



MIC Electronics Limited
27th Annual Report 2014-15

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Dr. M.V. Ramana Rao
Managing Director

Dear Shareholders,

In the context of the importance being given nationally and internationally for Energy Conservation and mitigating the climate change process resulting from expending fossil fuels, LED Lighting assumes very important technological and economic significance in the country. The emergence of smart cities and smart grids leads to large scale requirements of small pixel pitch LED Display products for control room applications in addition to a host of other information dissemination applications. The vast business potential offered by these two product domains, coupled with the associated technological eco-system is not only attractive from the financial point of view but also is vital from the national perspective. MIC

Electronics Limited has done pioneering work in both the fields and is well positioned to benefit from the opportunities offered by these fields including the in-house developed Smart Grid systems, Centralised Control and Monitoring Systems (CCMS) for Lighting and Display applications.

Difficulties experienced in respect of some major supply contracts led to severe cash strapping of the company. Stringent cash flow position and the resultant operational difficulties have been impeding the growth process of MIC. It is strongly felt that the point of inflection for your company has come from the year 2014-15. The company not only recorded profitable operations during the year but also has proved its competitiveness in the market place across the country. Your company expects to sustain the turnaround process by committing itself to ensuring total customer satisfaction in terms of price, performance, quality and timely deliveries of its products.

The impetus being given by the Government of India and the incentives offered by the State and Central Governments offer an excellent platform for all concerned to gain and also in the creation of comprehensive and technologically state-of-the-art LED eco-systems. Very keen interest is being evinced by leading international technology and business partners for making investments in these programmes in association with MIC.

MIC, leveraging on its technical strengths, its excellent business and technological relationships and the product image that it enjoys, expects to trigger the rapid growth of the top and bottom lines by exploiting the vast business opportunities that its products offer.

I sincerely thank all the share holders for the confidence that they have reposed in the company.

With heartfelt good wishes,

Sd/-

Dr. M.V.Ramana Rao
Managing Director

NOTICE is hereby given that the 27th Annual General Meeting of the Members of the Company will be held on Wednesday, the 30th day of September 2015 at 3.30 PM at “CYAN” Hall, Marigold by Green Park, 7-1-25, Green Lands, Begumpet, Hyderabad - 500 016, Telangana to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Standalone Audited Balance Sheet as 31st March 2015, Profit & Loss Account and the Cash Flow Statement for the year ended 31st March 2015 along with Report of the Board of Directors, Corporate Governance Report, Auditors Report thereon and the consolidated Audited Balance Sheet as 31st March 2015, Profit & Loss Account and the Cash Flow Statement for the year ended 31st March 2015,
2. To appoint a Director in place of Shri Atluri Venkata Ram (DIN 00753969), who retires by rotation, and being eligible offers himself for re-appointment.
3. To ratify the appointment of the Auditors of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013 and the companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or Reassignment thereof) by appointment of M/s. Pavuluri & Co, Chartered Accountants, Hyderabad (Registration No.01294S) as the Auditors of the Company to hold the office till the conclusion of the 29th Annual General Meeting, be and is hereby ratified and confirmed, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending 31st March, 2016.”

SPECIAL BUSINESS:

4. **To appoint Dr. V. Venkata Ramani (DIN: 01298522) as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of section 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013, and the Rules made there under, Dr. V. Venkata Ramani (DIN 01298522), who was appointed as an ‘Additional Director’ in the Board of the Company with effect from 31st March, 2015 and who holds office up till the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying her intention to propose Dr. V. Venkata Ramani as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company for a period up to 30th March, 2020, not liable to retire by rotation.

5. **Re-appointment of Dr. M. V. Ramana Rao (DIN 00010301), as Managing Director of the Company.**

Consider and if thought fit, to pass with or without modification the following resolution as **Special Resolution**.

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Qualifications) Rules 2014 (including any statutory modification(s) or enactment thereof for the time being in force, the approval of members of the Company be and is hereby accorded to the re-appointment of Dr. M V Ramana Rao (DIN 00010301) as Managing Director for a period of 3 years commencing from 30th November 2015 to 29th November 2018 on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Dr. M V Ramana Rao, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

6. Re-appointment of Mr. L. N. Malleswara Rao (DIN 00010318), as Executive Director of the Company.

Consider and if thought fit, to pass with or without modification the following resolution as **Special Resolution**.

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Qualifications) Rules 2014 (including any statutory modification(s) or enactment thereof for the time being in force, the approval of members of the Company be and is hereby accorded to the re-appointment of Mr. L N Malleswara Rao (DIN 00010318) as Executive Director for a period of 3 years commencing from 30th December 2015 to 29th December 2018, on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. L N Malleswara Rao, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

7. Alteration to the articles of association by Adoption of new set of Articles of Association of the Company

Consider and if thought fit, to pass with or without modification the following resolution as **Special Resolution**.

RESOLVED THAT pursuant to the provisions of Section 5 and 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, consents, permissions and/or sanctions as may be required, if any, the new set of draft regulations contained in the articles of association submitted to this Meeting and duly initialed be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things and to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution”.

8. Ratification of Resolution No. 2 of Extra-ordinary General Meeting held on 22nd August 2015 for allotment of Equity Share to Investors:

Consider and if thought fit, to pass with or without modification the following resolution as **Special Resolution**.

“RESOLVED THAT Consent of the shareholders be and is hereby given for ratification of Resolution No. 2 of Extra-ordinary General Meeting held on 22nd August 2015 for issue of 2,00,00,000 (Two Crores Only) Equity Shares to M/s. Leyard (Hong Kong) Co. Limited (a subsidiary of Leyard Optoelectric Co. Ltd, China) which was withdrawn and it was not moved.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or incidental to this resolution and to settle any question, difficulty or doubt that may arise from time to time in regard.

By order of the Board
For MIC Electronics Limited

Sd/-

Dr. M. V. Ramana Rao
(Managing Director)

Place : Hyderabad
Date : 05.09.2015

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY BY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. A person can act as proxy on behalf of Members up to and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24/09/2015 to 30/09/2015 (Both days inclusive).
5. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
6. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
7. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
8. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
10. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
11. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
12. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
13. Members may address their correspondence to Registrar and Share Transfer Agents of the Company M/s. Venture Capital and Corporate Investments Private Limited Unit: MIC Electronics Limited H.No:12-10-167, Bharatnagar, Hyderabad-500018 or to the registered office of the company.
14. The shareholders who have not encased the dividend warrant(s) so far for the financial years 2008-09 are requested to make their claim to the Company.
15. Pursuant to provisions of Sec 123 of the Companies Act, 2013, the amount of dividend remaining unclaimed for the period of 7 years from the date that becomes due for payment are required to be transferred by the company to the investor Education and Protection fund.

16. Additional information pursuant to clause 49 of the listing agreement with the stock exchanges in respect of Directors seeking appointment at the annual general meeting are furnished and forms part of the notice.
17. The Company has designated an exclusive email id viz. cs@mic.co.in to enable the investors to post their grievances.

18. E-Voting Process:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 27th September 2015 from 9.00 AM and ends on 29th September 2015 at 5.00pm. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date record date 23rd September 2015, 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.com and 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) <ul style="list-style-type: none"> • 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.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If 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 out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same 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) 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.com and 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 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.
- (xix) 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.
- (xx) Mr. Srinivasa Rao Vattikuti, Practicing Company Secretaries (COP No. 13966), S R Vattikuti & Associates 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.

Explanatory Statement pursuant to section 102 of the Companies Act, 2013:**Item No. 4**

The Board of Directors through circular resolution on 31st March, 2015, appointed Dr. V Venkata Ramani as an Additional Director of the Company with effect from March 31, 2015, pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Dr. V Venkata Ramani will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of Rs. 1,00,000/ proposing the candidature of Dr. V Venkata Ramani for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013

The Company has received from Dr. V Venkata Ramani (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Sub section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Dr. V Venkata Ramani as an Independent Director of the Company for a period up to March 30, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. She will not be liable to retire by rotation.

In the opinion of the Board, Dr. V. Venkata Ramani, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and she is independent of the Management. A copy of the draft letter for the appointment of Dr. V Venkata Ramani as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except Dr. V. Venkata Ramani, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.

Item No. 5

As the present term of appointment of Dr. M. V. Ramana Rao would be expiring on 30th November 2015, the Board of Directors have, subject to the approval of the shareholders, re-appointed Dr. M. V. Ramana Rao as Managing Director of the Company with effect from 30th November, 2015 for a period of 3 years on the remuneration, terms and conditions recommended by the nomination and remuneration committee as set out herein.

While re-appointing Dr. M. V. Ramana Rao as Managing Director of the Company, the Board of Directors considered his contribution to the overall progress of the Company. The Board is of the opinion that his services should continue to be available to the Company to achieve still greater heights, by re-appointing him as Managing Director as mentioned in the resolution, subject to the approval of shareholders.

Taking into consideration the duties and responsibilities of the Managing Director, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on 5th September, 2015, approved the remuneration, terms and conditions of the re-appointment of Dr. M. V. Ramana Rao, subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:

- 1) Basic Salary: Rs. 42,00,000/- per annum.
- 2) He shall be entitled to the following perquisites:

- a) **Residential Accommodation:** Shall be provided free furnished residential accommodation
- b) **Other Perquisites :**

Medical Reimbursement / Allowance for self & family total cost of which to the Company Leave Travel Concession/ Allowance for self and family, Fees of clubs inclusive of admission and life membership fee, Leave Encashment: Earned leave with full pay and allowances as per rules of the company. Leaves accumulated but not availed of during his tenure will be allowed for encashment subject to a ceiling of 10% of Basic Salary per annum.

However the following perquisites / benefits shall not be included in applying the ceiling of Rs. 2,00,000/- stipulated in 2(b) company car with driver (owned / lease or hired) for official duties and telephone at residence including payment for local calls and long distance official calls.

Provision for Air travel for self and family in connection with home leave as per rules of the company. Overseas medical expenses incurred on specialist medical advice, in accordance with the rules of the company.

- 3) Unless otherwise stipulated, for this purpose of this resolution the perquisites shall be evaluated as per the income tax rules wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.
- 4) The limits stipulated the Resolution are the under the maximum limits and the board may in its absolute discretion pay a lower remuneration and revise the same from time to time within the maximum limits stipulated by this resolution.
- 5) The maximum limit for salary and other perquisites shall be enhanced up to Rs. 48,20,000/- every year over the preceding year's salary and other perquisites.
- 6) In the event of any re-enactment or re-codification of the companies Act, 2013 or the Income Tax Act, 1961 of the Amendment thereon, this resolution shall continue to remain in force and the reference to various provisions of the Companies, Act, 2013 or the Income Tax, Act 1961 shall be deemed to be substituted by the corresponding provisions of the new Companies Act, 2013 or the amendments thereto or the Rules and notification issued there under.
- 7) Minimum remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Dr. M. V. Ramana Rao, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration.

As the terms of re-appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not required for this re-appointment.

Dr. M. V. Ramana Rao may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

Additional Disclosure about the appointee as per Schedule V Part II of the Companies Act, 2013

- Nature of industry.
Design, development & manufacturing of LED Video Displays and Lighting Products. Recognized by the Department of Scientific and Industrial Research for its LED technology. MIC has been at the forefront of LED Applications for more than 25 years and acknowledged as the market share leader for Indian LED products.
- Date of commencement of commercial production.
Commercial Operations of the Company have started during the year 1988.

- Financial performance.

Performance of the Company for the last three years are as follows:

			(Rs. in Crores)
Particulars	2013-14(9 Months)	2012-13 (9 Months)	2011-12(15 Months)
Revenue From Operations	87.79	70.19	131.88
Other income	1.75	6.40	7.94
Total income	89.54	76.60	139.82

- Export performance and net foreign exchange earnings.

Export performance of the Company for the last three years is as follows

			(Rs. in Crores)
Particulars	2013-14(9 Months)	2012-13 (9 Months)	2011-12(15 Months)
FOB value of goods exported	4.19	2.44	6.55

- Foreign investments or collaborators, if any - NIL

Information about the appointee:

Dr. M V Ramana Rao holds a Bachelor's degree in Electrical and Electronics Engineering from College of Engineering, Andhra University; Master's degree in Applied Electronics Engineering from PSG College of Technology, Coimbatore and a Doctoral degree in Electronics & Communication Engineering from Jawaharlal Nehru Technological University.

Prior to promoting MIC Electronics Limited, he worked about 2 years as lecturer in VRS Engineering College & KL College of Engineering in the state of Andhra Pradesh teaching various subjects in Micro Computers and guided more than 10 projects in the field of embedded Micro controllers.

Dr. Rao has over 30 years of hands on experience in Design and Development activities encompassing embedded systems, parallel processing, multilingual software & Information Communication Technologies. He has also carried out extensive marketing and business development work for MIC. As a CEO of MIC he has overseen the development, engineering and manufacture of several world-class products in the LED Display and LED Lighting streams in addition to several pioneering projects in telecommunications.

Dr. Rao is nominated as Member of the Specialist Group for Solid State Lighting of Department of Information Technology, Ministry of Communication and Information Technology, Govt. of India, and as Head of Lighting segment of Indian Semiconductors Association ISA). He is also elected as President, LED products Manufacturers Association (LEDMA). Government of India (DeitY) nominated Dr.M.V.Ramana Rao, C&MD, MIC as the sole member for LEDs in its Industry Advisory Committee for M-SIPS.

He is an invited speaker and chair person at several national and international technical and business forums. He is a Fellow of IETE and Member of IE (I) & ISTE.

Past remuneration

Dr. M V Ramana Rao, appointed as Chairman & Managing Director of the company 28th November 2012 to 29th November 2015 subject to approval of Members with basic salary of Rs. 2,00,000/- per month with an annual increment of 20,000/- with Rent-free accommodation, other Perquisites and Contribution to PF.

Job profile and his suitability

Dr. M V Ramana Rao, Managing Director has been taking care Design and Development activities encompassing embedded systems, extensive marketing and business development affairs of the Company

Comparative remuneration profile with respect to industry, size of the company

The position and person (in case of expatriates the relevant details would be with respect to the country of his origin) Compared to the remuneration profile of position and person with respect to this Industry and size, he deserves the above remuneration.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Dr. M. V. Ramana Rao, is promoter of the company and his holding 46,44,902 as on 31st March, 2015 Face Value of Rs. 2/- each constituting 3.90% to the total equity capital of the Company during the year.

Item No. 6:

As the present term of appointment of Mr. L.N. Malleswara Rao, Executive Director would be expiring on 29th December 2015, the Board of Directors have, subject to the approval of the shareholders, re-appointed Mr. L.N. Malleswara Rao as Executive Director of the Company with effect from 30th December 2015 for a period of 3 years on the remuneration, terms and conditions recommended by the nomination and remuneration committee as set out herein.

Since there has been a considerable increase in the duties and responsibilities performed by the Executive Director and after considering the prevailing managerial remuneration in industry, the Board of Directors at their meeting held on 05th September, 2015, re-appointed as Executive Director, on the recommendations made by the nomination and remuneration committee subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:

- 1) Basic Salary: Rs.24,00,000/- per annum.
- 2) He shall be entitled to the following perquisites:
 - a) **Residential Accommodation** : Shall be provided free furnished residential accommodation
 - b) **Other Perquisites** :

Medical Reimbursement / Allowance for self & family total cost of which to the Company Leave Travel Concession/Allowance for self and family, Fees of clubs inclusive of admission and life membership fee, Leave Encashment: Earned leave with full pay and allowances as per rules of the company. Leaves accumulated but not availed of during his tenure will be allowed for encashment subject to a ceiling of of 10% of Basic Salary per annum.

However the following perquisites / benefits shall not be included in applying the ceiling of Rs. 1,00,000/- stipulated in 2(b) company car with driver (owned / lease or hired) for official duties and telephone at residence including payment for local calls and long distance official calls. Provision for Air travel for self and family in connection with home leave as per rules of the company. Overseas medical expenses incurred on specialist medical advice, in accordance with the rules of the company.

- 3) Unless otherwise stipulated, for this purpose of this resolution the perquisites shall be evaluated as per the income tax rules wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.
- 4) The limits stipulated the Resolution are under the maximum limits and the board may in its absolute discretion pay a lower remuneration and revise the same from time to time within the maximum limits stipulated by this resolution.
- 5) The maximum limit for salary and other perquisites shall be enhanced upto 27,40,000/- every year over the preceding year's salary and other perquisites.

- 6) In the event of any re-enactment or re-codification of the companies Act, 2013 or the Income Tax Act, 1961 of the Amendment thereon, this resolution shall continue to remain in force and the reference to various provisions of the Companies, Act, 2013 or the Income Tax, Act 1961 shall be deemed to be substituted by the corresponding provisions of the new Companies Act, 2013 or the amendments thereto or the Rules and notification issued there under.
- 7) Minimum remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Shri. L N Malleswara Rao, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration.

As the terms of re-appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not required for this re-appointment.

Shri L N Malleswara Rao may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

Additional Disclosure about the appointee as per Schedule V Part II of the Companies Act, 2013

- Nature of industry.
Design, development & manufacturing of LED Video Displays and Lighting Products. Recognized by the Department of Scientific and Industrial Research for its LED technology. MIC has been at the forefront of LED Applications for more than 25 years and acknowledged as the market share leader for Indian LED products.
- Date of commencement of commercial production.
Commercial Operations of the Company have started during the year 1988.
- Financial performance.
Performance of the Company for the last three years are as follows:

	(Rs. in Crores)		
Particulars	2013-14(9 Months)	2012-13 (9 Months)	2011-12(15 Months)
Revenue From Operations	87.79	70.19	131.88
Other income	1.75	6.40	7.94
Total income	89.54	76.60	139.82

- Export performance and net foreign exchange earnings.
Export performance of the Company for the last three years is as follows

	(Rs. in Crores)		
Particulars	2013-14(9 Months)	2012-13 (9 Months)	2011-12(15 Months)
FOB value of goods exported	4.19	2.44	6.55

- Foreign investments or collaborators, if any - NIL

Information about the appointee

Shri L N Malleswara Rao holds a Bachelor's degree in Technology in the discipline of Mechanical Engineering from Jawaharlal Nehru Technological University (JNTU). Prior to joining MIC, he worked in Andhra Pradesh Heavy Machinery Engineering Limited (APHMEL) - a subsidiary of Andhra Pradesh Industrial Development Corporation Limited. He has extensive experience in Mechanical Design, Development and Quality Assurance. He worked in several prestigious projects and was associated with both design & development activities and also in the execution of the projects involving electrical and mechanical engineering disciplines.

He joined MIC Electronics Limited in 1994. He is on board of the company since 1995 and has contributed significantly in the operations of the company especially in the up-gradation of mechanical designs for True colour LED video walls and other LED lighting applications. Presently he is responsible for Managerial and Administrative activities of the Company.

Past remuneration

Shri L N Malleswara Rao, appointed as Executive Director of the company 30th December 2010 to 29th December 2015 subject to approval of Members with basic salary of Rs. 1,25,000/- per month, other Perquisites, Gratuity and Contribution to PF.

Job profile and his suitability

Shri L N Malleswara Rao, Executive Director has been taking care Managerial and Administration activities of the Company

Comparative remuneration profile with respect to industry, size of the company

The position and person (in case of expatriates the relevant details would be with respect to the country of his origin) Compared to the remuneration profile of position and person with respect to this Industry and size, he deserves the above remuneration.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Shri L N Malleswara Rao, holds 24,24,234 as on 31st March, 2015 Face Value of Rs. 2/- each constituting 2.04% to the total equity capital of the Company.

Item No – 7

The existing Articles of Association (AOA) of the Company are based on the provisions of the Companies Act, 1956 and several regulations in the existing articles contain reference to the sections of the companies Act, 1956. Some regulations in the existing articles are no longer in conformity with the provisions of the Companies Act, 2013 ("Act").

With the enactment of the Companies Act, 2013, several regulations of the existing articles of the Company require alteration and/or deletion. Given this position, it is considered expedient to wholly replace the existing articles by a new set of articles.

