		842,770,455
Finished Goods / FG in transit		136,461,387		146,144,627
	Total (A)	**1,246,068,959**		**988,915,082**
Opening Stock of :				
Work-in-Progress	842,770,455		2,073,508,640	
Less : Depletion in value of inventories	-	842,770,455	1,595,249,728	478,258,912
Finished Goods		24,050,457		12,342,404
Trading goods		122,094,170		117,127,513
	Total (B)	**988,915,082**		**607,728,829**
Increase/(Decrease) in Stock (A-B)		**257,153,877**		**381,186,253**

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31st MARCH 2018

(Amount in Rs.)

Particulars		As at 31.03.2018		As at 31.03.2017
NOTE- 3.24				
Employee Benefit expense				
Salary, Wages, Allowances & other Benefits		39,875,238		39,219,459
Directors Remuneration		3,900,000		3,900,000
Gratuity		7,038,032		2,505,066
Leave Salary		2,222,384		1,527,100
P. F. & ESI Contribution		2,525,772		2,256,547
Staff Welfare Expenses		959,670		893,913
		56,521,096		**50,302,085**
NOTE - 3.25				
Financial Cost				
Bank Charges		3,675,997		3,635,008
Interest on :				
Term Loan	217,699,714		233,109,190	
Others - Interest on other loans/ICDs & financial charges	22,858,478	240,558,192	48,455,044	281,564,234
		244,234,189		**285,199,242**
NOTE - 3.26				
Financial Cost, Other expences				
Job-works, Installation charges & Maintenance Expenses		9,137,054		15,957,553
Power and Fuel		3,278,291		2,854,621
Insurance		596,936		745,022
Repairs & Maintenance		838,422		655,563
Printing & Stationary		488,633		487,431
Postage, Telephones & Internet		1,488,778		1,419,959
Rent		1,842,667		1,391,000
Rates & Taxes		7,047,459		8,258,181
Excise duty on stock transfers		-		5,523,276
Excise duty		55,471,619		200,042,340
Professional Charges		12,761,259		14,394,129
Auditors Remuneration				
As Statutory Auditors	413,000		402,500	
As Tax auditors	177,000	590,000	172,500	575,000
General Expenses		9,082,009		7,992,930
Foreign exchange		6,778,778		-
LD Charges		2,363,170		3,452,763
Security Expenses		-		628,922
Travelling & Conveyance		9,202,172		10,936,608
Bad debts & debit balances written off		27,721,600		4,433,050
Provision for bad/doubtful debts/advances		56,006,748		291,820,085
Vehicle Maintenance		1,594,904		1,196,195
Sales Tax		34,113,022		129,436,126
Selling & Distribution Expenses		2,036,034		2,791,762
R & D Expenses		7,456,755		7,855,294
		249,896,310		**712,847,810**

NOTE - 3.27

(i) In the opinion of the management the Trade Receivables, Current Assets, Loans and Advances are expected to realise the amount at which they are stated and provision for all known liabilities have been adequately made in the accounts.

(ii) The balances of trade receivables, trade payables, long term loans & advances, short term loans & advances, other current assets & other current liabilities are subject to confirmation from respective parties.

NOTE - 3.28

Contingent Liabilities : The following contingent liabilities are not provided for. (Amount in Rs.)

Sl No.	Particulars	As at 31th March, 2018	As at 31st March, 2017	As at 31st March, 2016
1	Counter guarantees given by the company to banks towards issue of B.Gs.	6,931,750	7,147,530	23,909,110
2	Counter guarantees given by the company to banks towards issue of B.Gs to Customs & Central Excise Dept.	6,096,982	6,096,982	7,096,982
3	Bonds executed to Customs & Central Excise Dept. (net of BGs)	82,300,000	82,300,000	82,300,000
4	Corporate Guarantees given by the company to banks Invoked but not acknowledged	87,566,670	70,000,000	70,000,000
5	Claims against the company, not acknowledged:	34,226,950	34,226,950	34,226,950
	TAX Matters in Appeals			
1	Excise Duty	3,896,982	4,485,832	3,896,982
2	Customs Duty	1,801,111	1,801,111	1,801,111
3	Sales Tax	3,195,527	3,195,527	3,195,527

NOTE - 3.29

Managerial Remuneration : (Amount in Rs.)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2016
Managing Director			
Remuneration	2,400,000	2,400,000	2,400,000
Perquisite value of Rent	720,000	384,000	384,000
Director			
Remuneration	1,500,000	1,500,000	1,500,000
Total	**4,620,000**	**4,284,000**	**4,284,000**

NOTE- 3.30

"Disclosure in respect of operating lease:

"i) A general description of leasing arrangements : easing arrangement for LED Display Systems"

ii) Lease payment recognized in the statement of Profit & Loss Account for the year: Rs.Nil (Previous year- Rs.Nil)

iii) lease amounts not recognised during the year : First Leasing Company of India Ltd transferred the lease rentals receivables from MIC Electronics Ltd to Reliance Capital Ltd. As per the agreement, lease rentals are payable in 59 monthly instalments to Reliance Capital Ltd and the last instalment is due in Dec'14. MIC Electronics Ltd received a notice from Reliance Capital Ltd on 20.01.2012 about the loan agreement termination for delay in payment of lease rentals. Subsequently First Leasing Company stopped billing lease rentals w.e.f 01.04.2012. Hence MIC Electronics Ltd stopped recognizing lease rentals in the books from 01.04.2012. The unrecognized lease rentals from Apr'17 to Mar'18 is Rs.Nil. (Total unrecognised lease rentals upto 31.03.17 is Rs.17.30 crores)

NOTE- 3.31

Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". As per the records with the company, none of the enterprises have been identified as Micro, Small and Medium Enterprises.

NOTE- 3.32

Figures have been rounded off to nearest rupee. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Note : 3.33 : Disclosure Under Accounting Standards

3.33.1 Employee Benefits as per Ind-As 19

General Description of defined/contributory benefit plans

Plan	Description
Gratuity	Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.
Provident Fund	The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.
Accrued Leave Salary	Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

Other Disclosures :

Other defined benefit plans :

(Amount in Rs.)

	Gratuity	Accrued Leave Salary
A.Changes in the present value of the obligation as on 31st March 2017		
Present value of obligation at the beginning of the year	13,452,906	2,489,765
Interest cost	1,003,587	185,736
Current service cost	787,295	1,247,123
Past service cost	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on obligation	(1,718,783)	4,966,110
Present value of obligation at the end of the period	13,525,005	8,888,734
31st March 2018		
Present value of obligation at the beginning of the year	13,525,005	8,888,734
Interest cost	904,823	594,656
Current service cost	1,029,805	1,583,288
Past service cost	924,921	-
Benefits paid/payable	-	-
Actuarial gain/loss on obligation	(2,491,840)	(3,092,383)
Present value of obligation at the end of the period	13,892,714	7,974,295
B. Changes in the fair value of the plan Assets as on 31st March 2017		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period		
31st March 2018		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-

Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period		
C. Amounts recognised in the Balance sheet as on 31st March 2017		
Present value of the obligations at the end of the year	13,525,005	8,888,734
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet	(13,525,005)	(8,888,734)
31st March 2018		
Present value of the obligations at the end of the year	13,892,714	7,974,295
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet	(13,892,714)	(7,974,295)
D. Amounts recognised in the Statement of P&L for the period ended		
Expenses recognised in Statement of Profit and Loss		
31st March 2017		
Current service cost	787,295	1,247,123
Past service cost	-	-
Interest cost	1,003,587	185,736
Expected return on plan assets	-	-
Net acturarial gain/loss recognised in the year	-	-
Expenses recognised in Statement of Profit and Loss	1,790,882	1,432,859
31st March 2018		
Current service cost	1,029,805	1,583,288
Past service cost	924,921	-
Interest cost	904,823	594,656
Expected return on plan assets -	-	
Net acturarial gain/loss recognised in the year	-	-
Expenses recognised in Statement of Profit and Loss	**2,859,549**	**2,177,944**

E. Principal Actuarial Assumptions:

	DESCRIPTION	2017-18	2016-17
i.	Discount Rate	7.65%	6.69%
ii.	Mortality Rate	IALM(2006-08) ULT	IALM(2006-08) ULT
iii.	Medical Cost Trend rates	5.00%	5.00%
iv.	Expected average remaining service	12.19%	12.58%
v.	Employee Attrition Rate (Past Service)	PS:0 TO 40 : 3%	PS : 0 TO 40 : 3%

i) The discount rate adopted above is based on market yields at the balance sheet date on government bonds.

ii) In line with the report of the 3rd Pay Revision Committee, the ceiling of gratuity enhanced from Rs.10 lakhs to Rs.20 lakhs for provision of gratuity.

F. Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is :

a). Gratuity

	1% Increase 31/3/2018	1% Decrease 31/3/2018
A Effect of 1% Change in the Assumed Discount Rate 1. Effect on PVO	13,010,717	14,893,390
A Effect of 1% Change in the Assumed Salary Rate 2. Effect on PVO	14,889,288	13,000,341

NOTE- 3.34

Segment Information (Ind AS 108) : The company is operating only in one segment i.e, LED based products and hence no segmental reporting is made.