The draft Articles, shall be open for inspection by the Members at the registered office of the Company on all the working days (except Saturdays & Sundays) between 11.00 am to 1.00 pm up to the date of this Annual General Meeting.

None of the Directors, Key Managerial personnel, and their relatives of the company directly/indirectly are considered or interested, financial or otherwise, in the said resolution.

The Board of Directors recommends the special resolution set out at Item No. 9 of the Notice for approval of Members.

Item No – 8

Ratification of Resolution No. 2 of Extra-ordinary General Meeting held on 22nd August 2015 for allotment of Equity Share to Investors.

A day before Extra- ordinary General Meeting of the company M/s. Leyard (Hong Kong) Co. Limited has informed that of investing in 2,00,00,000 Equity Shares on preferential basis they require certain compliances to be made as per their Regulations this would take time and they can't be completed within the 15 days period. Hence they requested that this item be differed till obtain all the necessary approvals which will be informed in due concern.

Additional information on directors recommended for appointment / re-appointment as required under Clause 49 of the Listing Agreement

Particulars	Details of Directors seeking appointment/reappointment			
Name of the Director	Mr. Atluri Venkata Ram	Dr. Venkata Ramani Vedula	Dr. M. V. Ramana Rao	Mr. L. N. Malleswara Rao
Director Identification Number	00753969	01298522	00010301	00010318
Date of Birth	10/05/1962	14/06/1962	04/02/1960	15/05/1960
Date of Appointment	22/08/2006	31/03/2015	17/05/1988	25/05/1996
Qualification	Graduate Degree in Computer Architecture	Doctoral degree in International Business Post Graduate degrees in Business Management & Economics	Doctoral degree in Electronics & Communication Engineering Master's degree in Applied Electronics Engineering	Bachelor Degree in Mechanical Engineering
Specific functional areas	Exports	Marketing	Development activities encompassing embedded systems, extensive marketing and business development affairs	Managerial and Administration activities of the Company
Directorship in other companies USA.	MIC Electronics INC MIC Green Energy Solutions Private Limited	Sulakshana Circuits Limited	MIC Electronics INC USA. MIC Green Energy Solutions Private Limited Candilux Private Limited Maave Electronics Private Limited SMIC360 Entertainment Solutions Private Limited	Nil
Committee Memberships in other Companies	Nil	Nil	Nil	Nil
Number of shares held in the Company	1052255	Nil	4644902	2424234
Inters-e relationship between the Board members	Nil	Nil	Nil	Nil

To
The Members,

Dear Shareholders,

Your Directors have pleasure in presenting the 27th Annual Report on the business and operations of the Company and operations of the Company and the accounts for the Financial Year ended 31st March 2015.

Financial summary or highlights / Performance of the Company:

The financial performance of the Company for the financial year ended 31st March, 2015, is summarized below:

Particulars	(Rs. in Lakhs)	
	31 st March 2015 (12 Months)	31 st March 2014 (9 Months)
Revenue From Operations	15,854.18	8,779.18
Other income	359.77	138.36
Total income	16,213.94	8,917.54
Expenditure	15,404.86	9,372.40
Profit before depreciation	809.08	-454.87
Less: Depreciation	766.96	444.81
Profit before exceptional items and Tax	42.12	-899.68
Exceptional Items	-	-5388.47
Profit before Tax	42.12	-6288.14
Less: Provision for Taxation	177.50	1840.96
Profit after Tax	219.62	-4447.18
Profit brought forward from earlier year	-	-
Appropriation:		
Transfer to General reserve	-	-
Proposed Dividend	-	-
Dividend Tax	-	-
Total Appropriation	-	-
Profit after appropriation	219.62	-4447.18
EPS- Basic (In Rs.)	0.18	-4.34
Diluted (In Rs.)	0.12	-2.47

State of Company's Affairs

During the year under review, your Company has achieved significant business growth. The Company has recorded overall sales growth of Products. The Company's Net Profit for the year was 2.19 Crores.

Previous year figures are not comparable since they represent only 9 months where as current year represent 12 months.

Dividend

Your Directors doesn't recommend any Dividend on Equity Share Capital of your Company for the financial year ending 31st March, 2015.

Transfer to Reserves

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

Deposits:

The Company has not invited/ accepted any deposits from the public during the year ended March 31, 2015. There were no unclaimed or unpaid deposits as on March 31, 2015.

Change in the Nature of Business, if any

There is no change in the nature of business of the Company.

Changes in Share Capital

During the period under review, your Company has allotted 7,44,62,070 Preferential Convertible Share Warrants of Rs. 3/- each (i.e Face Value of Rs. 2/- at a premium of Rs.1/-) to the Promoters/Investors. Out of which, the Board of Directors has converted and allotted 1,64,25,000 Preferential Convertible Share Warrants into equity shares on 19th March, 2015.

Management Discussion and Analysis Report

Management's discussion and analysis report for the year under review, as stipulated under Clause 49 of the Listing agreement with Stock Exchanges in India, 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:

ESOP 2006 scheme was ended on 24-10-2009, however 7,49,100 shares were lying in the trust because of Non-exercise of the options due to heavy Fringe Benefit Tax disproportion to price of the scrip and few options because of resignation of employees in general.

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

At the beginning of the year we had 4 subsidiaries. As on 31st March, 2015 we have only 3 subsidiaries.

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 audited 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.

During the year, disinvestment was made in the following subsidiary:

On 1st January, 2015, the entire shareholding in **Maave Electronics Private Limited**. The Company has taken Valuation Certificate from Independent Valuer and accordingly the business has been transferred for a consideration of Rs. 2.5 Crores/-.

As on 31st March, 2015, the following are the subsidiaries:

1. MIC Electronics Inc., USA
2. MIC Green Solutions Private Limited
3. MIC Candilux 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 Listing Agreement, 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; and
- (e) 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 49 of the Listing Agreement.

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 does not require. 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 Listing Agreement forms an integral part of this Report. The requisite certificate from the Practicing Chartered Accountant 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 nine times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Directors

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 on 31st March, 2015, the Board consists of 6 members, two of whom are executive directors, one non-executive director and three are independent directors. The Board periodically evaluates the need for change in its composition and size.

As per the provisions of the Companies Act 2013, Mr. Atluri Venkata Ram retires at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

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

Mr. J. Prasanna Kumar, Director of the Company has resigned during the year and Dr. Venkata Ramani Vedula has appointed as Additional Director through circular resolution passed on 31st March, 2015.

During the year Mr. Vijay Kumar Ch., was resigned as Company Secretary of the Company. Mr. Malleswara Durga Prasad has been appointed as CFO and Company Secretary.

Committees of the Board**Currently, the Board has three Committees:**

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

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

Statutory Auditors

The Statutory Auditors of the Company, M/s. Pavuluri & Co., were appointed at the 26th Annual General Meeting till the conclusion of the 29th Annual General Meeting (AGM) of the Company. In terms of Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, M/s. Pavuluri & Co., Chartered Accountants, as the Auditors of the Company is placed for ratification by the shareholders. In this regard the Company has received a certificate from the auditors to the effect if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Replies to the observations made in Auditor's Report:

S. No.	Qualified by the Auditor	Explanation
1.	<p>Reference is invited to Note 3.05 of the financial statements, The Company has not provided the interest on working capital loan from SBI for Rs 7.21 crores since the account has become NPA.</p> <p>Under accounting principles generally accepted in India, the company should have made a provision for interest expense of Rs 7.21 crores. Had the company made a provision for the same the current year profit would have been lower by the said amount.</p>	Interest on term Loan from SBI Bank of Rs. 7.21 Crores for the current quarter has not been provided since the account has been declared as NPA by the Bank and the Management intends to settle the matter with the Bank amicably.
2.	<p>Reference is invited to Note 3.07 of the financial statements, The Company has not provided the interest on unsecured loans for Rs 4.23 crores and interest on term loans for Rs 3.91 crores for the year ended 31st March 2015, since the company is pursuing the matter for settlement.</p> <p>Under accounting principles generally accepted in India, the company should have made a provision for interest expense of Rs 8.14 crores. Had the company made a provision for the same, the current year profit would have been lower by the said amount. Had the Company made a provision for the same, the profit for the period would have been lower by the said amount."</p>	Since the management intends to negotiate with the lenders of the Unsecured loans for settlement, interest amount for the year amounting to Rs. 8.14 Crores was not provided.
3.	Reference is invited to Note 3.12 of the financial statements, the Company's Capital Advances to the extent of Rs 11.19 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company made a provision for the same, the profit for the period would have been lower by the said amount."	Company has given advances to various suppliers for supply of capital goods for its LED Display Division's expansion projects. The management is closely pursuing with such suppliers for supply of such capital goods and insisting such suppliers to either supply the goods or refund the advance amount without further delay. The management is confident of adjustment of such capital advances and hence no provision has been made.

S. No.	Qualified by the Auditor	Explanation
4.	Reference is invited to Note 3.15 of the financial statements, the Company's Trade Receivables to the extent of Rs 51.20 crores are more than three years old and "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these receivables are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the profit for the period would have been lower by the said amount."	Due to the prevailing recessionary trend in the industry in the last 3 to 4 years, significant portion of trade receivables remain uncollected. The management is closely monitoring for collection of such overdue receivables. The management is confident of collecting such overdue trade receivables over a period of time and hence no provision has been made.
5.	Reference is invited to Note 3.17 of the financial statements, the Company's Other Advances to the extent of Rs 5.50 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the profit for the period would have been lower by the said amount."	The above advances include advances given to various suppliers for supply of materials / services in the ordinary course of business and other purposes. The management is closely pursuing with such suppliers for supply of materials / services. We are insisting such suppliers to either supply the materials / services or refund the advance amount without further delay. The management is confident if adjustment of such advances and hence no provision has been made.
6.	Reference is invited to Note 3.31 of the financial statements, the Company has not made a provision for lease rentals for the financial year to the extent of Rs.4.72 crores. Under accounting principles generally accepted in India, the company should have made a provision for lease rentals. Had the company made a provision for the same the current year profit would have been lower by the said amount.	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'14 to Mar'15 amount to Rs 47,196,000/-

Secretarial Auditor

The Board has appointed Mr. D V M Gopal, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as Annexure IV to this Report.

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 is enclosed as Annexure V to this Report.

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

There are no Material changes and commitments in the business operations of the Company from the Financial Year ended 31st March 2015 to the date of signing of the Director's Report.

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

No 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 - VI to this Report.

Particulars of loans, guarantees or investments under section 186

Loans, Guarantees, Investments given during the Financial Year ended on 31st March 2015, 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 49 of the Listing Agreement 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

During the Financial year ended 31st March, 2015 the Company has neither received any complaints nor there are any pending complaints pertaining to sexual harassment.

Acknowledgements

The Directors 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, STPI, Department of Commercial Taxes, Customs & Central Excise, Income Tax, etc. The Directors also thank the officials of the Bankers.

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

By the Order of the Board
For **MIC Electronics Limited**

Sd/-
(Dr. M V Ramana Rao)
Managing Director

Date : 05.09.2015

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 14-15 (12 months)	Remuneration FY 13-14 (9 months)	% of Increase in Remuneration on	Ratio of Remuneration to MRE	Ratio of Remuneration to	
						Revenues FY-14-15	Net Profit FY 14-15
M.V. Ramana Rao	Managing Director	24,00,000	18,00,000	No Change	17.28	0.15%	10.93%
L.N. Malleswara Rao	Executive Director	15,00,000	11,25,000	No Change	10.80	0.09	6.83%
Key Managerial Personnel							
*Malleswara Durga Prasad	CFO & CS	50,000	-	NA	NA	NA	NA
**Ch. Vijay Kumar Naidu	Company Secretary	1,67,319	3,78,448	NA	NA	NA	NA

* for the period 01.03.2015 to 31.03.2015

** for the period 01.04.2014 to 05.09.2014

Remuneration paid to Independent Directors (Setting Fee)

Name of Director	Remuneration FY 14-15 (12 months)	Remuneration FY 13-14 (9 months)	% Increase of Remuneration
Mr. N Srinivasa Rao	1,29,600	75,600	NIL
Mr. Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	1,29,600	75,600	NIL

- The Median Remuneration of the employees of the Company during the financial year was 1,38,924/-.
- In the financial year, there was an increase of 0.04% in the median remuneration employees.
- The number of permanent employees on the rolls of the Company as of March 31, 2015 and March 31, 2014 was 143 and 170 respectively.
- Variations in the market capitalization of the Company:
- The Market Capitalization as on 31st March, 2015 is 1,30,22,09,861 Crores and on 31st March, 2014 was ' 43,04,92,755 Crores.
 - Price earnings ratio of the Company as on 31st March, 2015 is 0.018 as against (4.34) as at 31st March, 2014.

- 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 BSE as on 31st March, 2015 is Market Value Rs. 7.65/- Face value of Rs. 2/- representing a 74.5% 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.
6. 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
7. 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
8. It is hereby confirmed that the remuneration is as per the remuneration policy of the Company.

By the Order of the Board
For **MIC Electronics Limited**

Sd/-
(Dr. M V Ramana Rao)
Managing Director

Date : 05.09.2015
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	Share Capital	Reserves & Surplus	Total assets	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	31.03.15	1 USD = 62.53	4,539,450	66,315	77,217,076	72,611,311	64,280,840	382,666	(3,930,983)	-	(3,930,983)	100%
*MIC Green Energy Solutions Private Limited	31.03.15	INR	100,000	-	1,074,339	974,339	-	-	-	-	-	100%
*MIC Candilux Private Limited	31.03.15	INR	100,000	-	206,800	106,800	-	-	-	-	-	100%

- Yet to commence operations of the business

By the Order of the Board
For **MIC Electronics Limited**

Sd/-
(Dr. M V Ramana Rao)
Managing Director

Date : 05.09.2015
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

- 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 arms-length basis
- 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	MIC Green	9,30,067
			Incorporation of the Company. (i.e 11/03/2009)	Energy Solutions Pvt. Ltd. 100% is a subsidiary of MIC Electronics Limited	
2	MIC Electronics Inc. USA,	Subsidiary	Ongoing since	MIC Electronics Inc. USA, is a 100% subsidiary of MIC Electronics Limited	5,26,57,650
			Incorporation of the Company. (i.e - 10/01/2007)		
3	MIC Candilux Pvt. Ltd,	Subsidiary	Ongoing since	MIC Candilux Pvt. Ltd. is a 100% subsidiary of MIC Electronics Limited	84,300
			Incorporation of the Company. (i.e - 05/05/2011)		
Outstanding balances receivable from Subsidiaries					
	MIC Electronics Inc. USA,	Subsidiary	Ongoing		1,98,48,053
Outstanding balances payable to Subsidiaries					
	MIC Electronics Inc. USA,	Subsidiary	Ongoing		39,03,378

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					
	M.V.Ramana Rao	Managing Director	NA	NA	47,36,970
	L.N. Malleswara Rao	Executive Director	NA	NA	42,39,642
Sitting Fee					
	N. Srinivasa Rao	Independent Director	NA	NA	5,08,800
	A V S S C B Shekar Babu	Independent Director	NA	NA	3,70,573

By the Order of the Board
For **MIC Electronics Limited**

Sd/-
(Dr. M V Ramana Rao)
Managing Director

Date : 05.09.2015
Place : Hyderabad

FORM MR-3

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

SECRETARIAL AUDIT REPORT
(For the Financial Year ending 31st March 2015)

To

The Members of

M/s. MIC Electronics Limited,
Hyderabad.

We have conducted the Secretarial Audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. MIC Electronics Limited** (hereinafter called 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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representations provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on **31st March 2015**, 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. The Company is engaged in the business of LED Displays and LED Lighting we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March 2015 according to the provisions of:
1. The Companies Act, 2013 (**the Act**) and the Rules made there under;
 2. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under;
 3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. 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;
 - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - h. The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.
6. The Memorandum and Articles of Association
 7. The Secretarial Standards issued by The Institute of Company Secretaries of India.
 8. Other laws applicable to the Company as per the representations made by the Company.

II. We further report that

1. The Company has, in our opinion, substantially complied with the provisions of the Companies Act, 1956, Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company except that:
 - 1.1 *Compliance of the provisions of Section 203 of the Companies Act, 2013 with respect to the appointment of KMP.*
 - 1.2 *The Remuneration paid to the Managerial Personnel should have been in accordance with the provisions of Section 197 of the Companies Act 2013.*
 - 1.3 *Attracting the Provisions of the Section 167 read with Section 164 of the Companies Act 2013 to the Directors of the Company.*
 - 1.4 *Non-filing of certain periodical forms with ROC as and when the even demands.*
2. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
3. The Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed there under by the Depositories with regard to dematerialization / re-materialisation of securities and Reconciliation of Records of Dematerialized Securities with all securities issued by the Company.
4. The Company has substantially complied with the requirements under the Equity Listing Agreements entered with the Stock Exchanges.
5. The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 except the compliance of the provisions of Regulation 30 of the SEBI (SAST) Regulations 2011.
6. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 except that *adoption of a Code on the Prevention of Insider Trading, in accordance with the provisions of Regulation 12, Closure of trading window and record of the designated employees to be maintained by the compliance officer or any other authorized officer.*
7. The Company has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 except the disclosures as specified in the Directors Report.
8. There were no transactions attracting the provisions of the FEMA, 1999 and the Rules and Regulations during the Financial Year under review. However the Periodical Compliances as required under the said law have been complied with.
9. During the period under review and as per the explanations and clarifications given to us and the representations made by the management, the company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc mentioned above.

III. We further report that:

1. The Company has not bought back equity shares of the company, during the period; therefore, the compliance of the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; does not arise.
2. The Company has not delisted any of its securities, during the period, therefore, the compliance of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; does not arise.
3. The Secretarial Standards issued by Institute of Company Secretaries of India (ICSI) were not notified by the Ministry of Corporate Affairs during the Audit Period; therefore, the Secretarial Standards does not applicable.

IV. We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and the Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 2. Adequate Notice is given to all Directors to conduct the Meetings of Board and its committees.
 3. Majority decision is considered while the dissenting members' views are captured and recorded, if any, as part of the minutes.
 4. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, there being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
- V. 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 applicable laws, rules, regulations and guidelines.
- VI. During the audit period, the Specific Events / actions / matters / Compliances having a major bearing on the company's affairs, reference shall be taken to the Statutory Auditors Report issued for the Audit Period, in pursuance of the all applicable laws, rules, regulations, guidelines, standards, etc.

For **dvmgopal & associates**
Company Secretaries

Place : Hyderabad
Date : 05.09.2015

DVM Gopal
Proprietor
M No: F6280
CP No: 6798

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	: L31909TG1988PLC008652
Registration Date	: 17 th May 1988
Name of the Company	: MIC ELECTRONICS LIMITED
Category / Sub-Category of the Company	: Company Limited by shares / Indian Non-Government Company
Address of the registered office and contact details:	: A4/II, Electronic Complex, Kushaiguda, Hyderabad, 500062, Tel: 040-27122222 Fax: 040-27133333 Email id: cs@mic.co.in Website: www.mic.in.
Whether listed company	: Yes
Name, Address & Contact details of Registrar and Transfer Agent if any	: Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharatnagar, Hyderabad-500018. Contact Person: Mr. E.S.K. Prasad / P. Srinivas Reddy Tel : 040-23868257 / 258

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Manufacture of Electric Lighting equipment	274	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No	Name of the company	Country	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1	MIC Electronics Inc.	USA	NA	Subsidiary	100	2(87)(ii)
2	MIC Green Energy Solutions Pvt. Ltd.	India	U40300TG2009PTC063021	Subsidiary	100	2(87)(ii)
3	MIC Candilux Pvt. Ltd.	India	U31908TG2011PTC074307	Subsidiary	100	2(87)(ii)

Following Companies are yet to commence its operation:

1. MIC Green Energy Solutions Pvt. Ltd.
2. MIC Candilux Pvt. Ltd.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total Shares	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4,644,902	-	4,644,902	4.53	4,644,902	-	4,644,902	3.91	(0.63)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	3,597,375	-	3,597,375	3.51	8,597,375	-	8,597,375	7.23	3.72
Sub Total (A) (1)	8,242,277	-	8,242,277	8.04	13,242,277	-	13,242,277	11.14	3.09
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	8,242,277	-	8,242,277	8.04	13,242,277	-	13,242,277	11.14	3.09
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total Shares	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	7,528,672	-	7,528,672	7.35	6,689,002	-	6,689,002	5.62	(1.72)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual share holders holding nominal share capital upto Rs. 1 lakh	44,881,307	389,312	45,270,619	44.17	43,231,266	389,512	43,620,778	36.68	(7.49)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	30,731,838	1,359,375	32,091,213	31.31	33,811,258	12,784,375	46,595,633	39.18	7.87
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	6,974,066	304,820	7,278,886	7.10	6,361,210	304,820	6,666,030	5.61	(1.50)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	1,326,338	-	1,326,338	1.29	1,339,295	-	1,339,295	1.13	(0.17)
Trusts	760,270	-	760,270	0.74	770,260	-	770,260	0.65	(0.09)
Foreign Bodies-DR	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	92,202,491	2,053,507	94,255,998	91.96	92,202,291	13,478,707	105,680,998	88.86	(3.09)
Total Public (B)	100,444,768	2,053,507	102,498,275	100.00	105,444,568	13,478,707	118,923,275	100.00	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	100,444,768	2,053,507	102,498,275	100.00	105,444,568	13,478,707	118,923,275	100.00	-

Note : 1,64,25,000 Equity Shares allotted on 19th March, 2015 and applied for Listing approval we received approval after 31st March, 2015. So we shown Mrs. Usha Rani 50,00,000 allotted shares shown in Demat Mode.

(ii) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	VENKATARAMANA RAO MAGANTI	4644902	4.53	93.65	4644902	3.91	93.65	-0.63
2	SREENIVASA RAO MAGANTI	239825	0.23	0.00	239825	0.20	0	-0.03
3	USHA RANI MAGANTI	205010	0.20	0.00	5205010	4.38	0	4.18
4	CHAITANYA KEERTHI MAGANTI	575000	0.56	0.00	575000	0.48	0	-0.08
5	CHAITHANYA DEEPTHI MAGANTI	575000	0.56	0.00	575000	0.48	0	-0.08
6	CHAITHANYA PAVAN MAGANTI	1800000	1.76	0.00	1800000	1.51	0	-0.24
7	RAMA CHANDRARAO MAGANTI	165540	0.16	60.41	165540	0.14	60.41	-0.02
8	DHANA KOTESWARARAO MAGANTI	37000	0.04	100.00	37000	0.03	100	0.00
	Total	8242277	8.04	54.44	13242277	11.14	33.88	—

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares**
	USHA RANI MAGANTI				
	At the beginning of the year	205,010	0.20	205,010	0.17
	Changes during the year				
	Conversion of Warrants into Equity Shares as on 19-03-15 Balance 50,00,000	-	0.00	5,000,000	4.20
	At the end of the year	205,010	0.20	5,205,010	4.38

Promoters Warrants Holding as on 31.03.2015 which are pending for Conversion

S.No.	Shareholder's Name	Equity Shares		Warrants Pending for Conversion		Post Holding	
		No. of Warrants	% of total shares	Changes	% of total shares	Changes	% of total shares
1	CHAITANYA KEERTHI MAGANTI	575000	0.48	5000000	0.86	5,575,000	3.15
2	CHAITANYA DEEPTHI MAGANTI	575000	0.48	6500000	1.12	7,075,000	4.00
3	CHAITANYA PAVAN MAGANTI	1800000	1.51	6495070	1.12	8,295,070	4.69
4	USHA RANI MAGANTI (Allotment of Equity Shares as on 19.03.2015)	5205010	4.38	4000000	0.69	9,205,010	5.20
	Total	8,155,010	6.86	21,995,070	3.79	30,150,080	17.04

Note : No. of Warrants Pending for Conversion as on 31.03.2015 is 5,80,37,070

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	PRABHAKARA RAO MANDAVA				
	At the beginning of the year	7,693,153	7.51	7,693,153	6.47
	Changes during the year	-	0.00	-	0.00
	At the end of the year	7,693,153	7.51	7,693,153	6.47
2	RAGHU VEER YARLAGADDA				
	At the beginning of the year	-	0.00	-	0.00
	Changes during the year	5,950,000	0.00	5,950,000	5.80
	At the end of the year	5,950,000	5.80	5,950,000	5.00

3	D HITESH CHENCHU RAM				
	At the beginning of the year	2,533,272	2.47	2,533,272	2.13
	Changes during the year	28,283	0.00	28,283	0.03
	At the end of the year	2,561,555	2.50	2,561,555	2.15
4	BANDI KRISHNA KUMARI				
	At the beginning of the year	3,608	0.00	3,608	0.00
	Changes during the year	1,925,000	0.00	1,925,000	1.88
	At the end of the year	1,928,608	1.88	1,928,608	1.62
5	PURANDESWARI DAGGUBATI				
	At the beginning of the year	1,837,575	1.79	1,837,575	1.55
	Changes during the year	-	0.00	-	0.00
	At the end of the year	1,837,575	1.79	1,837,575	1.55
6	VENKATESWARA RAO DAGGUBATI				
	At the beginning of the year	1,700,870	1.66	1,700,870	1.43
	Changes during the year	100,000	0.00	100,000	0.10
	At the end of the year	1,800,870	1.76	1,800,870	1.51
7	ANJALI KHOSLASOHALI KHOSLA				
	At the beginning of the year	1,359,375	1.33	1,359,375	1.14
	Changes during the year	-	0.00	-	0.00
	At the end of the year	1,359,375	1.33	1,359,375	1.14
8	RANJU AGGARWAL				
	At the beginning of the year	233,625	0.23	233,625	0.20
	Changes during the year	748,905	0.00	748,905	0.73
	At the end of the year	982,530	0.96	982,530	0.83
9	RAMMOHAN RAO				
	At the beginning of the year	906,784	0.88	906,784	0.76
	Changes during the year	34,564	0.00	34,564	0.03
	At the end of the year	941,348	0.92	941,348	0.79
10	MIC ELECTRONICS LIMITED EMPLOYEES WELFARE TRUST				
	At the beginning of the year	749,110	0.73	749,110	0.63
	Changes during the year (Warrants)	-	0.00	-	0.00
	At the end of the year	749,110	0.73	749,110	0.63

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	VENKATARAMANA RAO MAGANTI				
	At the beginning of the year	4,644,902	4.53	4,644,902	3.91
	Changes during the year	-	0.00	-	0.00
	At the end of the year	4,644,902	4.53	4,644,902	3.91
2	VENKATA RAM ATLURI				
	At the beginning of the year	1,052,255	1.03	1,052,255	0.88
	Changes during the year	-	0.00	-	0.00
	At the end of the year	2,652,255	2.59	2,652,255	2.23
3	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla				
	At the beginning of the year	-	0.00	-	0.00
	Changes during the year	-	0.00	-	0.00
	At the end of the year	-	0.00	-	0.00
4	Shri N Sreenivasa Rao				
	At the beginning of the year	65	0.00	65	0.00
	Changes during the year	-	0.00	-	0.00
	At the end of the year	65	0.00	65	0.00
5	Shri L N Malleswara Rao				
	At the beginning of the year	124,234	0.12	124,234	0.10
	Changes during the year	2,300,000	0.00	2,300,000	2.24
	At the end of the year	2,424,234	2.37	2,424,234	2.04
6	Dr. V. Venkata Ramani				
	At the beginning of the year	-	0.00	-	0.00
	Changes during the year	-	0.00	-	0.00
	At the end of the year	-	0.00	-	0.00
7	Malleswara Durga Prasad				
	At the beginning of the year	-	0.00	-	0.00
	Changes during the year	-	0.00	-	0.00
	At the end of the year	-	0.00	-	0.00

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

(Amount. Rs.)

SN	Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	1169070176	291,879,625	-	1,460,949,801.00
ii)	Interest due but not paid	20726798	18,958,050	-	39,684,848.00
iii)	Interest accrued but not due	5628888	0	-	-
	Total (i+ii+iii)	1195425862	310837675	-	1506263537
Change in Indebtedness during the financial year					
*	Addition	125073471	101,287,608.00	-	226,361,079.00
*	Reduction	82785404	-	-	82,785,404.00
	Net Change	42288067	101287608	-	143575675
Indebtedness at the end of the financial year					
i)	Principal Amount	1217162664	393,167,233		1,610,329,897.00
ii)	Interest due but not paid	18136349	18,958,050		37,094,399.00
iii)	Interest accrued but not due	2414916	0	-	
	Total (i+ii+iii)	1237713929	412125283	-	1649839212

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lac)
		Dr. M V RAMANA RAO	Shri L N Malleswara Rao	
	Name	MANAGING DIRECTOR	EXECUTIVE DIRECTOR	
	Designation			
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,400,000	1,500,000	3,900,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	380,000	0	3,80,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission	-	-	
	- as % of profit	-	-	
	- others, specify	-	-	
5	Others, please specify	-	-	
	Total (A)	2,780,000	1,500,000	4,280,000
	Ceiling as per the Act	Yes	Yes	Yes

B. Remuneration to other directors:

Details as per Directors Report **Annexure - I** in addition to that any other amount was not paid.

C. Remuneration to other Key Managerial Personnel other than MD/Manager/WTO:

Details as per Directors Report **Annexure - I** in addition to that any other amount was not paid.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

By the Order of the Board
For MIC Electronics Limited

Sd/-
(Dr. M V Ramana Rao)
Managing Director

Date : 05.09.2015

Place : Hyderabad

Annexure VI

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:

(Amount in Lakhs)

Particulars	31st March 2015 (12 Months)	31st March 2014 (9 Months)
Earnings	464.00	366.85
Outgo	228.76	419.42

By the Order of the Board
For MIC Electronics Limited

Sd/-
(Dr. M V Ramana Rao)
Managing Director

Date : 05.09.2015

Place : Hyderabad

ANNEXURE'S TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 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:

Presently, 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 49, 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	Category
1	Dr. M V Ramana Rao	Promoter & Managing Director
2	Shri Atluri Venkata Ram	Non-Independent, Non Executive Director
3	Shri L N Malleswara Rao	Non-Independent, Executive Director
4	Shri N Srinivasa Rao	Independent, Non Executive Director
5	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	Independent, Non Executive Director
6*	Smt. Venkata Ramana Vedula	Independent, Non Executive Director
7**	Shri J N Prasanna Kumar Setty	Independent, Non Executive Director

* Smt. Venkata Ramana Vedula has been appointed as Additional Director on 31st March, 2015.

** Shri J N Prasanna Kumar Setty was resigned as Director with effect from 01st October, 2014.

Meetings held and Attendance of Board Meetings:

During the financial year 2014-15, total of 9 (Nine) Board Meetings were held.

The Dates on which the Board Meetings were held are: 14th May, 2014, 27th May 2014, 12th August 2014, 03rd September 2014, 25th October 2014, 14th November 2014, 25th November, 2014, 11th February 2015, 19th March, 2015.

Attendance of Directors in the above said meetings:

Sr. No	Director	Attendance Particulars	
		Board Meetings & Attendance	Presence at the Last AGM
1	Dr. M V Ramana Rao	9(9)	Yes
2	Shri Atluri Venkata Ram	1(9)	No
3	Shri L N Malleswara Rao	5(9)	Yes
4	Shri N Srinivasa Rao	9(9)	Yes
5	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	9(9)	No
6	Shri J N Prasanna Kumar Setty	0(4)	No
7	Smt. Venkata Ramana Vedula	0(0)	No

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

The Information as required under clause 49 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 31.03.2015:

S.No.	Director	Category	Other Directorship	Other Committee Membership	Other Committee Chairmanship
1	Dr. M V Ramana Rao	Promoter, Executive Director	5	-	-
2	Shri Atluri Venkata Ram	Non Independent, Non Executive	2	-	-
3	Shri L N Malleswara Rao	Non Independent, Executive	-	-	-
4	Shri N Srinivasa Rao	Independent, Non-Executive	1	-	-
5	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	Independent, Non-Executive	1	-	-
6	Shri J N Prasanna Kumar Setty	Independent, Non Executive	2	-	-
7	Smt. Venkata Ramani Vedula	Independent, Non Executive	1		

3. BOARD COMMITTEES

The Company has the following standing committees on the Board

1 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 49 of the Listing Agreement.

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 role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement.

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.

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	Member	Independent Non Executive Director
Dr. M V Ramana Rao	Member	Promoter & Managing Director

The Audit Committee consists of Two Independent, Non-executive Directors and one Executive Chairman who are financially literate as required by Clause 49. Moreover, the Audit Committee has members who have accounting or related financial management expertise.

Audit Committee Meetings and Attendance:

During the Period 4 (Four) Audit Committee Meetings were held during the Financial Year 2014-2015.

The Dates on which the Audit Committee Meetings were held are: 27th May, 2014, 12th August, 2014, 14th November, 2014 and 11th February, 2015.

Sr. No.	Director	No. of Meeting Attended
1.	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	4(4)
2.	Shri N Srinivasa Rao	4(4)
3.	Dr. M V Ramana Rao	4(4)

The maximum time gap between any of two of the Audit Committee meetings was not more than four months.

3) SUBSIDIARY COMPANIES:

Subsidiary as on 31st March, 2015

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 and Atluri Venkata Ram are Directors.
3. MIC Candilux Private Limited (India) - in which Dr M V Ramana Rao is a Director.

The Details of aforesaid Subsidiary Companies as required in accordance with Clause 49 of the Listing Agreement are provided in the Directors Report.

Maave Electronics Private Limited (India)*

* Maave Electronics Private Limited, has become non-subsidiary from 01st January, 2015, due to disinvestment of 100% stake.

4) REMUNERATION COMMITTEE / NOMINATION 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.

Composition of the committee:

Name of the Director	Designation	Nature of Directorship	Profession
Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	Chairman	Independent Director	Practicing Company Secretary
Shri N Srinivasa Rao	Member	Independent Director	Service
Shri J N Prasanna Kumar Setty	Member	Independent Director	Practicing Chartered Accountant

Remuneration Committee Meetings and Attendance:

During the the Financial Year, there were no Remuneration Committee Meeting.

Details of remuneration paid to the Executive Directors during the Period 2014-15 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	24,00,000
Shri L N Malleswara Rao	None	None	None	15,00,000

Note: Dr. M V Ramana Rao Remuneration excludes In Rent free accommodation of Rs. 3,80,000/-

Non-Executive Directors Compensation:

As per the Provisions of Clause 49, 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.

5) SHAREHOLDERS'S GRIEVANCE 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.

04 REPORT ON CORPORATE GOVERNANCE

Composition of the Committee:

Name of the Director	Designation	Nature of Directorship	Profession
Shri N. Srinivasa Rao	Chairman	Independent Director	Service
Shri L. N. Malleswara Rao	Member	Executive Director	Service
Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	Member	Independent Director	Practicing Company Secretary

Name & Designation of the Compliance officer : Malleswara Durga Prasad,
CFO & 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 2 during the period, the Company has not received any complaints and resolved 2 complaint. There are no Pending complaints as on 31st March 2015.

During the Period there is no Shareholders's Transfer & Grievance Committee Meetings held from 1st April, 2014 to 31st March, 2015.

The details of shares held by the Directors as on 31st March, 2015

Sr. No	Director	Category	No. of Shares	% of Holding
1	Dr. M V Ramana Rao	Promoter, Executive Director	4644902	3.09
2	Shri Atluri Venkata Ram*	Non-Independent, Non-Executive Director	1052255	0.88
3	Shri L N Malleswara Rao	Non-Independent, Executive Director	2424234	2.04
4	Shri N Sreenivasa Rao**	Independent, Non Executive	65	0.00
5	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	Independent, Non Executive	-	-
6	Smt. Venkata Ramani Vedula	Independent, Non Executive	-	-

Note :

* Apart from above Equity share Mr. Atluri Venkata Ram holds 16,00,000 Convertible Equity Share Warrants

** Apart from above Equity share Mr. N Srinivasa Rao holds 19,50,000 Convertible Equity Share Warrants

6) DETAILS OF GENERAL BODY MEETINGS:

Location and time of the last three AGM's.

Financial Year	Date & Time	Venue	Nature of special resolutions, if any passed
2013-14	30-09-2014 11.00 AM	A-4/II, Electronic Complex, Kushaiguda, Hyderabad-62	Ratification to the amendments made by the Board to the resolution passed by the members at their General Meeting held on 22nd November, 2013 for issue of Convertible Share Warrants to Promoters and Investors.
2012-13	22-11-2013 11.00 AM	- Do -	<ol style="list-style-type: none"> 1. Preferential Allotment of 2,69,95,070 Warrants to Promoters. 2. Preferential Allotment of 5,04,82,000 Warrants to Investors. 3. Employee Stock Option Scheme 2013 to Issue of 50,00,000 Shares of Rs. 2/- each. 4. Issue of Shares of to employees / directors of the holding and subsidiary companies. 5. Approval for issue of shares to specified employees more than 1%.
2011-12	29-12-2012 11.00 AM	- Do -	Revision in Remuneration of Dr. M V Ramana Rao, Reduced from Rs. 36 lakhs to 24 lakhs per annum.

No Extra-ordinary General Meeting held during the Financial Year.
None of the Resolutions were put through postal ballot in the last year.

7) DISCLOSURES

- Related party transactions:

No Transactions of material nature was entered in to by the Company with the related parties i.e, 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, 2015.

- 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 49(V) of the Listing Agreement.

- 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 of the Company for the Period ended 31st March 2015.

Qualifications as per auditor's report and explanation given by the directors:

S. No.	Qualified by the Auditor	Explanation
1.	<p>Reference is invited to Note 3.05 of the financial statements, The Company has not provided the interest on working capital loan from SBI for Rs. 7.21 crores since the account has become NPA.</p> <p>Under accounting principles generally accepted in India, the company should have made a provision for interest expense of Rs 7.21 crores. Had the company made a provision for the same the current year profit would have been lower by the said amount.</p>	<p>Interest on term Loan from SBI Bank of Rs. 7.21 Crores for the current quarter has not been provided since the account has been declared as NPA by the Bank and recovery process has been initiated by the Bank legally and the Management intends to settle the matter with the Bank amicably.</p>
2.	<p>Reference is invited to Note 3.07 of the financial statements, The Company has not provided the interest on unsecured loans for Rs 4.23 crores and interest on term loans for Rs 3.91 crores for the year ended 31st March 2015, since the company is pursuing the matter for settlement.</p> <p>Under accounting principles generally accepted in India, the company should have made a provision for interest expense of Rs 8.14 crores. Had the company made a provision for the same, the current year profit would have been lower by the said amount. Had the Company made a provision for the same, the profit for the period would have been lower by the said amount."</p>	<p>Since the management intends to negotiate with the lenders of the Unsecured loans for one time settlement, interest amount for the year amounting to Rs. 8.14 Crores was not provided.</p>

S. No.	Qualified by the Auditor	Explanation
3.	Reference is invited to Note 3.12 of the financial statements, the Company's Capital Advances to the extent of Rs 11.19 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company made a provision for the same, the profit for the period would have been lower by the said amount."	Company has given advances to various suppliers for supply of capital goods for its LED Display Division's expansion projects. The management is closely pursuing with such suppliers for supply of such capital goods and insisting such suppliers to either supply the goods or refund the advance amount without further delay. The management is confident of adjustment of such capital advances and hence no provision has been made.
4.	Reference is invited to Note 3.15 of the financial statements, the Company's Trade Receivables to the extent of Rs 51.20 crores are more than three years old and "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these receivables are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the profit for the period would have been lower by the said amount."	Due to the prevailing recessionary trend in the industry in the last 3 to 4 years, significant portion of trade receivables remain uncollected. The management is closely monitoring for collection of such overdue receivables. The management is confident of collecting such overdue trade receivables over a period of time and hence no provision has been made.
5.	Reference is invited to Note 3.17 of the financial statements, the Company's Other Advances to the extent of Rs 5.50 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the profit for the period would have been lower by the said amount."	The above advances include advances given to various suppliers for supply of materials / services in the ordinary course of business and other purposes. The management is closely pursuing with such suppliers for supply of materials / services. We are insisting such suppliers to either supply the materials / services or refund the advance amount without further delay. The management is confident if adjustment of such advances and hence no provision has been made.
6.	Reference is invited to Note 3.31 of the financial statements, the Company has not made a provision for lease rentals for the financial year to the extent of Rs.4.72 crores. Under accounting principles generally accepted in India, the company should have made a provision for lease rentals. Had the company made a provision for the same the current year profit would have been lower by the said amount.	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'14 to Mar'15 amount to Rs. 47,196,000/-.