NOTE- 3.35

Related party disclosures :

In Accordance with the Ind AS Issued by the ICAI, the transactions with related parties are given below:

a. List of Related Parties where there exists controlling interest and the nature of relationship :

Sl No.	Name of the Related Party	Nature of Relationship
1	M/s.MIC Electronics Inc., USA	**100% Subsidiary Companies**
2	M/s.MIC Green Energy Solutions Pvt Ltd	,,
3	Dr.M.V.Ramana Rao, Managing Director	**Key Management Personnel**
4	Shri L.N.Malleswara Rao, Executive Director & CFO	,,
5	Shri Atluri Venkata Ram, Director	,,
6	Shri M.S.Muralikrishnan, Company Secretary	,,

b) Aggregated Related party disclosures for the 12 months period from April 17 to March 2018:

i) Particulars of transactions during the year (Amount in Rs.)

Sl No.	Nature of Transaction	for the year ended 31st March, 2018	for the year ended 31st March, 2017	for the year ended 31st March, 2016
	Expenditure during the year			
1	Remuneration to Key Managerial personnel	4,888,400	4,456,587	4,500,000
2	Rents paid towards accommodation provided to Management personnel	720,000	384,000	384,000
3	Sitting fee and other expenses reimbursed to Directors	308,824	494,233	525,901

ii) Amounts due from /(due to) related parties at the year end

(Amount in Rs.)

Sl No.	Nature of Transaction	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
1	Outstanding balances payable to Management Pesonnel	5,892,064	6,483,489	408,298
2	Sitting fee and other expenses payable to Directors	2,490,862	2,220,862	2,045,862

NOTE- 3.36

Calculation of earnings per share (Ind AS 33) (Amount in Rs.)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit attributable to Share Holders	(1,907,990,756)	(352,270,850)
No. of Equity Shares Outstanding	220,254,319	220,254,319
Weighted No. of Equity Shares	220,254,319	175,715,062
Convertible Share Warrants	30,000,000	33,000,000
No. of diluted equity shares	250,254,319	208,715,062
Nominal Value of Equity Share	2.00	2.00
Basic EPS	(8.66)	(2.00)
Diluted EPS	(7.62)	(1.69)

NOTE - 3.37

Accounting for deferred taxes on Income (Ind AS 12)

Necessary details have been disclosed in note no.3.04

NOTE - 3.38

Intangible Assets (Ind AS-38) - R & D

The Research & Development expenditure, charged to statement of profit & loss during the year is Rs.74.57 lakhs (previous year Rs.78.55 Lakhs)

NOTE - 3.39

Provisions, Contingent Liabilities and Contingent Assets (Ind AS-37) : Necessary details in regard to provisions have been disclosed in notes 3.29

Note-3.40 : Others

3.40.1 Fair Value Measurement

Financial instruments by category (Amount in Rs.)

	As at March 18			As at March 17		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Investments			-			66,674,949
Trade receivables			337,548,932			340,372,473
Cash and cash equivalents			615,348			1,776,888
Other bank balances			16,473,186			13,999,531
Loans			-			-
Other financial assets			7,740,025			15,192,850
Total		**-**	**362,377,581**			**438,016,691**
Financial Liabilities						
Borrowings			148,630,315			475,634,453
Trade payables			565,277,798			397,383,882
Other financial liabilities			1,807,590,008			1,175,912,679
Total	**-**		**2,521,498,121**	**-**	**-**	**2,048,931,014**

	As at April 16		
	FVTPL	FVTOCI	Amortised cost
Financial Assets			
Investments			67,949,669
Trade receivables			687,872,006
Cash and cash equivalents			10,581,144
Other bank balances			13,566,701
Loans			-
Other financial assets			7,402,011
Total	**-**	**-**	**787,371,531**
Financial Liabilities			
Borrowings			1,147,566,227
Trade payables			512,814,211
Other financial liabilities			1,030,709,844
Total	**-**	**-**	**2,691,090,282**

1 Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) as of 31 March 2018, and 1 April 2017, respectively, are not included.

2 Other liabilities that are not financial liabilities (such as statutory dues payable, advances from customers and certain other accruals) as of 31 March 2018, and 1 April 2017, respectively, are not included.

The carrying amounts of above financial assets and labilities are considered to be same as their fair values, due to their short-term nature.

3.40.2 Financial Risk Management

a) Risk Management Framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The management has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the management on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The management monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, loans	Ageing analysis	Diversification of bank deposits and closing monitoring of receivables
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Regular follow up on receivables and temporary borrowings to meet day to day operations.
Market risk-currency risk	Imports giving rise to foreign currency payables	-	-

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

(a) Trade receivables

"The Company sales are generally based on advance payments and credit sales. The trade receivables in the books are mainly on account of credit sales to different parties, government undertakings like Railways, EESL etc.

Expected credit loss for trade receivables under simplified approach is detailed as per the below tables:

Year ended 31 March 2018

(Amount in Rs.)

Ageing	< 6 months	6-12 months	>1-3 years	>3 years	Total
Gross carrying amount	183,780,755	75,004,442	332,664,875	25,641,212	617,091,284
Expected loss rate	20.35	74.36	49.51	84.43	45.30
Expected credit losses (loss allowance provision)	37,405,956	55,772,055	164,715,493	21,648,848	279,542,352
Carrying amount of trade receivables (net of impairment)	146,374,799	19,232,387	167,949,382	3,992,364	337,548,932

Year ended 31 March 2017

(Amount in Rs.)

Ageing	< 6 months	6-12 months	>1-3 years	>3 years	Total
Gross carrying amount	302,752,567	185,472,170	139,475,397	4,492,424	632,192,558
Expected loss rate	20.79	61.89	79.07	84.51	46.16
Expected credit losses (loss allowance provision)	62,949,986	114,785,456	110,288,036	3,796,607	291,820,085
Carrying amount of trade receivables (net of impairment)	239,802,581	70,686,714	29,187,361	695,817	340,372,473

Year ended 31 March 2016

(Amount in Rs.)

Ageing	< 6 months	6-12 months	>1-3 years	>3 years	Total
Gross carrying amount	799,066,530	32,806,581	36,537,271	75,268,026	943,678,408
Expected loss rate					
Expected credit losses (loss allowance provision)	150,445,700	31,812,630	5,279,882	68,268,190	255,806,402
Carrying amount of trade receivables (net of impairment)	648,620,830	993,951	31,257,389	6,999,836	687,872,006

iii. Reconciliation of loss allowance provision - trade receivables

Loss allowance on 1 April 2016	255,806,402
Changes in loss allowance	36,013,683
Loss allowance on 31 March 2017	291,820,085
Changes in loss allowance	(12,277,733)
Loss allowance on 31 March 2018	279,542,352

The impairment provisions for trade receivables disclosed above are based on assumptions about risk of default and expected loss rates.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

However, the Company is facing financial difficulties and currently does not have sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

i. Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in Rs.)

Year ended 31 March 2018	On demand	Less than 6 months	6 Months to 1 year	More than one year	Total
Borrowings	148,630,315				148,630,315
Trade payables	565,277,798				565,277,798
Other financial liabilities	1,087,590,008				1,807,590,008
Total	**2,521,498,121**	**-**	**-**	**-**	**2,521,498,121**

Year ended 31 March 2017	On demand	Less than 6 months	6 Months to 1 year	More than one year	Total
Borrowings	475,634,453				475,634,453
Trade payables	397,383,882				397,383,882
Other financial liabilities	1,175,912,679				1,175,912,679
Total	**2,048,931,014**	**-**	**-**	**-**	**2,048,931,014**

Year ended 31 March 2018	On demand	Less than 6 months	6 Months to 1 year	More than one year	Total
Borrowings	1,147,566,227				1,147,566,227
Trade payables	512,814,211				512,814,211
Other financial liabilities	1,030,709,844				1,030,709,844
Total	**2,691,090,282**	**-**	**-**	**-**	**2,691,090,282**

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk

Since majority of the Company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

The Company's exposure to foreign currencies in minimal and hence no sensitivity analysis is presented.

3.40.3First Time Adoption of Ind AS

Explanation of Transition to Ind AS

These are the Company's first consolidated financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of the opening Ind AS balance sheet as at 1 April 2016 (the

Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Indian GAAP or previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows is set out in the following tables and the notes that accompany the tables.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed Cost

Ind AS 101 permits a first-time adopter to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making the necessary adjustments for the de-commissioning liabilities. This exemption can also be used for intangible assets covered by the Ind AS 38 intangible assets and investments in subsidiaries, associates and joint ventures. Accordingly, the Company has elected to measure allof its property, plant and equipment (Except land and buildings), intangible assets and investments in subsidiaries and associates at their previous GAAP carrying value.

A.2 Ind AS mandatory exemptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS' at the date of transition to Ind AS shall be consistant with the estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies) unless there is an objective evidence that those estimates were in error.

"Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with the previous GAAP. The Company made estimates for the following items in accordance with Ind AS at the date of transition as there were not required under previous GAAP. Impairment of financial assets (Trade Receivables) based on the expected credit loss model.

A.2.2 Classification and measurement of financial assets (other than equity instruments)

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

A.2.3 De-recognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions for Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows first time adopter to apply the derecognition requirements provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past Ind AS 101 retrospectively from the date of entity's choosing, transactions was obtained at the time of initially accounting for the transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind-AS.