- 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.

8) 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 website www.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.

9) GENERAL SHAREHOLDER INFORMATION

Date & Venue of AGM	30 th day of September 2015 at 3.30 PM at "CYAN" Hall, Marigold by Green Park, 7-1-25, Green Lands, Begumpet, Hyderabad - 500 016, Telangana
Financial Year	1 st April 2015 to 31 st March 2016
Tentative Calendar of Events for the FY 2014-2015 (April- March)	1 st Quarter ending 30 th June 2015 - 14 th August 2015 2 nd Quarter ending 30 th September 2015 - on or before 13 th November 2015 3 rd Quarter ending 31 st December 2015 - on or before 13 th February 2016 4 th Quarter ending 31 st March 2016 - on or before 28 th May 2016
Book Closure for AGM (Both days Inclusive)	24 th September 2015 to 30 th September 2015
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 with in 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	NIL
Plant Location	MIC Electronics Limited - EOU Plot No. 192/B, Ground & Mazanine Floor, Phase-II, IDA, Cherlapally, Hyderabad-500051 MIC Electronics Limited Plot No. 192/B, 1st Floor, IDA Phase-II, Cherlapally, Hyderabad-500051 MIC Electronics Limited IP 47, Raipur, Sahkari Audyogic Kshetra, Raipur, Bhagwanpur Roorkee, Uttarakhand, India - 247667
Address for Correspondence	Maleswara Durga Prasad Company Secretary MIC Electronics Limited A-4/II, Electronic Complex, Kushaiguda, Hyderabad-500062 Telangana. cs@mic.co.in

- **Market Price data : High / Low during each month in the Period 2014-15 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
April -2014	3.45	2.80	6869.85	6650.40	3.45	2.85	22939.31	22197.51
May -2014	5.90	2.80	7563.50	6638.55	6.03	2.76	25375.63	22277.04
June - 2014	8.10	5.80	7700.05	7239.50	8.42	5.71	25725.12	24270.20
July - 2014	6.75	5.10	7840.95	7422.15	6.73	5.15	26300.17	24892.00
August -2014	5.40	4.15	7968.25	7540.10	5.60	4.22	26674.38	25232.82
September -2014	5.40	3.95	8180.20	7841.80	5.51	3.77	27354.99	26220.49
October -2014	4.30	3.35	8330.75	7723.85	4.34	3.41	27894.32	25910.77
November -2014	5.80	3.60	8617.00	8290.25	5.80	3.60	28822.37	27739.56
December -2014	9.05	5.00	8626.95	7961.35	9.39	5.05	28809.64	26469.42
January -2015	10.95	7.75	8996.60	8065.45	10.99	7.90	29844.16	26776.12
February -2015	9.70	7.90	8941.10	8470.50	9.64	8.00	29560.32	28044.49
March - 2015	9.60	7.40	9119.20	8269.15	9.60	7.40	30024.74	27248.45

04 REPORT ON CORPORATE GOVERNANCE

• Distribution of Shareholding as on 31st March 2015

Shares	Holders		Shares	
	Number	% To Total	No of Shares	% To Total
Upto - 500	29371	67.74	21987785	18.49
501 - 1000	5853	13.50	5027214	4.23
1001 - 2000	3476	8.02	5569924	4.68
2001 - 3000	1395	3.22	3656597	3.07
3001 - 4000	643	1.48	2350282	1.98
4001 - 5000	695	1.60	3343786	2.81
5001 - 10000	984	2.27	7537897	6.34
10001 and above	940	2.17	69449790	58.40
Total	43357	100.00	118923275	100.00

• Share holding pattern as on 31st March 2015.

Category	Holding as on 31 st March 2015	% of Holding
BODIES CORPORATE	6672727	5.61
CLEARING MEMBER	1355570	1.14
CENTRAL/STATE GOVERNMENT(S)	0	0.00
FINANCIAL INSTITUTIONS/BANKS	0	0.00
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	6966030	5.86
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	13242277	11.14
PUBLIC	89916411	75.61
TRUST	770260	0.65
TOTAL	118923275	100.00

BY ORDER OF THE BOARD OF DIRECTORS
For MIC ELECTRONICS LIMITED

Place : Hyderabad
Date : 05.09.2015

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

DECLARATION

As provide under clause 49 of the Listing Agreement 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, 2015.

Sd/-
Dr. M V Ramana Rao
Managing Director

To
The Members of
MIC Electronics Limited

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the Financial Year ended 31st March 2015.

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 **Pavuluri & Co.,**
Chartered Accountants
Firm Reg. No. 012194S

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

Place : Hyderabad
Date : 05.09.2015

To

The Board of Directors
MIC Electronics Limited
Hyderabad

Dear members of the Board,

We, Dr. M. V. Ramana Rao, Managing Director, and Malleswara Durga Prasad, Chief Financial Officer of MIC Electronics Limited, to the best of our knowledge and belief, certify that:

- a) We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2015 and certify that to the best of our knowledge and belief;
 - i) These statements do not contain any materially untrue statement nor omit any material fact not contain statements that might be misleading; and
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) 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 in violation of the Company's code of conduct;
- c) We accept responsibility for establishing and maintaining internal controls in the Company and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take and rectify the identified deficiencies;
- d) We have indicated to the auditors and the Audit Committee of:
 - i) Significant changes in the internal controls 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) There are no instances of significant fraud of which we have become aware.
- e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).
- f) 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

Place : Hyderabad
Date : 16.05. 2015

Sd/-
Dr. M V Ramana Rao
Managing Director

Sd/-
Malleswara Durga Prasad
CFO & Company Secretary

Large business potential for LED products:

The LED product market in India is poised to grow substantially in the years to come – especially in the period 2015 – 2020. Amongst others, LED lighting products and LED display products will play the key role in the growth process.

LED Lighting:

LED lighting has taken strong roots in the country already, because of the increased awareness both in the governmental and public domains regarding their energy saving potential. General consensus of the industry analysts about the year on year growth for LED lighting is around 35% to 38%. Annual business volume expected for grid based LED lighting by the year 2020 is projected to be in the range of INR16,250 - 19,500 Crore (US\$ 2.5 – 3.0 billion). The immediate thrust in respect of grid based lighting is in the areas of Street lighting in public domain and replacement of incandescent bulbs in domestic households. The drive for energy efficiency, being emphasized strongly by Hon'ble Prime Minister of India, calls for expeditious replacement of the existing population of about 50 million street lights, 500 million tube lights and 900 million bulbs. This retrofitting process alone in business terms equals to INR 104,000 Crore (US \$ 16 billion) spreading over 5-7 year period.

Solar powered LED lighting is also expected to a very significant driver of growth in the country because of severe shortages and uncertainties of grid based power, especially in the rural domains. The demand for this lighting, if it can be fulfilled with good products potables, Home Lights and Street lights and through effective channels and funding agencies, can be of the order of INR 52,000 Crore (US \$ 8 billion), in the coming 10 year period. In addition to the need for solar powered LED lighting for rural domains, the concept of Smart Cities being strongly promoted by the Hon'ble Prime Minister of India, calls for self-sufficiency and sustainability of Power and water situations, in the targeted 100 smart cities. Sustainability in respect of power will only be through renewable source of energy – especially solar power. The demand for solar powered LED lighting is expected to go up further, with the Smart City program.

The initiatives launched across the world for mitigating the adverse effects of climate change include generation of green energy through renewable energy sources and curtailing the consumption of fossil fuels and consequent emission of greenhouse gasses. Solar powered LED lights are going to play a key role in this regard in terms of arresting deforestation and ensuring sustainable amenities in forest villages.

International budgets for the programmes to arrest climate change process are indicated to be around trillions of US Dollars. Programmes in respect of India are likely to be piloted by the Ministry of Forests, Environment and Climate change.

LED Displays:

LED Displays are in use in India in fairly large numbers in traditional applications like event coverage, sports coverage and mass communications. However, market for high-end applications especially in the Nuclear sector, Space sector, Power sector and other process control operations and Monitoring & Control of Smart cities with special emphasis on security is just evolving and is assumed to grow asymptotically in the coming years, through quick penetration and replacement of presently deployed LCD/Plasma TVs. Projections of requirements for large scale centrally controlled and networked displays for day night visibility are already taking place. Heuristic estimates for displays covering indoor, outdoor displays encompassing small and large pixel pitches are in the range of INR 6500 Crore (US\$ 1 billion), by 2020. Availability of high resolution, small pixel LED displays will prove to be brighter substitutes for LED based products in control room applications like in power plants, security and related applications in smart cities, passenger information systems in Railways, Airports and Defence related applications. These will prove to be 'Real LED tvs'. The standardization of the outdoor advertising industry in India, in the recent past, with the introduction of LED signage and the global standardisation of local Intelligent Transport Systems for GPS based PIS and advertisement displays create new scope of business application.

Centralised Control and Monitoring Systems (CCMS) and Smart Grid products:

The Centralised Control and Monitoring Systems (CCMS), as integral parts of the street lighting projects are going to play a vital role in energy optimisation in the country. Similarly the Smart Grid systems are going to prove to be a great

economic and business proposition in the domain of electrical energy which will have far reaching spin-off benefits in terms of energy conservation, load balancing and prevention of pilferage.

Government incentives for growth of Electronic Industry:

All Ministries in the Government of India have responded to the call of the Hon'ble Prime Minister of India for strengthening the manufacturing base of the country. 'Make In India and Sell Globally' is the ardent desire of the Hon'ble Prime Minister and to create a necessary business & investment friendly environment in India for the electronic industry, Government of India, Department of Electronics and Information Technology (DietY) has decided to extend the Modified Special Incentives Package Scheme (MSIPS) for a further period of five years from July 2015. This scheme extends the benefits like Preferential Market Access (PMA) for electronics products, essentially made in the country, in all the Government purchases, 25% reimbursement of the project investments, concessions in taxes and duties for capital imports etc. There are further Governmental incentives, both at the Central and State levels, for R&D activities and infrastructure creation. The State Governments of Telangana and Andhra Pradesh, which are recently formed are extending whole hearted encouragement for the setting up of industries in their respective state through express clearances, land allotments and other needed amenities.

Creation of LED eco-system and formation of clusters:

Based on the expertise generated over the last three decades in the field of LEDs, and based on the indications given and keenness shown by its technological and business partners across the world, MIC will do well to prepare blue prints for setting up comprehensive LED Ecosystems and Clusters covering materials, components, products and systems.

The four key components identified by the FS and IESA report (sponsored by Govt. of India) in respect of the LED lighting i.e., LEDs, Drivers, Heat sinks and Thermal interface material are required to be covered in the Eco-system.

Systematic need for planning:

While MIC has the requisite qualifications and track record to benefit from the business opportunities outlined in the preceding paragraphs, it requires to draw up meticulous and well considered growth plans with short term, mid-term and long term phases. The plans need to carefully match visible opportunities with available resources. Core strengths of the company have to be the bedrock on which the plans have to be based, in a pragmatic way.

By order of the Board
For MIC Electronics Limited

Place : Hyderabad
Date : 05.09.2015

Sd/-
Dr. M V Ramana Rao
(Managing Director)

To

**The Members of,
M/s. MIC ELECTRONICS LIMITED,**

Report on the Financial Statements:

We have audited the accompanying financial statements of M/s. MIC Electronics Ltd, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management and Board of Directors of the company are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 thereunder. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

- (1) Reference is invited to Note 3.05 of the financial statements, The Company has not provided the interest on working capital loan from SBI for Rs 7.21 crores since the account has become NPA. Under accounting principles generally accepted in India, the company should have made a provision for interest expense of Rs 7.21 crores. Had the company made a provision for the same the current year profit would have been lower by the said amount.
- (2) Reference is invited to Note 3.07 of the financial statements, The Company has not provided the interest on unsecured loans for Rs 4.23 crores and interest on term loans for Rs 3.91 crores for the year ended 31st March 2015, since the company is pursuing the matter for settlement. Under accounting principles generally accepted in India, the company should have made a provision for interest expense of Rs 8.14 crores. Had the company made a provision for the same, the current year profit would have been lower by the said amount.
- (3) Reference is invited to Note 3.12 of the financial statements, the Company's Capital Advances to the extent of Rs 11.19 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company made a provision for the same, the profit for the period would have been lower by the said amount."
- (4) Reference is invited to Note 3.15 of the financial statements, the Company's Trade Receivables to

the extent of Rs 51.20 crores are more than three years old and "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these receivables are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the profit for the period would have been lower by the said amount."

- (5) Reference is invited to Note 3.17 of the financial statements, the Company's Other Advances to the extent of Rs 5.50 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the profit for the period would have been lower by the said amount."
- (6) Reference is invited to Note 3.31 of the financial statements, the Company has not made a provision for lease rentals for the financial year to the extent of Rs.4.72 crores. Under accounting principles generally accepted in India, the company should have made a provision for lease rentals. Had the company made a provision for the same the current year profit would have been lower by the said amount.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the applicable accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- (i) The Company has pending litigations which would impact its financial position.
- (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- (iii) There have been occasions in case of the company during the year under report to transfer any sums to the Investor Education and Protection Fund.

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

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

Place : Hyderabad
Date : 16.05.2015

REFERRED TO IN PARAGRAPH (8) IN OUR REPORT OF EVEN DATE FOR THE PERIOD ENDED 31.03.2015.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset;
- (b) The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the company and the nature of its assets;
- (ii) (a) The inventories have been physically verified by the management during the year at reasonable intervals.
- (b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company has maintained proper records of inventories and the discrepancies noticed on physical verification of inventories as compared to book records were not material.
- (iii) In our opinion, the Company has granted unsecured loans to two of its subsidiaries covered in the register maintained under section 189 of the companies Act, 2013.
 - (a) The receipt of principal amount and interest are also regular.
 - (b) There is no overdue amount on account of this loan.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- (v) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
- (vi) In our opinion and according to the information and explanation given to us, the Central Government has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013. We have broadly reviewed the Cost Records maintained by the Company pursuant to the Company's (Cost Records and Audit) Rules, 2014 prescribed by the Central Government and are of the opinion that prima facie the prescribed cost records have been maintained. However, we have not carried out a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Value added tax, cess and other material statutory dues have not been regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to 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

07 ANNEXURE TO AUDITORS' REPORT

tax and Other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

Sl.No.	Nature of the dues	Amount (Rs)
1.	Service Tax	3,847,784/-
2.	Excise Duty	8,196,806/-
3.	Provident Fund	14,224,778/-
4.	Employee State Insurance	3,604,185/-
5.	Professional Tax	988,360/-
6.	TDS	14,317,283/-
7.	Sales Tax	4,318,796/-

(b) According to the information and explanations given to 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 Statute	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 Appellate 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	Appellate 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	Appellate 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/-

07 ANNEXURE TO AUDITORS' REPORT

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has not been transferred to such fund within time.
- (viii) The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and has incurred cash losses in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of its dues to banks and financial institution including interest and principal as on 31st March 2015.

Sl.No.	Name of the bank/institution	Amount (Rs.)	Due since
1.	UCO Bank	72,044,205/-	Since June 2013
2.	Technology Development Board	167,326,657/-	Since January 2013
3.	L&T Finance Ltd	19,847,154/-	Since October 2014
4.	State Bank of India	597,993,829/-	Since November 2014
5.	Srei Equipment Finance Pvt Ltd	169,748,167/-	Since July 2013
6.	Reliance Capital Limited	36,602,000/-	Since March 2013

- (x) According to the information and explanations given to us, the company has given guarantee for loans taken by others from banks, and financial institutions.
- (xi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xii) According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

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

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

Place : Hyderabad
Date : 16.05.2015

(Amount in Rs.)

Particulars	Note.	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds:			
Share capital	3.01	237,846,550	204,996,550
Reserves and surplus	3.02	2,835,764,874	2,801,580,896
Money received against Share warrants		43,547,427	-
		3,117,158,851	3,006,577,446
(2) Non-current liabilities			
Long-term borrowings	3.03	168,131,576	436,290
Long-term provisions	3.04	168,955,223	17,380,521
		337,086,799	17,816,811
(3) Current liabilities			
Short-term borrowings	3.05	991,161,062	957,187,458
Trade payables	3.06	674,655,946	677,571,347
Other current liabilities	3.07	831,411,254	947,672,773
Short-term provisions	3.08	812,483	4,659,841
		2,498,040,745	2,587,091,419
TOTAL		5,952,286,395	5,611,485,676
II. ASSETS			
(1) Non-current assets			
Fixed assets	3.09		
(i) Tangible assets		1,273,063,117	1,352,106,494
(ii) Intangible assets		1,917,657	2,229,280
(iii) Capital Work in Progress		172,365,474	172,365,474
Deferred Tax asset (Net)	3.10	160,867,736	144,073,869
Non current Investments	3.11	22,897,250	55,415,453
Long-term loans and advances	3.12	453,539,885	474,210,910
Other Non-current assets	3.13	157,346,389	5,669,427
		2,241,997,508	2,206,070,907

07 BALANCE SHEET AS AT 31st MARCH 2015

(Amount in Rs.)

Particulars	Note.	As at 31.03.2015	As at 31.03.2014
(2) Current assets			
Inventories	3.14	1,919,483,149	1,819,348,730
Trade receivables	3.15	1,099,380,250	883,484,608
Cash and cash equivalents	3.16	20,829,368	13,837,818
Short-term loans and advances	3.17	650,029,239	665,587,265
Other current assets	3.18	20,566,881	23,156,348
TOTAL		3,710,288,887	3,405,414,769
Notes forming part of financial statements 1-3.39			

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
Managing Director

Sd/-
L.N.Malleswara Rao
Executive Director

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

Sd/-
Malleswara Durga Prasad
CFO & Company Secretary

Place : Hyderabad.
Date : 16.05.2015

(Amount in Rs.)

Particulars	Note.	12 months ending 31.03.2015	9 months ending 31.03.2014
I INCOME :			
Revenue from operations	3.19	1,585,417,582	877,918,286
Other income	3.20	35,976,534	13,835,501
Total Revenue		1,621,394,116	891,753,787
II EXPENDITURE :			
Cost of material consumed	3.21	359,727,235	71,964,611
Purchase of traded goods		1,021,933,797	748,281,265
(Increase)/ Decrease in Inventories	3.22	(99,625,003)	(93,022,905)
Employee benefits expense	3.23	34,690,807	33,962,715
Finance costs	3.24	65,119,388	86,433,761
Depreciation and amortization expense	3.09	76,695,621	44,481,000
Other expenses	3.25	158,639,878	89,621,050
Total expenses		1,617,181,723	981,721,497
III Profit / (Loss) before exceptional items and tax (I - II)		4,212,393	(89,967,710)
IV Exceptional Items			
Prior period Expenses		-	(318,879,270)
Bad Debts written off		-	(219,967,398)
V Profit / (Loss) before tax (III+IV)		4,212,393	(628,814,378)
VI Tax expenses:			
Mat Credit entitlement		(812,483)	-
Taxes of earlier years written back		1,769,172	65,473,250
Deffered tax Asset		16,793,867	118,622,330
VII Profit / (Loss) for the period (V - VI)		21,962,949	(444,718,798)
VIII Earnings per equity share of par value Rs. 2/- each			
Basic		0.18	-4.34
Diluted		0.12	-2.47

STATEMENT OF PROFIT & LOSS FOR 12 MONTHS ENDED 31st MARCH 2015

(Amount in Rs.)

Particulars	Note.	12 months ending 31.03.2015	9 months ending 31.03.2014
IX No.of shares used in computing earnings per share			
Basic		118,923,275	102,498,275
Diluted		179,960,345	179,975,345
Notes forming part of financial statements	1-3.39		

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
Managing Director

Sd/-
L.N.Malleswara Rao
Executive Director

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

Sd/-
Malleswara Durga Prasad
CFO & Company Secretary

Place : Hyderabad.
Date : 16.05.2015

1. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous years.

2. Significant accounting policies

2.1. Disclosure of Accounting Policies:

Financial statements have been prepared under the historical costs convention and in accordance with applicable accounting standards and provisions of the Companies Act, 2013. All income and expenditure having a material bearing in the financial statements are prepared on accrual basis.

2.2. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.3. Valuation of Inventories:

- a) Raw Materials and Work in Progress are valued at cost.
- b) Finished goods are valued at cost or net realisable value whichever is less.
- c) CENVAT & VAT on purchase of rawmaterial/ components are deducted from cost of such materials.

2.4. Cash Flow Statements:

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non

cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the companies are segregated based on the available information.

2.5. Accounting for Fixed Assets

Fixed assets are capitalized at acquisition cost and other directly attributable cost of bringing the assets to its working condition. Cenvat & VAT claimed on capital goods are credited to plant & machinery account. Development / preoperative expenditure incurred, if any, in connection with new line of production will be capitalized to the respective project Assets.

2.6. Depreciation Accounting:

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as per the schedule II of the Companies Act, 2013. The useful life of the assets adopted by the company is as per schedule II of the Companies Act, 2013 as follows:

Factory Buildings	30 years	Office Equipment	10 years
Plant & Machinery	15 years	Electrical Installations	10 years
Computer Equipment	3 Years	DG Set	10 years
Computer - Servers	6 Years	Transformer	10 years
Computer Software	10 years	Vehicles (Other than two wheelers)	8 years
Furniture & fixtures	10 years	Vehicles	10 years

2.7. Research & Development (R & D):

Revenue expenditure (including depreciation) 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.

2.8. Revenue Recognition

Sales & Services are inclusive of taxes and duties collected.

Revenue from fixed price contracts are recognized as per the terms of the contract.

Revenue from other income is based on accrual basis.

2.9. Accounting for effects in foreign exchange rates :

- a) All monetary items denominated in foreign currency are reflected at the rates prevailing on the Balance sheet date.
- b) Income and Expenditure items involving foreign exchange are translated at the exchange rate prevailing on the dates of transaction.

- c) Exchange differences, if any, arising on account of fluctuations in foreign exchange have been duly reflected in the Profit & Loss Account except in respect of acquisition of fixed assets.

2.10. Accounting for Investments :

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

2.11. Accounting for Retirement Benefits :

- a) The Company has a provident fund scheme for their employees. Contributions to the scheme are charged to the profit and loss account.
- b) Provision for gratuity has been made for all the employees in the rolls of the company at the closing of accounting year. The company is making actual gratuity payments as and when crystallized by debiting to the gratuity fund account.
- c) The Company extends benefit of Encashment of Leave to its employees while in service as well as on retirement. Leave encashment liability in respect of leave accumulated is accounted for on the basis of last drawn salary.

2.12. Borrowing Cost :

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized till the date of the assets put to use. All other borrowing costs are charged to revenue.

2.13. Segment Reporting :

The company has no segmentals hence no segmental reporting is made.

2.14. Related party Disclosure :

The company has entered into transactions with related parties and the said information is shown separately as per AS - 18.

2.15. Operating Leases :

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Where the Company is the lessee : Operating lease payments are recognised as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor : Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of profit and loss. Costs, including depreciation are recognised as an expense in the Statement of profit and loss.

2.16. Earnings Per Share :

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.17. Consolidated Financial Statements :

The company has made consolidated financial statements as per AS - 21

2.18. Deferred Taxation :

Current Tax is determined as per the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets/liabilities, on timing differences, being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

2.19. Accounting for investments in associates :

Investment in associates is valued at cost of investment.

2.20. Contingencies and events occurring after the balance sheet date :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTE - 3.01**Share Capital**

	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
I. Authorised:				
Equity shares of Rs 2/- each with voting rights	200,000,000	400,000,000	200,000,000	400,000,000
II. Issued, Subscribed and Paid up:				
Equity shares of Rs 2/- each with voting rights	118,923,275	237,846,550	102,498,275	204,996,550
	118,923,275	237,846,550	102,498,275	204,996,550

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, 2015		As at 31st March, 2014	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Equity shares with voting rights:				
Opening Balance	102,498,275	204,996,550	102,498,275	204,996,550
Fresh Issue	16,425,000	32,850,000	-	-
Closing Balance	118,923,275	237,846,550	102,498,275	204,996,550

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

Sl. No.	Class of shares / Name of shareholder	As at 31st March, 2015		As at 31st March, 2014	
		Number of shares held	% holding	Number of shares held	% holding
	Equity shares with voting rights				
1.	Prabhakar Rao Mandava	7,693,153	6.47%	7,693,153	7.50%
2.	Raghu Veer Yarlagadda	5,950,000	5.00%	-	-

(Amount in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE - 3.02		
Reserves and Surplus		
Share Premium Account		
As at Commencement of the Year	1,030,555,610	1,030,555,610
Add : Received on further issue of shares	16,425,000	-
	1,046,980,610	1,030,555,610
Profit and Loss Account		
As at Commencement of the Year	1,195,177,241	1,639,896,039
Depreciation as per Companies Act 2013	(4,203,971)	-
Add : Transferred from Profit & Loss Account	21,962,949	(444,718,798)
	1,212,936,219	1,195,177,214
Share warrants for feited		
As at Commencement of the Year	377,581,045	377,581,045
Add : Additions during the year	-	-
	377,581,045	377,581,045
Capital Reserve		
As at Commencement of the Year	267,000	267,000
Add : Additions during the year	-	-
	267,000	267,000
Amalgamation Reserve		
As at Commencement of the Year	18,000,000	18,000,000
Add : Additions during the year	-	-
	18,000,000	18,000,000
General Reserve		
As at Commencement of the Year	180,000,000	180,000,000
Add : Additions during the year	-	-
	180,000,000	180,000,000
	2,835,764,874	2,801,580,896

NOTE - 3.03**Long Term Borrowings**

(Amount in Rs.)

	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	-
Long Term Loans - Others				
Technology Development Board	150,000,000	-	150,000,000	-
L&T Finance Ltd	59,541,462	56,233,603	110,000,000	-
Srei Equipment Finance P Ltd	169,748,167	-	176,921,857	-
Loans Under hire purchase against vehicles	516,450	-	471,589	436,290
Unsecured Loans				
Financial contribution from EESL	-	111,897,973	-	-
	451,037,259	168,131,576	508,624,626	436,290

(*) 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. Term Loan is repayable in 20 quarterly instalments of Rs.40.62 Lakhs each at variable interest rate of 15.75% commencing from December 2012.

b) **Term Loan taken from Technology Development Board of Rs.1500 Lakhs is secured as follows:**

(i) first charge on entire fixed assets, present and future, of the company by way of hypothecation and mortgage in favour of TDB ranking pari passu with other charge- holders (Banks/FIs). (ii) Personal guarantees of Managing Director & Executive Director of the Company. (iii) Pledge of 37.50 Lakh shares held by promoter. Term loan is repayable in 9 half yearly instalments at fixed interest rate of 5% p.a. - First instalment of Rs.160.00 lakhs & remaining 8 instalments @ Rs.167.50 lakhs each commencing from 01.01.2013.

c) **Term Loan taken from L&T Finance Limited is secured as follows:**

(i) Hypothecation of charge over 19 LED Display Boards, (ii) Personal Guarantee of Managing Director of the Company. (iii) The Honourable High Court for the state of Telangana by its order dated 23.07.2014 approved the settlement reached between MIC Electronics Limited and L&T Finance Ltd. As per the settlement MIC has agreed to pay the outstanding debt of Rs.11.91 crores in 36 monthly instalments starting from 05.09.2014 out of which the company has paid 1st instalment of Rs.33.07 lakhs on 05.09.2014. As on 31.03.15 the total loan outstanding is Rs.11.58 crores.

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

(i) Hypothecation of equipments, fixtures etc. valued Rs.28.20 crore (ii) Mortgage of Land & building situated at 192/B, Phase II, IDA Cherlapally belonging to company. (iii) Personal Guarantee of the Managing Director of

the company. (iv) Term Loan - I of Rs.1000.00 lakhs is repayable in 18 quarterly EMIs of Rs.78.29 lakhs each (including interest) at a variable interest rate of 15.50% commencing from 15.01.2012 (v) Term Loan - II of Rs.1400.00 lakhs is repayable in 18 quarterly EMIs of Rs.109.60 lakhs each (including interest) at a variable interest rate of 15.50% commencing from 15.02.2012.

e) **Loans taken against purchase of vehicles are secured by hypothecation of the respective vehicles.**

f) **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. As on date EESL has made a financial contribution of Rs.11.19 crores.

(Amount in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE- 3.04		
Long Term Provisions		
Provision for employee benefits		
- Provision for gratuity	13,338,661	14,444,101
- Provision for leave encashment	2,618,749	2,936,420
Deferred Revenue Income - NMC Project	152,997,813	-
	168,955,223	17,380,521
NOTE - 3.05		
Short Term Borrowings		
(A) Secured Loans		
Working capital loans - From Banks		
State Bank of India-Cash Credit	597,993,829	601,040,234
Standard Chartered Bank	-	58,969,026
	597,993,829	660,009,260
(B) UnSecured Loans		
(i) Loans from Directors		
	-	5,298,573
(ii) Intercompany Deposits		
Malaxmi Infra Ventures (India) Pvt Ltd	187,167,233	185,879,625
Sriba Seabase Pvt Ltd	6,000,000	6,000,000
Arkay Energy (Rameswarm) Limited	100,000,000	100,000,000
Bhagyanagar Investments & Trading Pvt. Ltd	100,000,000	-
	393,167,233	297,187,198
Total Short Term Borrowings (A+B)	991,161,062	957,187,458

Note : . The working capital loan from SBI has become NPA from 28.11.2014 and the bank has reversed the overdue interest of Rs. 3.46 crores in Nov 2014 and also has not charged the interest from Dec 14 onwards. The company has also not provided interest on working capital loan from SBI Rs. 7.21 crores in the books for the current financial year.

i) State Bank of India working capital limits including buyers credit are secured by :

a) **Primary Security:** First Charge (hyp) on all current assets of the company.

b) **Collateral Security:** (i) Pari-passu charge on entire fixed assets with TDB excluding fixed assets funded by UCO Bank and vehicle HP loans. (ii) Second charge on EM of industrial plot situated at Plot No.192/B in Sy.No.274 admeasuring 5341 Sq.Yards situated at phase II, IDA, Cherlapally village, Kapra Municipality Ghatkesar Mandal, RR District & Second charge on fixed assets created out of term loan from UCO Bank.

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

ii) Andhra Bank working capital (non fund based) limits of Rs.4.66 Crores are secured by :

(i) Exclusive charge on current assets of LED Lighting Division of the company (ii) 1st charge on fixed assets (excluding assets financed by UCO Bank & Srei Equipment Finance Pvt Ltd) of the company ranking pari-passu with SBI (iii) Counter Guarantee of the company.

(Amount in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE - 3.06		
Trade Payables		
Payables for materials	534,191,647	541,996,501
Payables for services	140,464,299	135,574,846
	674,655,946	677,571,347
	674,655,946	677,571,347
NOTE - 3.07		
Other Current Liabilities		
(i) Interest accrued and due on borrowings		
Interest accrued and due on long term borrowings	18,139,682	20,726,798
Interest accrued and due on short term borrowings	18,958,050	18,958,050
(ii) Interest accrued but not due on borrowings		
Interest accrued but not due on long term borrowings	2,414,916	5,628,888
(iii) Other payables		
Current maturities of long term borrowings (Refer Note No : 3.03)	451,037,259	508,624,626
Statutory remittances	63,769,237	51,149,228
Payables on purchase of fixed assets	9,464,003	8,749,163
Payables for expenses	45,712,515	43,330,778
Salaries Payable	88,882,310	83,479,932
Directors remuneration Payable	8,976,612	7,479,912
Audit Fees Payable	3,829,780	3,380,340
Share Warrants Application Money refundable	86,208,421	128,023,671
Advances from related parties	-	26,564,723
Advance from customers & Others	34,018,469	41,576,664
	831,411,254	947,672,773

Note : Interest on unsecured loans of Rs. 4.23 crores and interest on term loans of Rs 3.91 crores is not provided in the books for the current financial year since the company is persuing the matter for settlement with the lenders and company is of the view that interest will be waived off. Total interest not provided in the books till 31.03.2015 is Rs.16.72 crores.

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE - 3.08		
Short Term Provisions :		
Provision for Income Tax	812,483	4,659,841
	812,483	4,659,841

NOTE- 3.09
Fixed assets

(Amount in Rs.)

	Name of the asset	Gross Block						Accumulated Depreciation				Net Block	
		Balance as at 31st March 2014	Additions	Deletions	Balance as at 31st March 2015	Balance as at 31st March 2014	Depreciation charge for the year	On deletions	Balance as at 31st March 2015	Balance as at 31st March 2015	Balance as at 31st March 2014	Balance as at 31st March 2015	
		A	Tangible Assets										
	Land & Land Development	15,512,484	-	-	15,512,484	-	-	-	-	-	-	15,512,484	15,512,484
	Buildings	130,989,924	-	-	130,989,924	-	-	-	4,074,070	-	29,487,407	101,502,517	105,576,587
	Plant & Machinery	306,512,335	1,646,811	267,556	307,891,590	125,211,806	21,564,822	(159,378)	146,936,006	160,955,584	181,300,529	181,300,529	181,300,529
	Plant and Machinery	653,843,887	-	-	653,843,887	119,328,176	44,519,424	(347,403)	164,195,003	489,648,884	534,515,711	534,515,711	534,515,711
	Furniture and Fixtures	18,547,452	128,608	36,643	18,639,417	9,619,899	1,748,323	(928,995)	12,297,217	6,342,200	8,927,553	8,927,553	8,927,553
	Office equipment	3,087,583	-	88,464	2,999,119	1,278,311	434,540	(269,271)	1,982,122	1,016,997	1,809,272	1,809,272	1,809,272
	Electrical Installations	13,145,831	-	15,972	13,129,859	5,621,330	1,441,476	(201,641)	7,264,447	5,865,412	7,524,501	7,524,501	7,524,501
	D.G.Set	1,228,230	-	-	1,228,230	431,744	165,356	-	597,100	631,130	796,486	796,486	796,486
	Transformer	1,109,125	-	-	1,109,125	386,623	148,460	-	535,083	574,042	722,502	722,502	722,502
	Furniture and Fixtures-Others	1,201,571	-	-	1,201,571	1,048,036	-	(126,603)	1,174,639	26,932	153,535	153,535	153,535
	Vehicles	19,052,614	-	392,687	18,659,927	11,163,747	2,204,181	(162,307)	13,530,235	5,129,692	7,888,867	7,888,867	7,888,867
	Computers	35,157,705	49,500	1,023,309	341,183,896	33,130,594	83,346	(464,069)	33,678,009	505,887	2,027,111	2,027,111	2,027,111
	Display Equipment (not put to use)	485,351,356	-	-	485,351,356	-	-	-	-	485,351,356	485,351,356	485,351,356	485,351,356
	SUB TOTAL (A)	1,684,740,097	1,824,919	1,824,631	1,684,740,385	332,633,603	76,383,998	(2,659,667)	411,677,268	1,273,063,117	1,352,106,494	1,352,106,494	1,352,106,494
B	Intangible assets												
	Computer Software	15,053,389	-	-	15,053,389	12,824,109	311,623	-	13,135,732	1,917,657	2,229,280	2,229,280	2,229,280
	SUB TOTAL (B)	15,053,389	-	-	15,053,389	12,824,109	311,623	-	13,135,732	1,917,657	2,229,280	2,229,280	2,229,280
	Total [A + B] (Current Year)	1,699,793,486	1,824,919	1,824,631	1,699,793,774	345,457,712	76,695,621	(2,659,667)	424,813,000	1,274,980,774	1,354,335,774	1,354,335,774	1,354,335,774
	(Previous Year)	1,706,573,003	48,000	6,827,517	1,699,793,486	302,676,011	44,481,000	1,699,299	345,457,712	1,354,335,774	1,403,896,992	1,403,896,992	1,403,896,992

(Amount in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE - 3.10		
Deferred Tax Asset		
On Depreciation (Difference as per Books & as Per Income Tax Act)	(96,874,692)	(105,720,644)
On Accrued compensation to employees	4,930,840	5,370,581
On IT Disallowances	75,951,391	63,804,735
On Others	176,860,197	180,619,197
	160,867,736	144,073,869
NOTE - 3.11		
Non Current Investments		
UNQUOTED 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	22,697,250
Maave Electronics Pvt Ltd (7,95,165 no. of equity shares of Rs. 10/- each at par fully paid up) 2,51,506 no. of equity shares of Rs. 10/- each purchased at Rs.19.38 each)	-	12,826,659
MIC Green Energy Solutions Pvt. Ltd. 10,000 equity shares of Rs. 10/-	100,000	100,000
MIC Candilux Pvt Ltd 10,000 equity shares of Rs. 10/- each	100,000	100,000
in other corporate bodies :		
Hyperion Green Energy India Pvt Ltd (40,922 equity shares of Rs.100/- each with premium of Rs.252/- each 7,300 equity shares of Rs.100/- each purchased at Rs.532/- each 2,700 equity shares of Rs.100/- each purchased at Rs.519/- each)	-	19,691,544
	22,897,250	55,415,453

(Amount in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE- 3.12		
Long-Term Loans and advances		
Unsecured, Considered Good :		
Capital advances	144,538,331	154,408,548
Deposit-Delhi Metro Rail Corpn	55,150,887	55,150,887
Retention Money-BSNL	112,418,655	112,418,655
Share Application money pending allotment in other companies	61,507,650	61,507,650
Loans & Advances to Subsidiaries	1,014,367	17,212,472
Other Secured Deposits	77,844,881	72,485,041
Other Loans and advances	1,065,114	1,027,657
	453,539,885	474,210,910
NOTE- 3.13		
Other Non Current Assets		
Deferred Revenue Expenditure to the extent not written off	-	1,320,851
Pre-operative expenses - Lighting expansion (IREDA) Project	4,348,576	4,348,576
Deferred receivables - NMC Project	152,997,813	-
	157,346,389	5,669,427
NOTE- 3.14		
Inventories		
Raw Material	133,159,881	132,707,419
Work-in-Progress	1,629,988,133	1,524,119,862
Finished Goods	155,069,676	161,312,944
Stores and Spares	1,265,459	1,208,505
	1,919,483,149	1,819,348,730
NOTE- 3.15		
Trade Receivables		
Unsecured Considered Good		
Debtors outstanding for a period exceeding six months	719,916,738	661,588,721
Other Debtors	379,463,512	221,895,887
	1,099,380,250	883,484,608
Note: Trade receivables include debts due from:		
MIC Electronics Inc, USA - 100% Subsidiary	19,848,053	18,811,000

Trade receivables include Rs.51.20 Crores which are long overdue and the recovery of which is doubtful. However, the management is of the opinion that no provision is necessary during the year as they are persuing with debtors and the amounts may be recovered.

(Amount in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE- 3.16		
Cash & Cash equivalents		
Cash in Hand	3,284,777	649,635
Balance with Banks :		
In Current Accounts	1,932,911	1,687,381
In Margin Money Accounts	15,611,680	11,500,802
	<u>17,544,591</u>	<u>13,188,183</u>
	<u>20,829,368</u>	<u>13,837,818</u>
NOTE- 3.17		
Short-term Loans & Advances		
Unsecured Advances - Considered good		
(i) Loans and advances to employees	2,181,364	9,268,319
(ii) Prepaid Expenses	1,190,625	1,305,455
(iii) Balances with Govt Authorities		
Cenvat Deposit	4,835,642	5,542,234
Deferred Cenvat Credit	98,262	-
Cenvat credit receivable	2,092,749	1,985,693
Service tax receivable	1,149,901	1,451,689
VAT credit	2,396,880	2,647,677
(iv) Others		
Advance for Materials	17,287,137	19,093,136
Advance for Services	4,000,169	2,087,394
Other advances	602,619,383	604,882,365
TDS receivable	10,376,981	13,679,275
Entry Tax & Octroi Deposit	605,940	605,940
VAT deposit refundable	1,194,206	3,038,088
	<u>650,029,239</u>	<u>665,587,265</u>
NOTE- 3.18		
Other Current Assets		
Amounts receivable against sale of investments	18,700,650	18,017,802
Deferred Revenue Expenditure to the extent not written off	1,866,231	5,138,546
	<u>20,566,881</u>	<u>23,156,348</u>

(Amount in Rs.)