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cashflows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

B.1 Reconciliation of equity as at the date of transition (1 April 2016)

(Amount in Rs.)

Particulars	Previous GAAP*	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	1,200,945,958	(190,807,774)	1,010,138,184
Capital work-in-progress	172,365,474	(124,101,795)	48,263,679
Other intangible assets	1,679,200	-	1,679,200
Financial assets			
(i) Investments	67,949,669	-	67,949,669
(ii) Loans	-	-	-

Deferred tax assets (Net)	620,621,566	-	620,621,566
Other non-current assets	273,797,237	(201,560,150)	72,237,087
Total non-current assets	**2,337,359,104**	**(516,469,719)**	**1,820,889,385**
Current assets			
Inventories	752,268,618	-	752,268,618
Financial assets			
(i) Trade receivables	943,670,023	(255,798,017)	687,872,006
(ii) Cash and cash equivalents	10,581,144	-	10,581,144
(iii) Bank balances other than (ii) above	13,566,701	-	13,566,701
(iv) Other financial assets	7,402,011	-	7,402,011
Current tax assets (net)	**1,727,488,497**	**(255,798,017)**	**1,471,690,480**
Other current assets	755,074,622	(572,102,211)	182,972,411
Total Assets	**4,819,922,223**	**(1,344,369,947)**	**3,475,552,276**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	332,276,246	-	332,276,246
Other equity			
Reserves and surplus	1,975,126,765	(1,708,666,363)	266,460,402
Total equity	**2,307,403,011**	**(1,708,666,363)**	**598,736,648**
LIABILITIES			
Non-current liabilities			
Financial liabilities	128,437,268	(8,082,745)	120,354,523
Other financial liabilities			
Provisions	15,942,671	-	15,942,671
Total non-current liabilities	**144,379,939**	**(8,082,745)**	**136,297,194**
Current liabilities			
Financial liabilities			
(i) Borrowings	1,027,211,704	-	1,027,211,704
(ii) Trade and other payables	513,709,281	(895,070)	512,814,211
(iii) Other financial liabilities	656,394,485	374,315,359	1,030,709,844
Other current liabilities	170,823,803	(1,041,128)	169,782,675
Total current liabilities	**2,368,139,273**	**372,379,161**	**2,740,518,434**
Total liabilities	**2,512,519,212**	**364,296,416**	**2,876,815,628**
Total equity and liabilities	**4,819,922,223**	**(1,344,369,947)**	**3,475,552,276**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

B.2 Reconciliation of equity as at 31 March 2017

(Amount in Rs.)

Particulars	Previous GAAP*	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	1,128,058,718	(203,982,132)	924,076,586
Capital work-in-progress	190,620,954	(124,101,795)	66,519,159
Other intangible assets	1,370,922	-	1,370,922
Financial assets			
(i) Investments	66,674,949	,	66,674,949
(ii) Loans	,	,	-
Deferred tax assets (Net)	618,986,091	(20,439,655)	598,546,436
Other non-current assets	307,930,655	(199,330,638)	108,600,017
Total non-current assets	**2,313,642,289**	**(547,854,220)**	**1,765,788,069**
Current assets			
Inventories	1,136,659,676	-	1,136,659,676
Financial assets			
(i) Trade receivables	881,126,758	(540,754,285)	340,372,473
(ii) Cash and cash equivalents	1,776,888	-	1,776,888
(iii) Bank balances other than (ii) above	13,999,531	-	13,999,531
(iv) Other financial assets	15,192,850	-	15,192,850
Current tax assets (net)	**2,048,755,703**	**(540,754,285)**	**1,508,001,418**
Other current assets	718,848,513	(572,565,557)	146,282,956
Assets classified as held for sale			
Total Assets	**5,081,246,505**	**(1,661,174,062)**	**3,420,072,443**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	440,508,638	-	440,508,638
Other equity			
Reserves and surplus	2,778,474,482	(2,085,102,177)	693,372,305
Total equity	**3,218,983,120**	**(2,085,102,177)**	**1,133,880,943**
LIABILITIES			
Non-current liabilities			
Financial liabilities	373,925,786	-	373,925,786
Provisions	19,967,625	2,446,114	22,413,739
Total non-current liabilities	**393,893,411**	**2,446,114**	**396,339,525**

Current liabilities			
Financial liabilities			
(i) Borrowings	101,708,667	-	101,708,667
(ii) Trade and other payables	398,278,952	(895,070)	397,383,882
(iii) Other financial liabilities	752,494,480	423,418,199	1,175,912,679
Provisions			
Current tax liabilities	6,897,374	-	6,897,374
Other current liabilities	208,990,501	(1,041,128)	207,949,373
Total current liabilities	**1,468,369,974**	**421,482,001**	**1,889,851,975**
Total liabilities	**1,862,263,385**	**423,928,115**	**2,286,191,500**
Total equity and liabilities	**5,081,246,505**	**(1,661,174,062)**	**3,420,072,443**

B.3 Reconciliation of total comprehensive income for the year ended 31 March 2017

(Amount in Rs.)