Particulars	12 months ending 31.03.2015		9 months ending 31.03.2014	
NOTE- 3.19				
Revenue from Operations				
(A) Revenue from Sales				
Exports	22,875,975		41,941,734	
Deemed Export	-		1,969,590	
Domestic	502,295,325		57,855,363	
Freight & Insurance recd. on Sales	24,263		-	
	525,195,563		101,766,987	
Less : Excise Duty	43,315,910	481,879,653	2,009,972	99,756,715
Traded Goods		1,077,335,507		770,220,406
		1,559,215,160		869,977,121
(B) Other Operating Incomes				
Equipment Lease Rentals	2,679,927		-	
AMC Charges & Service Charges	14,754,056		6,726,768	
Installation Charges	8,768,439		1,214,397	
		26,202,422		7,941,165
		26,202,422		7,941,165
Total Revenue from Operations (A+B)		1,585,417,582		877,918,286
NOTE- 3.20				
Other Incomes				
Interest Received		612,735		2,932,504
Credit Balances written back		3,012,550		6,245
Net Prior Period Income		19,628,267		-
Rents received		1,281,750		1,019,667
Profit on sale of investment in M/s. Maave Electronics Pvt. Ltd.		11,173,341		-
Excess Provisions Written back		155,459		730,400
Foreign exchange gain		112,432		9,146,685
		35,976,534		13,835,501
NOTE- 3.21				
Cost of Materials Consumed				
A) Raw Material Consumed				
Opening Stock		132,707,419		153,762,030
Purchases	360,013,846		50,316,840	
Less : Material consumed for R&D	679,808		518,654	
		359,334,038		49,798,186
		492,041,457		203,560,216
Less : Closing Stock		133,159,881		132,707,419
Raw Material Consumed		358,881,576		70,852,797

(Amount in Rs.)

Particulars	12 months ending 31.03.2015	9 months ending 31.03.2014
B) Packing Materials and consumables		
Opening Stock	1,208,505	1,143,166
Purchase of packing material & consumables	871,701	1,126,525
Freight & Carriage Inwards	30,912	50,628
	2,111,118	2,320,319
Less : Closing Stock	1,265,459	1,208,505
Consumption	845,659	1,111,814
Total Cost of material consumed	359,727,235	71,964,611
NOTE- 3.22		
Changes in Inventory		
Closing Stock of :		
Work-in-Progress	1,629,988,133	1,524,119,862
Finished Goods	155,069,676	161,312,944
Total (A)	1,785,057,809	1,685,432,806
Opening Stock of :		
Work-in-Progress	1,524,119,862	1,454,195,218
Finished Goods	161,312,944	138,214,683
Total (B)	1,685,432,806	1,592,409,901
Increase/(Decrease) in Stock (A-B)	99,625,003	93,022,905
NOTE- 3.23		
Employee Benefit expense		
Salary, Wages, Allowances & other Benefits	28,511,204	28,166,324
Directors Remuneration	3,900,000	2,925,000
Gratuity	-	996,594
P. F. & ESI Contribution	1,700,180	1,413,680
Staff Welfare Expenses	579,423	461,117
	34,690,807	33,962,715
NOTE- 3.24		
Financial Cost		
Bank Charges	18,622,223	4,624,266
Interest on :		
Term Loan	4,189,794	8,125,448
Working Capital Loans	41,653,245	73,269,669
Others - Interest on other loans/ICDs & Financial Charges	654,126	414,378
	65,119,388	86,433,761

(Amount in Rs.)

Particulars	12 months ending 31.03.2015	9 months ending 31.03.2014
NOTE- 3.25		
Other Expenses		
Job-work Charges	7,798,279	3,670,410
Power and Fuel	2,870,295	3,019,376
Insurance	1,841,130	1,123,441
Repairs & Maintenance	522,191	352,390
Printing & Stationary	404,528	171,203
Postage, Telegrams & Telephones	1,262,538	1,093,197
Rent	1,103,583	854,500
Rates & Taxes	8,187,737	4,227,375
Lease rental Expenses	2,037,750	-
Professional Charges	9,422,942	5,691,541
Auditors Remuneration		
As Statutory Auditors	350,000	350,000
As Tax auditors	150,000	500,000
General Expenses	13,617,289	9,207,992
Net Prior Period Expenses	-	140,859
Security Expenses	513,774	375,682
Travelling & Conveyance	9,099,963	5,845,255
Vehicle Maintenance	1,147,194	816,851
Sales Tax	81,145,819	39,396,030
Bad Debts written off	2,280,161	-
Selling & Distribution Expenses	1,256,695	922,468
Deferred Expenses written off	4,593,166	3,853,908
R & D Expenses	9,034,844	8,358,572
	158,639,878	89,621,050

NOTE- 3.26

- (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- 3.27**Contingent Liabilities :** The following contingent liabilities are not provided for

(Amount in Rs.)

Sl No.	Particulars	As at 31st March 2015	As at 31st March, 2014
1	Counter guarantees given by the company to banks towards issue of B.Gs.	30,790,048	41,076,799
2	Counter guarantees given by the company to banks towards issue of B.Gs to Customs & Central Excise Dept.	7,096,982	7,096,982
3	Bonds executed to Customs & Central Excise Dept. (net of BGs)	82,300,000	82,300,000
4	Corporate Guarantees given by the company to banks on behalf of subsidiaries & associates	70,000,000	70,000,000
5	Claims against the company, not acknowledged:	1,076,141,736	1,014,767,760
TAX Matters in Appeals			
1	Excise Duty	3,896,982	3,896,982
2	Customs Duty	1,801,111	1,801,111
3	Sales Tax	3,195,527	5,302,831

NOTE- 3.28**Managerial Remuneration :**

(Amount in Rs.)

Particulars	For 12 months ended 31st March 2015	For 9 months ended 31st March 2014
Managing Director		
Remuneration	2,400,000	1,800,000
Perquisite value of Rent	380,000	270,000
Director		
Remuneration	1,500,000	1,125,000
Total	4,280,000	3,195,000

NOTE- 3.29**Segment Information :** The company is operating only in one segment i.e, LED based products and hence no segmental reporting is made.

NOTE- 3.30**Related party disclosures :**

In Accordance with the Accounting standard AS-18 “Related Party disclosures” 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	
2	M/s.MIC Green Energy Solutions Pvt Ltd	Subsidiary Companies
3	M/s.MIC Candilux Pvt Ltd	
4	Dr. M.V.Ramana Rao, Managing Director	
5	Shri L.N.Malleswara Rao, Executive Director	Directors- Key Management Personnel
6	Shri Atluri Venkata Ram, Executive Director	

b. Aggregated Related party disclosures for the 12 months period from April 14 to March 15 :

i) Particulars of transactions during the year

(Amount in Rs.)			
Sl. No.	Nature of Transaction	As at 31st March 2015	As at 31st March, 2014
1.	Expenditure during the year:		
	• Remunerations to Management personnel	3,900,000	2,925,000
	• Rents paid towards accommodation provided to Management Personnel	380,000	270,000
	• Sitting Fee and other expenses reimbursed to Directors	346,206	403,103
2.	Sales to Subsidiaries :		
	M/s.MIC Electronics Inc., USA	251,895	366,940
	M/s.Maave Electronics Pvt Ltd	-	12,676,724

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

(Amount in Rs.)

Sl No.	Nature of Transaction	As at 31st March 2015	As at 31st March, 2014
1	Advances to Subsidiaries :		
	M/s.MIC Green Energy Solutions Pvt Ltd	930,067	837,967
	M/s.Maave Electronics Pvt Ltd	-	16,374,505
	M/s.MIC Electronics Inc. USA	52,657,650	52,657,650
	M/s.MIC Candilux Pvt. Ltd.	84,300	-
2	Outstanding balances receivable from Subsidiaries		
	M/s.Maave Electronics Pvt Ltd	-	11,188,989
	M/s.MIC Electronics Inc., USA	19,848,053	18,811,000
3	Outstanding balances Payable to Subsidiaries		
	M/s.MIC Electronics Inc., USA	3,903,378	4,405,824
4	Outstanding balances payable to Management Personnel		
	Unsecured Loan payable to Management personnel	-	5,298,573
	Remuneration payable to Management personnel	8,976,612	7,479,912
	Sitting fee and other expenses payable to Directors	954,973	843,973

M/s.Maave Electronics Pvt Ltd (100% subsidiary) was sold during the financial year. Hence, it is not considered as related party as on 31.03.2015. Therefore, current year transactions with M/s.Maave Electronics Pvt Ltd were not considered for related party disclosures.

NOTE - 3.31

Disclosure in respect of operating lease:

- i) A general description of leasing arrangements : Leasing 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'14 to Mar'15 amount to Rs 47,196,000/-. (Total unrecognised lease rentals upto 31.03.15 is Rs.17.31 crores)

NOTE - 3.32**Calculation of earnings per share :**

(Amount in Rs.)

Particulars	For 12 months ended 31st March 2015	For 9 months ended 31st March 2014
Profit attributable to Share Holders	21,962,949	(444,718,798)
No. of Equity Shares Outstanding	118,923,275	102,498,275
Convertible Share Warrants	58,037,070	77,477,070
Weighted No. of Equity Shares	176,960,345	179,975,345
Nominal Value of Equity Share	2.00	2.00
Basic EPS	0.18	(4.34)
Diluted EPS	0.12	(2.47)

NOTE - 3.33

In accordance with the AS-22 'Accounting for taxes on Income issued by the Institute of Chartered Accountants of India, during the current year the company has accounted for the effect of deferred Tax against the income pertaining to current year and has accordingly provided for deferred tax asset of Rs.16,793,867/- (Previous Year Rs.118,622,330/- deferred tax asset) on account of current year's deferred tax.

(Amount in Rs.)

Particulars	For 12 months ended 31st March 2015	For 9 months ended 31st March 2014
Opening Balance Deferred tax asset	144,073,869	25,451,539
Less : Deferred tax asset	16,793,867	118,622,330
Closing Balance	160,867,736	144,073,869

NOTE - 3.34

(i) The company has incurred one time expenditure of Rs.16,361,609/- during the Year 2009-10 towards leased assets which is being amortised over a period of 5 years ending with March 2015. During the year an amount of Rs.2,726,942/- (Previous year Rs.2,454,240/-) has been amortised.

(ii) The company has incurred one time expenditure of Rs.9,331,130/- during the Year 2010-11 towards DMRC project finance which is being amortised over a period of 5 years. During the period an amount of Rs.1,866,224/- (Previous year Rs.1,399,668/-) has been amortised.

NOTE - 3.35

Details of Prior Period items credited to Statement of Profit & Loss :

(Amount in Rs.)

Sl. No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
1	Excess Provision of Income		
	Tax written back	1,769,172	65,473,250
2	Prior period income	19,628,267	0
3	Prior period expenditure	0	140,859
4	Prior period expenditure grouped under exceptional items	0	(318,879,270)
	Total	21,397,439	(253,265,161)

NOTE - 3.36

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 - 3.37

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

(Amount in Rs.)

Particulars	For 12 months ended 31st March 2015		For 9 months ended 31st March 2014	
	Value	%	Value	%
Imported	50,568,794	3.66%	37,403,212	4.56%
Indigeneous (including purchase of traded goods)	1,331,092,238	96.34%	782,842,664	95.44%
Total	1,381,661,032	100.00%	820,245,876	100.00%

NOTE - 3.38**Foreign Currency / Exchange Transactions :**

(Amount in Rs.)

Sl. No.	Particulars	For 12 months ended 31st March, 2015	For 9 months ended 31st March, 2014
A)	Value of Imports on CIF Basis		
	Components	45,505,006	35,899,022
		45,505,006	35,899,022
B)	Expenditure		
	Travelling	895,248	785,908
		895,248	785,908
C)	Earnings in Foreign Exchange		
	FOB Value of Exports	22,875,975	41,941,734
		22,875,975	41,941,734

NOTE - 3.39

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. Also previous year figures are not comparable since they represent only 9 months where as current year represent 12 months.

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
 Managing Director

Sd/-
L.N. Malleswara Rao
 Executive Director

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

Sd/-
Malleswara Durga Prasad
 CFO & Company Secretary

Place : Hyderabad.
 Date : 16.05.2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

(Amount in Rs)

Particulars	For 12 months ended 31.03.2015	For 9 months ended 31.03.2014
Net Profit before tax and extraordinary items	4,212,393	(89,967,710)
Adjustments for:		
Depreciation	76,695,621	44,481,000
Financial Charges	65,119,388	86,433,761
Interest received /Other Income	612,735	2,932,504
Operating Profit before Working Capital Changes	146,640,137	43,879,555
Changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(215,895,642)	234,440,722
(Increase)/Decrease in Inventories	(100,134,419)	(72,033,634)
(increase)/Decrease in Long Term Loans & Advances	20,671,025	4,806,507
(increase)/Decrease in Short Term Loans & Advances	15,558,026	19,463,689
(increase)/Decrease in Other Current Assets	2,589,467	(160,002)
(increase)/Decrease in Other Non Current Assets	(151,676,962)	3,853,908
Increase/(Decrease) in Long Term Provisions	151,574,702	(302,794)
Increase/(Decrease) in Short Term Provisions	(3,847,358)	(72,770,896)
Increase/(Decrease) in Trade Payables	(2,915,401)	(19,200,557)
Increase/(Decrease) in Other Current Liabilities	(116,261,519)	386,435,500
Increase/(Decrease) in Deferred Tax Asset	16,793,867	118,622,330
Cash generated from Operations	(383,544,214)	603,154,773
Financial Charges paid	(65,119,388)	(86,433,761)
Extraordinary items	-	(538,846,668)
Direct Taxes paid	(15,837,178)	(53,149,080)
Net Cash provided/(Used) from operating activities	(317,860,643)	(31,395,181)
(Increase) / Decrease of Current Investments	-	-
(Increase) / Decrease of Non Current Investments	32,518,203	-
(Increase) / Decrease of Fixed Assets	(1,544,592)	5,080,218
(Increase) / Decrease of Capital Work-in-Progress	-	318,879,270
Interest Received/Other Income	(612,735)	(2,932,504)
Net Cash used in Investing Activities	30,360,876	321,026,984

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

(Amount in Rs)

Particulars	For 12 months ended 31.03.2015	For 9 months ended 31.03.2014
Proceeds from long term borrowings	167,695,286	(340,551,954)
Increase/(Decrease) in Short Term borrowings	33,973,604	42,943,306
Increase/(Decrease) in Share Capital	32,850,000	-
Increase/(Decrease) in Share Premium	16,425,000	-
Increase/(Decrease) in Share Warrants		
Application Money	43,547,427	-
Net Cash provided/(Used) from financing activities	294,491,317	297,608,648
Net Increase in Cash and Cash equivalents	6,991,550	(7,976,845)
Cash and Cash equivalents as at the commencement of the year	13,837,818	21,814,663
Cash and Cash equivalents as at the close of the year	20,829,368	13,837,818

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
Managing Director

Sd/-
L.N. Malleswara Rao
Executive Director

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

Sd/-
Malleswara Durga Prasad
CFO & Company Secretary

Place : Hyderabad.
Date : 16.05.2015

To
The members of,
M/s. MIC ELECTRONICS LIMITED,

Report on the Financial Statements:

We have audited the accompanying consolidated financial statements of M/s. MIC Electronics Limited, which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The management and Board of Directors of the company are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 thereunder. We conducted our audit 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 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 control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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.

Basis for Qualified Opinion

- (1) Reference is invited to Note 3.05 of the consolidated financial statements, The Company has not provided the interest on working capital loan from SBI for Rs 7.21 crores since the account has become NPA. Under accounting principles generally accepted in India, the company should have made a provision for interest expense of Rs 7.21 crores. Had the company made a provision for the same the current year profit would have been lower by the said amount.
- (2) Reference is invited to Note 3.07 of the consolidated financial statements, The Company has not provided the interest on unsecured loans for Rs 4.23 crores and interest on term loans for Rs 3.91 crores for the year ended 31st March 2015, since the company is pursuing the matter for settlement. Under accounting principles generally accepted in India, the company should have made a provision for interest expense of Rs 8.14 crores. Had the company made a provision for the same, the current year profit would have been lower by the said amount.

- (3) Reference is invited to Note 3.12 of the consolidated financial statements, the Company's Capital Advances to the extent of Rs 11.19 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company made a provision for the same, the profit for the period would have been lower by the said amount."
- (4) Reference is invited to Note 3.15 of the consolidated financial statements, the Company's Trade Receivables to the extent of Rs 51.20 crores are more than three years old and "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these receivables are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the profit for the period would have been lower by the said amount."
- (5) Reference is invited to Note 3.17 of the consolidated financial statements, the Company's Other Advances to the extent of Rs 5.50 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the profit for the period would have been lower by the said amount."
- (6) Reference is invited to Note 3.31 of the consolidated financial statements, the Company has not made a provision for lease rentals for the financial year to the extent of Rs.4.72 crores. Under accounting principles generally accepted in India, the company should have made a provision for lease rentals. Had the company made a provision for the same the current year profit would have been lower by the said amount.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements /

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:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters:

- (1) We did not audit the financial statements of the subsidiary companies M/s.MIC Green Energy Solutions Pvt Ltd for year ended 31st March 2015 and M/s.MIC Candilux Pvt Ltd for year ended 31st March 2015. These 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.
- (2) We have also relied on the unaudited financial statements of subsidiary M/s. MIC Electronics Inc., USA for year ended 31st March 2015. These unaudited financial statements approved by the respective Board of Directors of these companies have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of this subsidiary company is based solely on such approved unaudited financial statements.

Our Opinion is not qualified in respect of other matters.

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

Place: Hyderabad
 Date: 16.05.2015

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

(Amount in Rs.)

Particulars	Note.	As at 31.03.2015		As at 31.03.2014	
I. EQUITY AND LIABILITIES					
(1) Shareholder's funds:					
Share capital	3.01	237,846,550		204,996,550	
Reserves and surplus	3.02	2,817,673,389		2,790,642,116	
Money received against share warrants		43,547,427	3,099,067,366	-	
					2,995,638,666
(2) Non-current liabilities					
Long-term borrowings	3.03	168,131,576		38,705,934	
Long-term provisions	3.04	168,955,223	337,086,799	17,380,521	
					56,086,455
(3) Current liabilities					
Short-term borrowings	3.05	991,161,062		1,004,949,802	
Trade payables	3.06	669,009,279		712,227,959	
Other current liabilities	3.07	831,561,862		980,733,777	
Short-term provisions	3.08	812,483	2,492,544,686	5,398,599	2,703,310,137
TOTAL			5,928,698,851		5,755,035,258
II. ASSETS					
(1) Non-current assets					
Fixed assets	3.09				
(i) Tangible assets		1,273,100,896		1,437,962,218	
(ii) Intangible assets		1,917,657		9,479,280	
(iii) Capital Work in Progress		172,365,474		172,365,474	
Goodwill on consolidation and acquisitions		-		2,359,949	
Deferred Tax asset (Net)	3.10	160,867,736		143,384,974	
Non current Investments	3.11	64,280,840		81,122,768	
Long-term loans and advances	3.12	400,004,559		405,521,662	
Other Non-current assets	3.13	158,571,641		6,703,279	
			2,231,108,803		2,258,899,604

(Amount in Rs.)