Particulars	Previous GAAP*	Ind AS Impact	Ind AS
Continuing operations			
Revenue from operations	2,308,648,821	200,042,340	2,508,691,161
Other income	25,437,811	(3,940,015)	21,497,796
Total income	2,334,086,632	196,102,325	2,530,188,957
Expenses			
Cost of materials consumed	1,662,718,361	-	1,662,718,361
Purchase of traded goods	442,230,620	-	442,230,620
(Increase)/ Decrease in Inventories	(381,186,253)	-	(381,186,253)
Employee benefit expense	51,103,298	(801,213)	50,302,085
Depreciation and amortisation expense	74,319,353	3,808,758	78,128,111
Other expenses	226,334,756	486,513,054	712,847,810
Finance costs	226,005,272	59,193,970	285,199,242
Total expenses	**2,301,525,407**	**548,714,569**	**2,850,239,976**
Profit/(loss) before exceptional items and tax	**32,561,225**	**(352,612,244)**	**(320,051,019)**
Exceptional items	-	-	-
Profit before tax from continuing operations	32,561,225	(352,612,244)	(320,051,019)
Income tax expense			
– Current tax	6,897,374	-	6,897,374
– Deferred tax	1,635,475	20,439,655	22,075,130
Total tax expense	8,532,849	20,439,655	28,972,504
Profit from continuing operations	**24,028,376**	**(373,051,899)**	**(349,023,523)**
Discontinued operations			
Loss from discontinued operation before tax			
Tax income of discontinued operation			

Loss from discontinued operations			
Profit for the year			
Other comprehensive income	-	(3,247,327)	(3,247,327)
Items that will not be re classified to profit and loss			
Re-measurements of post-employment benefit obligations			
Income tax relating to these items			
Other comprehensive income for the year, net of tax	**24,028,376**	**(376,299,226)**	**(352,270,850)**
Total comprehensive income for the year	**24,028,376**	**(376,299,226)**	**(352,270,850)**

B.4 Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017:

(Amount in Rs.)

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	(182,816,923)	(35,034,253)	(217,851,176)
Net cash flow from investing activities	(19,046,869)	11,805,148	(7,241,721)
Net cash flow from financing activities	179,492,835	36,795,806	216,288,641
Net increase/(decrease) in cash and cash equivalents	(22,370,957)	13,566,701	(8,804,256)
Cash and cash equivalents as at 1 April 2016	24,147,845	(13,566,701)	10,581,144
Effects of exchange rate changes on cash and cash equivalents	-		-
Cash and cash equivalents as at 31 March 2017	1,776,888	-	1,776,888

C. Notes to first-time adoption

Note 1 : Fair Valuation as deemed cost of property, plant and equipment :

The company have considered fair value for property, plant & equipment with an impact of Rs.(19.08) crores and buidling in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

Note 2 : Fair Valuation of financial assets :

The company has valued financial assets(other than investment in subsidiaries which are accounted at cost), at fair value, impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in profit and loss account or other comprehensive income, as the case may be.

Note 3 : Deferred Tax

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves on the date of transition, with consequential impact to the Profit and Loss account for the subsequent periods.

Note 4 : Impairment of Financial Assets - Trade Receivables

As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts is Rs.29.18 Crores as at 31 March 2017. Consequently, the total equity as at 31 March 2017 decreased by Rs.29.18 Crores and profit for the year ended 31 March 2017 decreased by Rs.29.18 Crore.

Note 5 : Prior Period Items

Under previous GAAP, prior period items identified in a particular period were disclosed separately in computing the net profit for that period. Under Ind AS, prior period items are recognised by restating the comparative amounts for the period to which the error pertains. Where the error pertains to a period prior to the earliest reporting period, adjustments are made to the opening balances of assets, liabilities and equity of the earliest reporting period. As a result as on March 17 on account of prior period items, other equity stands decrease by Rs.5.39 Crores (April 16 : decrease Rs.36.53 Crores), assets have increased by Rs.0.33 Crore (April 16 : increase Rs.0.20 Crore) and liabilities have been increased by Rs.5.72 Crore (April.16 : increased by Rs.36.73 Crore).