Particulars	Note.	As at 31.03.2015		As at 31.03.2014	
(2) Current assets					
Inventories	3.14	1,919,483,149		1,876,951,907	
Trade receivables	3.15	1,079,599,588		902,109,947	
Cash and cash equivalents	3.16	21,219,856		21,143,024	
Short-term loans and advances	3.17	656,720,574		672,774,428	
Other current assets	3.18	20,566,881	3,697,590,048	23,156,348	3,496,135,654
TOTAL			5,928,698,851		5,755,035,258
Notes forming part of financial statements	1-3.37				

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
Managing Director

Sd/-
L.N. Malleswara Rao
Executive Director

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

Sd/-
Malleswara Durga Prasad
CFO & Company Secretary

Place : Hyderabad.
Date : 16.05.2015

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR 12 MONTHS ENDED 31st MARCH 2015

(Amount in Rs.)

Particulars	Note.	12 months ending 31.03.2015	9 months ending 31.03.2014
I INCOME :			
Revenue from operations	3.19	1,585,548,353	959,110,261
Other income	3.20	35,976,534	15,463,811
Total Revenue		1,621,524,887	974,574,072
II EXPENDITURE :			
Cost of material consumed	3.21	359,739,759	119,332,983
Purchase of traded goods		1,021,933,797	748,281,265
(Increase)/ Decrease in Inventories	3.22	(99,625,003)	(86,254,700)
Employee benefits expense	3.23	36,601,344	43,873,009
Finance costs	3.24	65,136,407	92,769,944
Depreciation and amortization expense	3.09	78,266,166	46,010,916
Other expenses	3.25	159,191,007	97,393,351
Total expenses		1,621,243,477	1,061,406,768
III Profit before exceptional items and tax (I - II)		281,410	(86,832,696)
IV Exceptional Items			
Prior period Expenses		-	327,162,586
Bad Debts Written off		-	219,967,398
V Profit before tax (III+IV)		281,410	(633,962,680)
VI Tax expenses:			
Current tax		-	738,758
Mat Credit entitlement		(812,483)	-
Taxes of earlier years written back		1,769,172	(65,473,250)
Deffered tax Asset (Liability)		16,793,867	(118,593,705)
VII Profit/(Loss) for the period (V - VI)		18,031,966	(450,634,483)

(Amount in Rs.)

Particulars	Note.	12 months ending 31.03.2015	9 months ending 31.03.2014
VIII Earnings per equity share of par value Rs. 2/- each			
Basic		0.15	-4.40
Diluted		0.10	-2.50
IX No.of shares used in computing earnings per share			
Basic		118,923,275	102,498,275
Diluted		176,960,345	175,975,345
Notes forming part of financial statements	1-3.37		

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
Managing Director

Sd/-
L.N. Malleswara Rao
Executive Director

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

Sd/-
Malleswara Durga Prasad
CFO & Company Secretary

Place : Hyderabad.
Date : 16.05.2015

1 Basis of Consolidation :

The Consolidated financial statements relate to the Company and its subsidiary Companies. The Consolidated financial statements have in accordance with the Accounting Standard – 21 ('AS-21') "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions.
- b. In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is disclosed as "Effect of Currency Translation on Conversion".
- c. Difference between the cost of investment in the subsidiaries, over the 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.
- d. Minority Interest's share of net profit of consolidated 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 shareholders of the Company.
- e. As far as possible, the consolidated financial statements are prepared using the 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.

The subsidiaries considered in the financial statements are :

Company Name	As at 31-03-15	As at 31-03-14
MIC Electronics Inc.	100%	100%
MIC Green Energy Solutions Pvt Ltd	100%	100%
MIC Candilux Pvt Ltd	100%	100%

The financial statements of the subsidiaries, considered in the consolidated accounts, are drawn upto 31st March, 2015.

2. Significant accounting policies**2.1. Disclosure of Accounting Policies:**

Financial statements have been prepared under the historical costs convention and in accordance with applicable accounting standards and provisions of the Companies Act, 2013. All income and expenditure having a material bearing in the financial statements are prepared on accrual basis.

2.2. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.3. Valuation of Inventories:

- a) Raw Materials and Work in Progress are valued at cost.
- b) Finished goods are valued at cost or net realisable value whichever is less.
- c) CENVAT & VAT on purchase of rawmaterial/components are deducted from cost of such materials.

2.4. Cash Flow Statements:

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the companies are segregated based on the available information.

2.5. Accounting for Fixed Assets

Fixed assets are capitalized at acquisition cost and other directly attributable cost of bringing the assets to its working condition. Cenvat & VAT claimed on capital goods are credited to plant & machinery account. Development / preoperative expenditure incurred, if any, in connection with new line of production will be capitalized to the respective project Assets.

2.6. Depreciation Accounting:

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as per the schedule II of the Companies Act.2013. The useful life of the assets adopted by the company is as per schedule II of the Companies Act, 2013 as follows:

Factory Buildings	30 years	Office Equipment	10 years
Plant & Machinery	15 years	Electrical Installations	10 years
Computer Equipment	3 Years	DG Set	10 years
Computer - Servers	6 Years	Transformer	10 years
Computer Software	10 years	Vehicles (Other than two wheelers)	8 years
Furniture & fixtures	10 years	Vehicles	10 years

2.7. Research & Development (R & D):

Revenue expenditure (including depreciation) 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.

2.8. Revenue Recognition

Sales & Services are inclusive of taxes and duties collected.

Revenue from fixed price contracts are recognized as per the terms of the contract.

Revenue from other income is based on accrual basis.

2.9. Accounting for effects in foreign exchange rates :

- a) All monetary items denominated in foreign currency are reflected at the rates prevailing on the Balance sheet date.
- b) Income and Expenditure items involving foreign exchange are translated at the exchange rate prevailing on the dates of transaction.

- c) Exchange differences, if any, arising on account of fluctuations in foreign exchange have been duly reflected in the Profit & Loss Account except in respect of acquisition of fixed assets.

2.10. Accounting for Investments :

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

2.11. Accounting for Retirement Benefits :

- a) The Company has a provident fund scheme for their employees. Contributions to the scheme are charged to the profit and loss account.
- b) Provision for gratuity has been made for all the employees in the rolls of the company at the closing of accounting year. The company is making actual gratuity payments as and when crystallized by debiting to the gratuity fund account.
- c) The Company extends benefit of Encashment of Leave to its employees while in service as well as on retirement. Leave encashment liability in respect of leave accumulated is accounted for on the basis of last drawn salary.

2.12. Borrowing Cost :

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized till the date of the assets put to use. All other borrowing costs are charged to revenue.

2.13 Related party Disclosure :

The company has entered into transactions with related parties and the said information is shown separately as per AS - 18.

2.14 Operating Leases :

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Where the Company is the lessee : Operating lease payments are recognised as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor : Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of profit and loss. Costs, including depreciation are recognised as an expense in the Statement of profit and loss.

2.15 Earnings Per Share :

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.16 Deferred Taxation :

Current Tax is determined as per the amount of tax payable in respect of taxable income for the period. Deferred

tax is recognised, subject to the consideration of prudence in respect of deferred tax assets/liabilities, on timing differences, being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

2.17 Accounting for investments in associates :

Investment in associates is valued at cost of investment.

2.18 Contingencies and events occurring after the balance sheet date :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTE - 3.01

Share Capital

	As at 31.03.2015		As at 31.03.2014	
	No.of Shares	Amount (Rs)	No.of Shares	Amount (Rs)
I. Authorised:				
Equity shares of Rs 2/- each with voting rights	200,000,000	400,000,000	200,000,000	400,000,000
II. Issued,Subscribed and Paid up:				
Equity shares of Rs 2/- each with voting rights	118,923,275	237,846,550	102,498,275	204,996,550
	118,923,275	237,846,550	102,498,275	204,996,550

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, 2015		As at 31st March, 2014	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Equity shares with voting rights:				
Opening Balance	102,498,275	204,996,550	102,498,275	204,996,550
Fresh Issue	16,425,000	32,850,000	-	-
Closing Balance	118,923,275	237,846,550	102,498,275	204,996,550

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

Sl. No.	Class of shares / Name of shareholder	As at 31st March, 2015		As at 31st March, 2014	
		Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights					
1.	Prabhakar Rao Mandava	7,693,153	6.47%	7,693,153	7.50%
2.	Raghu Veer Yarlagadda	5,950,000	5.00%	-	-

(Amount in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE - 3.02		
Reserves and Surplus		
Share Premium Account		
As at Commencement of the Year	1,030,555,610	1,030,555,610
Add : Received on further issue of shares	16,425,000	-
	1,046,980,610	1,030,555,610
Profit and Loss Account		
As at Commencement of the Year	1,184,238,461	1,634,713,702
Less : Reserves of Maave Electronics Pvt. Ltd	(6,011,143)	-
Less : Depreciation as per Companies Act 2013	(4,203,971)	-
Less : Effect of currency translation on consolidation	2,789,421	159,242
Add : Transferred from Profit & Loss Account	18,031,966	(450,634,483)
	1,194,844,734	1,184,238,461
Share warrants forfeited		
As at Commencement of the Year	377,581,045	377,581,045
Add : Additions during the year	-	-
	377,581,045	377,581,045
Capital Reserve		
As at Commencement of the Year	267,000	267,000
Add : Additions during the year	-	-
	267,000	267,000
Amalgamation Reserve		
As at Commencement of the Year	18,000,000	18,000,000
Add : Additions during the year	-	-
	18,000,000	18,000,000
General Reserve		
As at Commencement of the Year	180,000,000	180,000,000
Add : Additions during the year	-	-
	180,000,000	180,000,000
	2,817,673,389	2,790,642,116

NOTE - 3.03**Long Term Borrowings**

(Amount in Rs.)

	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	-
Long Term Loans - Others				
Technology Development Board	150,000,000	-	150,000,000	-
L&T Finance Ltd	59,541,462	56,233,603	110,000,000	-
Srei Equipment Finance P Ltd	169,748,167	-	208,390,243	38,067,252
Loans Under hire purchase against vehicles	516,450	-	670,151	638,382
Unsecured Loans				
Financial Contribution from EESL	-	111,897,973	-	-
	451,037,259	168,131,576	540,291,574	38,705,934

(*) 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. Term Loan is repayable in 20 quarterly instalments of Rs.40.62 Lakhs each at variable interest rate of 15.75% commencing from December 2012.

b) **Term Loan taken from Technology Development Board of Rs.1500 Lakhs is secured as follows:**

(i) first charge on entire fixed assets, present and future, of the company by way of hypothecation and mortgage in favour of TDB ranking pari passu with other charge- holders (Banks/FIs). (ii) Personal guarantees of Managing Director & Executive Director of the Company. (iii) Pledge of 37.50 Lakh shares held by promoter. Term loan is repayable in 9 half yearly instalments at fixed interest rate of 5% p.a. - First instalment of Rs.160.00 lakhs & remaining 8 instalments @ Rs.167.50 lakhs each commencing from 01.01.2013.

c) **Term Loan taken from L & T Finance Limited is secured as follows:**

(i) Hypothecation of charge over 19 LED Display Boards, (ii) Personal Guarantee of Managing Director of the Company. (iii) The Honourable High Court for the state of Telangana by its order dated 23.07.2014 approved the settlement reached between MIC Electronics Limited and L&T Finance Ltd. As per the settlement MIC has agreed to pay the outstanding debt of Rs.11.91 crores in 36 monthly instalments starting from 05.09.2014 out of which the company has paid 1st instalment of Rs.33.07 lakhs on 05.09.2014. As on 31.03.15 the total loan outstanding is Rs.11.58 crores.

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

(i) Hypothecation of equipments, fixtures etc. valued Rs.28.20 crore (ii) Mortgage of Land & building situated at 192/B, Phase II, IDA Cherlapally belonging to company. (iii) Personal Guarantee of the Managing Director of the company. (iv) Term Loan - I of Rs.1000.00 lakhs is repayable in 18 quarterly EMIs of Rs.78.29 lakhs each (including interest) at a variable interest rate of 15.50% commencing from 15.01.2012 (v) Term Loan - II of Rs.1400.00 lakhs is repayable in 18 quarterly EMIs of Rs.109.60 lakhs each (including interest) at a variable interest rate of 15.50% commencing from 15.02.2012.

e) **Loans taken against purchase of vehicles are secured by hypothecation of the respective vehicles.**f) **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. As on date EESL has made a financial contribution of Rs.11.19 crores.

(Amount in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE- 3.04		
Long Term Provisions		
Provision for employee benefits		
- Provision for gratuity	13,338,661	14,444,101
- Provision for leave encashment	2,618,749	2,936,420
Deferred revenue Income - NMC Project	152,997,813	-
	168,955,223	17,380,521
NOTE - 3.05		
Short Term Borrowings		
(A) Secured Loans		
Working capital loans - From Banks		
State Bank of India-Cash Credit	597,993,829	601,040,234
Standard Chartered Bank	-	58,969,026
Andhra Bank, Kapra, Sainikpuri	-	40,708,815
Loan against bill discounting (AB)	-	7,053,529
	597,993,829	707,771,604
(B) UnSecured Loans		
(i) Loans from Directors	-	5,298,573
(ii) Intercorporate Deposits		
Malaxmi Infra Ventures (India) Pvt Ltd	187,167,233	185,879,625
Sriba Seabase Pvt Ltd	6,000,000	6,000,000
Arkay Energy (Rameswarm) Limited	100,000,000	100,000,000
Bhagyanagar Investments & Trading Pvt Ltd	100,000,000	-
	393,167,233	297,178,198
Total Short Term Borrowings (A+B)	991,161,062	1,004,949,802

Note : . The working capital loan from SBI has become NPA from 28.11.2014 and the bank has reversed the overdue interest of Rs. 3.46 crores in Nov 2014 and also has not charged the interest from Dec 14 onwards. The company has also not provided interest on working capital loan from SBI Rs. 7.21 crores in the books for the current financial year.

i) State Bank of India working capital limits including buyers credit are secured by :

- a) **Primary Security:** First Charge (hyp) on all current assets of the company.
- b) **Collateral Security:** (i) Pari-passu charge on entire fixed assets with TDB excluding fixed assets funded by UCO Bank and vehicle HP loans. (ii) Second charge on EM of industrial plot situated at Plot No.192/B in Sy.No.274 admeasuring 5341 Sq.Yards situated at phase II, IDA, Cherlapally village, Kapra Municipality Ghatkesar Mandal, RR District & Second charge on fixed assets created out of term loan from UCO Bank.
- c) SBI is further secured by personal guarantees of Managing Director & Executive Director of the company.

ii) Andhra Bank working capital (non fund based) limits of Rs.4.66 Crores are secured by :

- (i) Exclusive charge on current assets of LED Lighting Division of the company (ii) 1st charge on fixed assets (excluding assets financed by UCO Bank & Srei Equipment Finance Pvt Ltd) of the company ranking pari-passu with SBI (iii) Counter Guarantee of the company.

(Amount in Rs.)

Particular	As at 31.03.2015	As at 31.03.2014
NOTE - 3.06		
Trade Payables		
Payables for materials	563,847,637	581,971,940
Payables for services	134,817,632	130,256,019
	698,665,269	712,227,959
	698,665,269	712,227,959
NOTE - 3.07		
Other Current Liabilities		
(i) Interest accrued and due on borrowings		
Interest accrued and due on long term borrowings	18,139,682	20,726,798
Interest accrued and due on short term borrowings	18,958,050	18,958,050
(ii) Interest accrued but not due on borrowings		
Interest accrued but not due on long term borrowings	2,414,916	5,628,888
(iii) Other payables		
Current maturities of long term borrowings (Refer Note No :)	451,037,259	540,291,574
Statutory remittances	63,769,237	51,609,086
Payables on purchase of fixed assets	9,464,003	8,749,163
Payables for expenses	45,818,123	42,540,691
Salaries Payable	88,882,310	84,748,022
Directors remuneration Payable	8,976,612	7,808,608
Audit Fees Payable	3,874,780	3,507,840
Share Warrants Application Money refundable	86,208,421	128,023,671
Advances from related parties	-	26,564,722
Advance from customers & Others	34,018,469	41,576,664
	831,561,862	980,733,777

Note : Interest on unsecured loans - Rs. 4.23 crores and interest on term loans of Rs 3.91 crores is not provided in the books for the current financial year since the company is pursuing the matter for settlement with the lenders and company is of the view that interest will be waived off. Total interest not provided in the books till 31.03.2015 is Rs.16.72 crores.

(Amount in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE - 3.08		
Short Term Provisions :		
Provision for Income Tax	812,483	5,398,599
	812,483	5,398,599
	812,483	5,398,599

NOTE - 3.09
Fixed Assets

(Amount in Rs.)

Name of the asset	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 31st March 2014	Additions	Deletions	Balance as at 31st March 2015	Balance as at 1st April 2014	Depreciation charge for the year	On deletions	Balance as at 31st March 2015	Balance as at 31st March 2014	Balance as at 31st March 2015	
A	Tangible Assets										
	Land & Land Development	15,512,484	-	-	15,512,484	-	-	-	-	15,512,484	15,512,484
	Buildings	130,989,924	-	-	130,989,924	25,413,337	4,074,070	-	29,487,407	101,502,517	105,576,687
	Plant & Machinery	318,396,538	1,646,811	6,164,654	313,878,695	131,322,656	23,135,367	1,572,691	152,885,332	160,993,363	187,073,881
	Plant and Machinery	653,843,887	-	-	653,843,887	119,328,176	44,519,424	(347,403)	164,195,003	489,648,884	534,515,711
	Furniture and Fixtures	19,268,518	128,608	757,709	18,639,417	9,827,727	1,748,323	(721,167)	12,297,217	6,342,200	9,440,791
	Office equipment	3,087,583	-	88,464	2,999,119	1,278,311	434,540	(269,271)	1,982,122	1,016,997	1,809,272
	Electrical Installations	13,145,831	-	15,972	13,129,859	5,621,330	1,441,476	(201,641)	7,264,447	5,865,412	7,524,501
	D.G.Set	1,228,230	-	-	1,228,230	431,744	165,356	-	597,100	631,130	796,486
	Transformer	1,109,125	-	-	1,109,125	386,623	148,460	-	535,083	574,042	722,502
	Furniture and Fixtures-Others	1,201,571	-	-	1,201,571	1,048,036	-	(126,603)	1,174,639	26,932	153,535
	Vehicles	22,246,773	-	3,586,846	18,659,927	12,201,464	2,204,181	875,410	13,530,235	5,129,692	10,045,309
	Computers	35,538,622	49,500	1,404,226	34,183,896	33,432,342	83,346	(162,321)	33,678,009	505,887	2,106,280
	Display Equipment (not put to use)	562,684,878	-	77,333,522	485,351,356	-	-	-	-	485,351,356	562,684,878
	SUB TOTAL (A)	1,778,253,964	1,824,919	89,351,393	1,690,727,490	340,291,746	77,954,543	619,695	417,626,594	1,273,100,896	1,437,962,218
B	Intangible assets										
	Computer Software	15,053,389	-	-	15,053,389	12,824,109	311,623	-	13,135,732	1,917,657	2,229,280
	Goodwill	7,250,000	-	7,250,000	-	-	-	-	-	-	7,250,000
	SUB TOTAL (B)	22,303,389	-	7,250,000	15,053,389	12,824,109	311,623	-	13,135,732	1,917,657	9,479,280
	Total [A + B]										
	(Current Year)	1,800,557,353	1,824,919	96,601,393	1,705,780,879	353,115,855	78,266,166	619,695	430,762,326	1,275,018,553	1,447,441,498
	(Previous Year)	1,800,266,870	118,000	6,827,517	1,800,557,353	308,804,238	46,010,916	1,699,299	353,115,855	1,447,441,498	1,498,462,632

(Amount in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE - 3.10		
Deferred Tax Asset		
On Depreciation (Difference as per Books & as Per Income Tax Act)	(96,874,692)	(106,409,539)
On Accrued compensation to employees	4,930,840	5,370,581
On IT Disallowances	75,951,391	63,804,735
On Others	176,860,197	180,619,197
	<u>160,867,736</u>	<u>143,384,974</u>
NOTE - 3.11		
Non Current Investments		
UNQUOTED		
in other corporate bodies :		
Hyperion Green Energy India Pvt Ltd (40,922 equity shares of Rs.100/- each with premium of Rs.252/- each 7,300 equity shares of Rs.100/- each purchased at Rs.532/- each 2,700 equity shares of Rs.100/- each purchased at Rs.519/- each)	-	19,691,544
Other Investments by MIC Electronics Inc, USA Sports LED Media	64,280,840	61,431,224
	<u>64,280,840</u>	<u>81,122,768</u>
NOTE- 3.12		
Long-Term Loans and advances		
Unsecured, Considered Good :		
Capital advances	144,538,331	154,408,548
Deposit-Delhi Metro Rail Corpn	55,150,887	55,150,887
Retention Money-BSNL	112,418,655	112,418,655
Share Application money pending allotment in other companies	8,850,000	8,850,000
Other Secured Deposits	77,981,572	73,665,915
Other Loans and advances	1,065,114	1,027,657
	<u>400,004,559</u>	<u>405,521,662</u>

(Amount in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE- 3.13		
Other Non Current Assets		
Deferred Revenue Expenditure to the extent not written off	-	1,320,851
Pre-operative expenses - Lighting expansion (IREDA) Project	4,348,576	4,348,576
Deferred receivables - NMC Project	152,997,813	-
Pre-operative expenses -Subsidiaries	757,262	565,862
Preliminary Expenses to the extent not written off	467,990	467,990
	158,571,641	6,703,279
NOTE- 3.14		
Inventories		
Raw Material	133,159,881	170,398,171
Work-in-Progress	1,629,988,133	1,544,032,287
Finished Goods	155,069,676	161,312,944
Stores and Spares	1,265,459	1,208,505
	1,919,483,149	1,876,951,907
NOTE- 3.15		
Trade Receivables		
Unsecured Considered Good		
Debtors outstanding for a period exceeding six months	700,136,076	701,965,050
Other Debtors	409,119,502	200,144,897
	1,109,255,578	902,109,947

Trade receivables include Rs.51.20 Crores which are long overdue and the recovery of which is doubtful. However, the management is of the opinion that no provision is necessary during the year as they are pursuing with debtors and the amounts may be recovered.