Note 6 : Excise Duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty as the excise duty is collected by the company as a principal. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31

March 2017 by Rs. 200,042,340/- There is no impact on the total equity and profit.

Note 7 : Remeasurement of post employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 decreased by Rs.0.32 crores. Total Equity stands decreased by the said amount as at 31 March 2017.

Note 8 : Others

Other adjustments primarily comprise of depreciation and foreign exchange fluctuation adjustments.

Reconciliation of Net profit as previously reported (referred to as "Previous GAAP") and the total comprehensive income as per Ind-AS is mentioned in the table below.

(Amount in Rs.)

Particulars	Year ended as on 31 March 2017
Net Profit/(Loss) from Ordinary activities after tax as reported under Previous GAAP	**24,028,376**
Add/(Less)	
Actuary Gain/Loss on employee defined benefit funds recognised in other comprehensive income	801,213
Effect of provision for Trade Receivables	(291,820,085)
Effect of Depreciation and Others	(13,174,358)
Effect of Restatement of prior period	(53,844,599)
Other Expenses	5,425,585
Change in Deferred Tax On accounts of the Above	(20,439,655)
Net Profit as per Ind AS	**(349,023,523)**
Actuary Gain/(Loss) on employee defined benefit funds recognised in other comprehensive income (net of taxes)	(3,247,327)
Total Comprehensive Income	**(352,270,850)**

Reconciliation of Equity as previously reported (referred to as "Previous GAAP") and the equity as per Ind-AS is mentioned in the table below

(Amount in Rs.)

Particulars	As at 31 March 2017	As at 1 April 2016
Total Equity under Previous GAAP	**3,218,983,120**	**2,307,403,011**
Add/(Less) : Adjustment for Ind AS:		
Indas adjustment/Provision for expected credit losses on trade receivables	547,626,487	255,806,402
Expenditure on enabling facilities	328,083,927	314,909,569
Effect of restatement of Prior period Items	419,177,925	365,333,326
Change in Deferred Tax On accounts of the Above	20,439,655	-
Other items	769,774,183	772,617,066
Total adjustment of Equity	**2,085,102,177**	**1,708,666,363**
Total equity as per Ind AS	**1,133,880,943**	**598,736,648**

Other Notes

3.41 "Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of MIC Electronics Limited (""company"") under the provisions of the Insolvency and Bankrupty Code, 2016 ('Code') by an order of the National Company Law Trubinal (NCLT), Hyderabad with effect from 13th March 2018. As per Section 17 of the Code, appointed Mr.N.Prabhakar as the interim Resolution Professional (IRP) in terms of IBC. Mr.N.Prabhakar was subsequently confirmed by the committee of creditors (CoC) as the Resolution Professional (RP). An appeal has been filed at NCLAT, Delhi by Dr.M.V.Ramana Rao being share holder of the company against the NCLT order and admission of claim of M/s.Srei Equipment Finance Ltd, the applicant at the NCLT. The case has been posted for final hearing on 26th July 2018. Any outcome of the CIRP is subject to final decision of the Hon.NCLAT in the above matter."

Accordingly, RP took control of the management and operations of the company. As the powers of the Board of Directors have been suspended, the above results have not been adopted by the Board of Directors. However, the same have been reviewed and signed by Shri M.V.Ramana Rao, Director of the Company. These financial statements have there after been taken on record by the RP on 11th July 2018 for filing with Stock Exchanges.

3.42 During the year , the company has incurred a net loss of Rs.190.80 crores resulting into accumulated losses of Rs.121.41 crores as at 31st March 2018 and erosion of its networth. The company has obligations towards fund based borrowings aggregating to Rs.182.14 crores subject to reconciliation / verification as stated in 3.48 below that have been demanded or recalled by the financial creditors pursuant to CIRP, obligations pertaining to operations including unpaid creditors and statutory dues as at 31st March 2018. The company's ability to continue as going concern is dependent upon many factors including continued support from financial creditors, operational creditors and submission of a viable revival / resolution plan by the prospective investor/bidder. In the opinion of the management, resolution and revival of the company is possible in forseeable future, accordingly, in view of the ongoing CIRP, above results have been prepared on the basis that the company is a going concern. As part of CIRP, creditors of the company are called upon to submit their claims to the Resolution Professional in terms of the applicable provisions of the IBC, 2016. Claims submitted by the financial and operational creditors have been verified and admitted by the RP on the basis of books and records and other supporting details.In some instances, the amount of claim admited by the RP is different than the amount reflecting in the books of accounts of the Company.

3.43 The company has certain trade receivables , security deposits , loans and advances, other financial and current assets aggregating to Rs.49.61 crores. The management of the company is confident of recovery of the aforesaid dues.