(Amount in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE- 3.16		
Cash & Cash equivalents		
Cash in Hand	3,340,664	1,076,440
Balance with Banks :		
In Current Accounts	2,267,512	8,565,782
In Margin Money Accounts	15,611,680	11,500,782
	17,879,192	20,066,584
	21,219,856	21,143,024

(Amount in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE- 3.17		
Short-term Loans & Advances		
Unsecured Advances - Considered good		
(i) Loans and advances to employees	8,822,050	15,624,414
(ii) Prepaid Expenses	1,241,274	1,353,261
(iii) Balances with Govt Authorities		
Cenvat Deposit	4,835,642	5,542,234
Deferred Cenvat Credit	98,262	-
Cenvat credit receivable	2,092,749	1,985,693
Service tax receivable	1,149,901	1,459,393
VAT credit	2,396,880	2,941,427
(iv) Others		
Advance for Materials	17,287,137	19,274,518
Advance for Services	4,000,169	2,329,582
Other advances	602,619,383	604,882,365
TDS receivable	10,376,981	13,737,513
Entry Tax & Octori Deposit	605,940	605,940
VAT deposit refundable	1,194,206	3,038,088
	656,720,574	672,774,428
NOTE- 3.18		
Other Current Assets		
Amounts receivable against sale of investments	18,700,650	18,017,802
Deferred Revenue Expenditure to the extent not written off	1,866,231	5,138,546
	20,566,881	23,156,348

(Amount in Rs.)

Particulars	12 months ending 31.03.2015	9 months ending 31.03.2014
NOTE- 3.19		
Revenue from Operations		
(A) Revenue from Sales		
Exports	22,624,080	41,574,794
Deemed Export	-	1,969,590
Domestic	502,677,991	139,552,366
Freight & Insurance recd. on Sales	24,263	93,502
	525,326,334	183,190,252
Less : Excise Duty	43,315,910	4,376,347
Traded Goods	482,010,424	178,813,905
	1,077,335,507	770,220,406
	1,559,345,931	949,034,311

(Amount in Rs.)

Particulars	12 months ending 31.03.2015	9 months ending 31.03.2014
(B) Other Operating Incomes		
Equipment Lease Rentals	2,679,927	-
AMC Charges & Service Charges	14,754,056	8,861,553
Installation Charges	8,768,439	1,214,397
	<u>26,202,422</u>	<u>10,075,950</u>
	26,202,422	10,075,950
Total Revenue from Operations (A+B)	1,585,548,353	959,110,261
NOTE- 3.20		
Other Incomes		
Interest Received	612,735	2,935,779
Credit Balances written back	3,012,550	22,086
Net Prior Period Income	19,628,267	-
Rents received	1,281,750	1,019,667
Profit on sale of investment in M/s. Maave Electronics Pvt Ltd	11,173,341	-
Excess Provisions Written back	155,459	730,400
Foreign exchange gain	112,432	9,146,685
Miscellaneous Income	-	63,899
Consulting Income	-	1,545,295
	<u>35,976,534</u>	<u>15,463,811</u>
NOTE- 3.21		
Cost of Materials Consumed		
A) Raw Material Consumed		
Opening Stock	132,707,419	177,154,936
Purchases	360,013,846	111,926,099
Less : Material consumed for R&D	679,808	518,654
	<u>359,334,038</u>	<u>111,407,445</u>
	492,041,457	288,562,381
Less : Closing Stock	133,159,881	170,398,171
Raw Material Consumed	358,881,576	118,164,210
B) Packing Materials and consumables		
Opening Stock	1,208,505	1,143,166
Purchase of packing material & consumables	871,701	1,183,484
Freight & Carriage Inwards	43,436	50,628
	<u>2,123,642</u>	<u>2,377,278</u>
Less : Closing Stock	1,265,459	1,208,505
Consumption	858,183	1,168,773
Total Cost of material consumed	359,739,759	119,332,983

(Amount in Rs.)

Particulars	12 months ending 31.03.2015	9 months ending 31.03.2014
NOTE- 3.22		
Changes in Inventory		
Closing Stock of :		
Work-in-Progress	1,629,988,133	1,544,032,287
Finished Goods	155,069,676	161,312,944
	1,785,057,809	1,705,345,231
Opening Stock of :		
Work-in-Progress	1,524,119,862	1,480,875,848
Finished Goods	161,312,944	138,214,683
	1,685,432,806	1,619,090,531
Increase/(Decrease) in Stock (A-B)	(99,625,003)	(86,254,700)
NOTE- 3.23		
Employee Benefit expense		
Salary, Wages, Allowances & other Benefits	29,200,857	36,542,515
Directors Remuneration	5,120,884	4,275,000
Gratuity	-	996,594
P. F. & ESI Contribution	1,700,180	1,529,420
Staff Welfare Expenses	579,423	529,480
	36,601,344	43,873,009
NOTE- 3.24		
Financial Cost		
Bank Charges	18,639,242	5,251,359
Interest on :		
Term Loan	4,189,794	8,125,448
Working Capital Loans	41,653,245	78,939,087
Others - Interest on other loans/ICDs & Financial Charges	654,126	454,050
	46,497,165	87,518,585
	65,136,407	92,769,944

(Amount in Rs.)

Particulars	12 months ending 31.03.2015	9 months ending 31.03.2014
NOTE- 3.25		
Other Expenses		
Job-work Charges	7,798,279	3,677,595
Power and Fuel	2,870,295	3,448,237
Insurance	2,085,551	1,564,163
Repairs & Maintenance	522,191	355,890
Printing & Stationary	404,528	204,929
Postage, Telegrams & Telephones	1,288,177	1,161,290
Rent	1,103,583	1,349,500
Rates & Taxes	8,238,098	4,604,477
Lease rental Expenses	2,037,750	-
Professional Charges	9,444,765	5,824,386
Auditors Remuneration		
As Statutory Auditors	350,000	365,000
As Tax auditors	150,000	157,500
General Expenses	13,665,996	11,391,331
Net Prior Period Expenses	-	142,713
Security Expenses	513,774	375,682
Board Meeting Expenses	-	403,103
Travelling & Conveyance	9,260,141	6,679,287
Vehicle Maintenance	1,147,194	914,573
Sales Tax	81,145,819	40,820,794
Selling & Distribution Expenses	1,256,695	1,740,421
Bad Debts written off	2,280,161	-
Deferred Expenses written off	4,593,166	3,853,908
R & D Expenses	9,034,844	8,358,572
	159,191,007	97,393,351

NOTE- 3.26

- (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- 3.27**Contingent Liabilities : The following contingent liabilities are not provided for**

(Amount in Rs.)

Sl. No.	Particulars	As at 31st March 2015	As at 31st March, 2014
1	Counter guarantees given by the company to banks towards issue of B.Gs.	30,790,048	41,076,799
2	Counter guarantees given by the company to banks towards issue of B.Gs to Customs & Central Excise Dept.	7,096,982	7,096,982
3	Bonds executed to Customs & Central Excise Dept. (net of BGs)	82,300,000	82,300,000
4	Corporate Guarantees given by the company to banks on behalf of subsidiaries & associates	70,000,000	70,000,000
5	Claims against the company, not acknowledged:	1,076,141,736	1,014,767,760
TAX Matters in Appeals			
1	Excise Duty	3,896,982	3,896,982
2	Customs Duty	1,801,111	1,801,111
3	Sales Tax	3,195,527	5,302,831

NOTE- 3.28**Managerial Remuneration :**

(Amount in Rs.)

Particulars	For 12 months ended 31st March 2015	For 9 months ended 31st March 2014
Managing Director		
Remuneration	2,400,000	1,800,000
Perquisite value of Rent	380,000	270,000
Director		
Remuneration	2,720,884	8,038,080
Total	5,500,884	10,108,080

NOTE- 3.29

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

NOTE- 3.30**Related party disclosures :**

In Accordance with the Accounting standard AS-18 “Related Party disclosures” 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	Dr. M.V. Ramana Rao, Managing Director	Directors- Key Management Personnel
2	Shri L.N. Malleswara Rao, Executive Director	
3	Shri Atluri Venkata Ram, Executive Director	

b. Aggregated Related party disclosures for the 12 months period from April 14 to March 15 :

i) Particulars of transactions during the year

(Amount in Rs.)

Sl No.	Nature of Transaction	As at 31st March, 2015	As at 31st March, 2014
1.	Expenditure during the year:		
	• Remunerations to Management personnel	5,120,884	9,838,080
	• Rents paid towards accommodation provided to Management Personnel	380,000	270,000
	• Sitting Fee and other expenses reimbursed to Directors	346,206	403,103

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

(Amount in Rs.)

Sl No.	Nature of Transaction	As at 31st March 2015	As at 31st March, 2014
1	Outstanding balances payable to Management Personnel		
	Unsecured Loan payable to Management Personnel	-	5,298,573
	Remuneration payable to Management Personnel	8,976,612	7,808,608
	Sitting fee and other expenses payable to Directors	954,973	843,973

NOTE - 3.31

Disclosure in respect of operating lease:

- i) A general description of leasing arrangements : Leasing 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'14 to Mar'15 amount to Rs 47,196,000/-.(Total unrecognised lease rentals upto 31.03.15 is Rs.17.31 crores)

NOTE - 3.32**Calculation of earnings per share :**

(Amount in Rs.)

Particulars	For 12 months ended 31st March 2015	For 9 months ended 31st March 2014
Profit attributable to Share Holders	18,031,966	(450,634,483)
No. of Equity Shares Outstanding	118,923,275	102,498,275
Convertible Share Warrants	58,037,070	77,477,070
Weighted No. of Equity Shares	176,960,345	179,975,345
Nominal Value of Equity Share	2.00	2.00
Basic EPS	0.15	(4.40)
Diluted EPS	0.10	(2.50)

NOTE - 3.33

In accordance with the AS-22 'Accounting for taxes on Income issued by the Institute of Chartered Accountants of India , during the current year the company has accounted for the effect of deferred Tax against the income pertaining to current year and has accordingly provided for deferred tax asset of Rs.17,482,762/- (Previous Year Rs.118,593,705/ - deferred tax asset) on account of current year's deferred tax.

(Amount in Rs.)

Particulars	For 12 months ended 31st March 2015	For 9 months ended 31st March 2014
Opening Balance Deferred tax asset	143,384,974	24,791,269
Less : Deferred tax asset (Liability)	17,482,762	118,593,705
Closing Balance	160,867,736	143,384,974

NOTE - 3.34

(i) The company has incurred one time expenditure of Rs.16,361,609/- during the Year 2009-10 towards leased assets which is being amortised over a period of 5 years. During the year an amount of Rs.2,454,240/- (Previous year Rs.2,454,240/-) has been amortised.

(ii) The company has incurred one time expenditure of Rs.9,331,130/- during the Year 2010-11 towards DMRC project finance which is being amortised over a period of 5 years . During the period an amount of Rs.1,866,224/- (Previous year Rs.1,399,668/-) has been amortised.

NOTE - 3.35**Details of Prior Period items credited to Statement of Profit & Loss :**

(Amount in Rs.)

Sl. No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
1	Excess Provision of Income Tax written back	1,769,172	65,473,250
2	Prior period income	19,628,267	-
3	Prior period expenditure	-	140,859
4	Prior period expenditure grouped under exceptional items	-	(318,879,270)
	Total	21,397,439	(253,265,161)

NOTE - 3.36

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 - 3.37

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.

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
 Managing Director

Sd/-
L.N. Malleswara Rao
 Executive Director

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

Place : Hyderabad.
 Date : 16.05.2015

Sd/-
Malleswara Durga Prasad
 CFO & Company Secretary

(Amount in Rs)

Particulars	For 12 months ended 31.03.2015	For 9 months ended 31.03.2014
Net Profit before tax and extraordinary items	281,410	(633,962,680)
Adjustments for:		
Depreciation	78,266,166	46,010,916
Financial Charges	65,136,407	92,769,944
Interest received /Other Income	612,735	2,935,779
Decrease on account of cessation of Maave Electronics Pvt. Ltd	(6,011,143)	-
Effect of currency translation on consolidation	2,789,421	159,242
Operating Profit before Working Capital Changes	141,074,996	(492,086,799)
Changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(177,489,641)	251,514,770
(Increase)/Decrease in Inventories	(42,531,242)	(79,563,275)
(increase)/Decrease in Long Term Loans & Advances	(5,517,103)	(1,488,338)
(increase)/Decrease in Short Term Loans & Advances	16,053,854	29,860,404
(increase)/Decrease in Other Current Assets	2,589,467	(160,002)
(increase)/Decrease in Other Non Current Assets	(151,868,362)	3,853,908
Increase/(Decrease) in Long Term Provisions	(151,574,702)	(302,794)
Increase/(Decrease) in Short Term Provisions	(4,586,116)	(72,385,008)
Increase/(Decrease) in Trade Payables	(43,218,680)	(23,020,237)
Increase/(Decrease) in Other Current Liabilities	(149,171,915)	405,569,988
Increase/(Decrease) in Deferred Tax Asset	16,104,972	118,593,705
Cash generated from Operations	(377,025,858)	632,473,121
Financial Charges paid	(65,136,407)	(92,769,944)
Extraordinary items	-	-
Direct Taxes paid	(15,837,178)	(53,859,213)
Net Cash provided/(Used) from operating activities	(316,924,447)	(6,242,835)

(Amount in Rs)

Particulars	For 12 months ended 31.03.2015	For 9 months ended 31.03.2014
(Increase) / Decrease of Current Investments	-	-
(Increase) / Decrease of Non Current Investments	16,841,928	(238,496)
(Increase) / Decrease of Goodwill on consolidation & acquisitions	2,359,949	-
(Increase) / Decrease of Fixed Assets	89,952,808	5,010,218
(Increase) / Decrease of Capital Work-in-Progress	-	318,879,270
Interest Received/Other Income	(612,735)	(2,935,779)
Net Cash used in Investing Activities	108,541,950	320,715,213
Proceeds from long term borrowings	129,425,642	(360,976,488)
Increase/(Decrease) in Short Term borrowings	(13,788,740)	44,682,283
Increase/(Decrease) in Share Capital	32,850,000	-
Increase/(Decrease) in Share Premium	16,425,000	-
Increase/(Decrease) in Share Warrants Application Money	43,547,427	-
Net Cash provided/(Used) from financing activities	208,459,329	(316,294,205)
Net Increase in Cash and Cash equivalents	76,832	(1,821,827)
Cash and Cash equivalents as at the commencement of the year	21,143,024	22,964,851
Cash and Cash equivalents as at the close of the year	21,219,856	21,143,024

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
Managing Director

Sd/-
L.N.Malleswara Rao
Executive Director

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

Sd/-
Malleswara Durga Prasad
CFO & Company Secretary

Place : Hyderabad.
Date : 16.05.2015

BLANK



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 27th Annual General Meeting of the Company, to be held on Wednesday, September, 30, 2015 at 3.30 p.m. at "CYAN" Hall, Marigold by Green Park, 7-1-25, Green Lands, Begumpet, Hyderabad-500 016, Telangana and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Resolution Number	Resolution	For	Against	Abstain
Ordinary Business				
1	Adoption of the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and auditors thereon.			
2	Re-appointment of Mr. Shri Atluri Venkata Ram (DIN 00753969) as a Director, who is liable to retire by rotation and, being eligible, offers himself for re-appointment.			
3	Ratify the Appointment of M/s. Pavuluri & Co, Chartered Accountants, Hyderabad having Registration No. 01294S as the Auditors of the Company to hold the office till the conclusion of 29th AGM.			
Special Business				
4	Appointment of Dr. V.Venkata Ramani (DIN 01298522), as an Independent Director of the Company.			
5	Re-Appointment of Dr. M.V.Ramana Rao (DIN 00010301), as Managing Director of the Company.			
6	Re-Appointment of Mr. L.N.Malleswara Rao (DIN 00010318), as Executive Director of the Company			
7	Alteration to the articles of association by Adoption of new set of Articles of Association of the Company.			
8	Ratification of Resolution No.2 of Extra-ordinary General Meeting held on 22nd August 2015 for Allotment of Equity Share to Investors			

Signed: this _____ day of _____ 2015

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:

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I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the Twenty-seventh Annual General Meeting of the Company on Wednesday, the 30th September, 2015 at 3:30 PM at "CYAN" Hall, Marigold by Green Park, 7-1-25, Green Lands, Begumpet, Hyderabad-500 016, Telangana.

.....
Name of the member / proxy

.....
Signature of member / proxy

CORPORATE INFORMATION

Annual General Meeting

Date : 30th day of September 2015
Day : Wednesday
Time : 3.30 PM
Place : "CYAN" Hall,
Marigold by Green Park,
7-1-25, Green Lands,
Begumpet,
Hyderabad - 500 016,
Telangana, India.

Registrar and Transfer Agents

Venture Capital and Corporate
Investments Private Limited
#12-10-167, Bharat Nagar,
Hyderabad-500018
Tel: 040-23818475/476
Fax: 040-23868024
Email: info@vccilindia.com
Website: www.vccilindia.com

Board of Directors

Dr. M V Ramana Rao
Shri Atluri Venkata Ram
Shri N Srinivasa Rao
Shri L N Malleswara Rao
Shri A V V S S C B Sekhar Babu
Dr. V. Venkata Ramani

CFO & Company Secretary

Shri Malleswara Durga Prasad

Bankers

State Bank of India

Overseas Branch, Hyderabad

UCO Bank

MG Road Branch, Hyderabad

Andhra Bank

Kapra Sainikpuri Branch, Hyderabad

Auditors

M/s. Pavuluri & Co.,
Chartered Accountants, Hyderabad

Registered Office

A-4/II, Electronic Complex
Kushaiguda
Hyderabad - 500062
Telangana

Registered Office Address:

MIC Electronics Limited

A-4/II, Electronic Complex, Kushaiguda, Hyderabad - 500062, Telangana, India.

Tel : +91-40-271 22222, Fax : +91-40-2713 3333, Email : cs@mic.co.in