3.44 There are various claims submitted by financial creditors, operational creditors, workman or employees and authorised representative of workmen or employees and others to resoluction professional pursuant to IBC. The claims received from the parties and subject to further validation or verification by RP.

3.45 Confirmation of balances could not be obtained as at 31st March 2018 for various trade receivables, trade payables though the management has requested for confirmation of balances. The management has already made provision for doubtful receivables / advances and believes that no material adjustments would be required in books of accounts upon receipt of these confirmations.

3.46 Physical verification of fixed assets aggregating to Rs.91.62 crores (WDV as on 31 March 2018) has been carried out by the management. The management is still in the process of reconciliation of quantities as per verification reports with fixed assets records but believe that all the fixed assets of the company are physically in existance and are showed at WDV of the assets as on 31st March 2018.

Physical verification of inventory aggregating to Rs.50.56 crores has been carried out by the management. The management believe that no item of inventory has a net realisable value in the ordinary course of business which is less than the amount at which it is inclued in the inventories. Accordingly, necessary provision has been made in the books of accounts.

3.47 The company has applied for extension of time with SEBI by another six months (i.e., upto 14.02.2018) for converting 30,000,000 share warrants given to M/s.Leyard Hongkong Co. Ltd. into equity shares . However, no extension has been granted by SEBI till date. The management hopes and wait for SEBI to extend the time line for conversion of share warrants and accordingly no forfeiture has been made in respect of the share warrants.

3.48 The company has not provided liability of Rs.84.28 Crores in respect of some parties relating to borrowings upto 31.03.2018 as per the claims submitted by the parties to Resolution Professional since the matter is in litigation / settlement. The management of the company is confident of positive outcome of litigations or settlements.

3.49 The company has not provided for interest expense of Rs.7.94 crores on operational creditors upto 31.03.2018 as per the claims submitted by the parties to the resolution professional since the company is in the process of pursuing the matter for settlement. The management of the company is confident of positive outcome of settlement.

3.50 The company has issued corporate guarantees issued to Andhra bank and Axis Bank Limited on behalf of M/s.Maave Electronics Pvt Ltd and M/s.Hyperion Green Energy India Pvt Ltd which have been invoked by banks but not acknowledged as debt by the company as the said companies are no longer related to MIC Electronics Limited. The total liability not acknowledged is Rs.8.76 crores as per the claims submitted by the said banks to Resolution Professional.

3.51 During the year, the company has received a claim of TDS arrears of Rs.5.32 crores from Income Tax department. However, as per company's records, only Rs.3.55 crores is liable towards TDS, Interest & penalty. The remaining amount of Rs.1.77 crores is not liable and the details have been provided to the Income Tax Deparment by the Resolution Professional.

3.52 During the year, the company has received a claim of VAT/CST by the Telangana commercial taxes department for Rs.2.15 crores. However, as per company's records, only Rs.0.93 crores is liable towards this. A reconciliation statement has been provided to the Commercial tax department by the Resolution Professional.

3.53 The company had reversed the deferred tax asset of Rs.59.85 crores during the financial year 2017-18 as the company is unsure about the profit in the forseeable future.

MIC Electronics Limited

Regd. Office: A-4/II, Electronic Complex, Kushaiguda, Hyderabad-500062.

FORM NO. MGT – 11
PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No./ Client ID :

DP ID :

I/We being the Member(s) of _____ equity shares of the above named, hereby appoint:

1. Name: _____ E-mail Id: _____

Address: _____ Signature: _____

or failing him

2. Name: _____ E-mail Id: _____

Address: _____ Signature: _____

or failing him

3. Name: _____ E-mail Id: _____

Address: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Monday, December, 31th, 2018 at 9.30 a.m. at Registered Office situated at A-4/II, Electronic Complex, Kushaiguda, Hyderabad-500062. Telangana and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Resolution Number	Resolution	For	Against	Abstain
Ordinary Business				
1	Item No: 1: Adoption of Financial Statements To receive, consider and adopt: a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2018 together with the Reports of the Board of Directors and the Auditors thereon; and b) the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2018 together with the Report of the Auditors thereon.			

Signed: this _____ day of _____ 2018

Signature of Member(s): _____

Signature of the Proxy holder(s):_____

Affix Re. 1/- Revenue Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the Hall)

Registered Folio No./ DP ID no / Client ID No:

Number of Shares held:

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the Twenty-ninth Annual General Meeting of the Company on Monday, the 31th December, 2018 at 9.30 AM at Registered Office situated at A-4/II, Electronic Complex, Kushaiguda, Hyderabad-500062. Telangana.

…… ……..

Name of the member / proxy Signature of member / proxy