

MIC Electronics Limited

UN-AUDITED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED ON 31ST DECEMBER 2017

(Rs.in crores)

STAND-ALONE						SR. NO.	Particulars	CONSOLIDATED					
3 months ended	Previous 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended (9m)	Corresponding figures for previous year ended (9m)	Previous Accounting Year ended(12 Months)			3 months ended	Previous 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended (9m)	Corresponding figures for previous year ended (9m)	Previous Accounting Year ended(12 Months)
31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017			31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
						1	Income						
41.05	33.29	64.25	148.76	178.72	250.87		Revenue from Operations	41.05	33.29	64.25	148.76	250.87	
0.45	0.34	0.47	0.93	1.21	2.09		Other Income	0.45	0.34	0.47	0.93	2.09	
41.50	33.63	64.72	149.69	179.93	252.96		Total Income	41.50	33.63	64.72	149.69	252.96	
						2	Expenses						
35.08	28.47	43.53	114.89	113.96	166.26		a. Cost of Material Consumed	35.08	28.47	43.53	114.89	166.26	
2.82	3.76	11.24	18.36	34.50	44.22		b. Purchase of stock-in-trade	2.82	3.76	11.24	18.36	44.22	
1.00	(4.25)	(8.06)	(9.76)	(22.66)	(38.12)		c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	1.00	(4.25)	(8.06)	(9.76)	(38.12)	
0.98	1.11	1.19	3.26	3.38	5.11		e. Employee benefits expense	0.98	1.11	1.19	3.26	5.11	
0.32	0.44	1.58	1.30	2.70	9.85		f. Finance Costs	0.32	0.44	1.58	1.30	9.85	
1.92	1.92	1.85	5.77	5.57	7.81		g. Depreciation and Amortisation expense	1.92	1.92	1.85	5.77	7.81	
1.14	1.54	8.98	13.42	29.55	42.09		h. Other Expenses	1.14	1.57	9.01	13.50	42.21	
43.26	32.99	60.31	147.24	167.00	237.22		Total Expenses	43.26	33.02	60.34	147.32	237.35	
(1.76)	0.64	4.41	2.45	12.93	15.74	3	Profit / (Loss) from ordinary activities before exceptional Items	(1.76)	0.61	4.38	2.37	15.61	
-	-	-	-	-	13.19	4	Exceptional Items - Expenditure / (Income)	-	-	-	-	13.19	
(1.76)	0.64	4.41	2.45	12.93	2.55		Profit / (Loss) before tax	(1.76)	0.61	4.38	2.37	2.42	
(0.37)	0.13	0.90	0.51	2.37	2.89	5	Tax Expense	(0.37)	0.13	0.90	0.51	2.89	
(1.39)	0.51	3.51	1.94	10.56	(0.34)	6	Profit for the period	(1.39)	0.48	3.48	1.86	(0.47)	
-	-	-	-	-	-	7	Other Comprehensive Income	-	-	-	-	-	
(1.39)	0.51	3.51	1.94	10.56	(0.34)	8	Total comprehensive income for the period	(1.39)	0.48	3.48	1.86	(0.47)	
44.05	44.05	35.39	44.05	35.39	44.05	9	Paid up Equity Share capital, equity shares of Rs.2/- each	44.05	44.05	35.39	44.05	44.05	
-	-	-	-	-	277.85	10	Other equity excluding revaluation reserve	-	-	-	-	276.12	
(0.06)	0.02	0.20	0.09	0.60	(0.02)	11	Earning Per Share (face value of Rs.2/- each)	(0.06)	0.02	0.20	0.08	(0.03)	
(0.06)	0.02	0.20	0.08	0.51	(0.02)		(a) Basic	(0.06)	0.02	0.20	0.07	(0.02)	
							(b) Diluted	(0.06)	0.02	0.20	0.07	(0.02)	

Notes:

- Results for the quarter ended 31st December 2017 are in compliance with Indan Accounting Standards notified by the Ministry of Corporate Affairs. Consequently result for the quarter ended 31st December 2016 , nine months ended 31st December 2016 and previous year ended 31st March 2017, have been restated to comply with Ind AS to make them comparable.
- The above results have been reviewed by the Audit Committee at its meeting held on 12.02.2018 and approved by the Board of Directors of the Company at its meeting held on 12.02.2018. The results have been subjected to limited review by the statutory auditors.
- Transition to Ind-AS :**
The company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the opening results as at 1st April 2016 and all the periods presented have been restated accordingly.
- While calculating diluted EPS, outstanding 3,00,00,000 convertible share warrants issued on preferential basis have been considered.
- The company has forfeited 30,00,000 share warrants issued on 15.02.2016 since they have not subscribed the balance amount on or before 15.08.2017 (i.e., 18 months from the date of allotment). The company has applied for extension of time with SEBI by another six months (i.e., upto 14.02.2018) for converting 3,00,00,000 share warrants given to M/s.Leyard Hongkong Co. Ltd. into equity shares . However, no extension has been granted by SEBI till date.
- The consolidated financial results include the unaudited financial results of the wholly owned subsidiaries , M/s MIC Green Energy Solutions Pvt Ltd and M/s.MIC Electronics Inc.
- Post implementation of Goods and Service Tax ("GST") with effect from 1 July 2017, revenue from operations is disclosed net of GST. Revenue from operations for the earlier periods included excise duty and sales tax which is now subsumed in the GST. Revenue from operations for the nine months ended 31 December 2017 includes excise duty and sales tax upto 30th June 2017. Accordingly, revenue from operations for the quarter and nine months ended 31 December 2017 are not comparable with those of previous periods presented. Previous quarter ending 30th September 2017 figures are also regrouped to show net of GST.
- The company has not provided for interest expense of Rs.0.29 Crores on term loans for the current quarter since the matter is in litigation. This has resulted in current quarter loss being understated by Rs.0.29 crores.
- The company has not provided for interest expense of Rs.1.60 crores on SBI Working capital for the current quarter which arised due to cancellation of earlier OTS scheme approved by the bank. This has resulted in current quarter loss being understated by this amount.
- The Company has only one segment i.e., LED Products.
- Figures have been rearranged wherever necessary.



**RECONCILIATION OF PROFIT AND RESERVE BETWEEN INDAS AND PREVIOUS INDIAN GAAP FOR EARLIER PERIOD AND AS AT
MARCH 31, 2017**

(Rs.in crores)

Sr. No.	Nature of adjustments	Note ref.	Profit reconciliation			Reserve reconciliation
			Quarter ended	Nine months ended	Year ended	As at
			31-Dec-16	31-Dec-16	31-Mar-17	31-Mar-17
	Net Profit/Reserves as per Previous Indian GAAP		4.37	8.53	2.53	279.58
1	Fair valuation as deemed cost for property, plant and Equipment	a	-	-	-	28.97
2	Fair valuation for financial assets	b	-	-	-	(27.83)
3	Deferred Tax	c	-	-	-	(2.04)
4	Others	d	-	-	(0.83)	(0.83)
	Total		-	-	(0.83)	(1.73)
	Net profit before OCI / Reserves as per Ind AS		4.37	8.53	1.70	277.85

Notes :

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

The company have considered fair value for property, viz land situated in India with impact of Rs.21.51 crores and building with impact of Rs.7.46 crores in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

b Fair Valuation of financial assets :

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

c Deferred Tax :

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

d Others :

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

e The above results have been reviewed by the Audit Committee at its meeting held on 12th February 2018 and approved by the Board of Directors of the Company at its meeting held on 12th February 2018. The results have been subjected to limited review by the statutory auditors.

Place : Hyderabad

Date : 12.02.2018


Dr. M V Ramana Rao
Chairman & Managing Director





PAVULURI & Co.

CHARTERED ACCOUNTANTS

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Limited Review Report-Standalone Financial Results

Review Report to The Board of Directors, MIC ELECTRONICS LIMITED

- a) We have reviewed the accompanying statement of unaudited standalone financial results of **M/s. MIC ELECTRONICS LIMITED** ("the company") for the quarter ended **31st December, 2017** and the year to date from 1st April 2017 to 31st December 2017 (the "Statement") attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, read with SEBI circular No CIR/CFD/FAC/62/2016 dated 5th July 2016.
- b) The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim financial reporting (Ind AS 34) specified under section 133 of the Companies Act 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and SEBI circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016 is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express a conclusion on the statement based on our review.
- c) We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information performed by the independent Auditor of Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- d) Reference is invited to note 8 of the unaudited financial results. The company has not provided interest on loans to the tune of Rs 0.29 crores for the quarter ended 31st December 2017 since the matter is in litigation. Under accounting principles generally accepted in India, the company should have made a provision for interest expense of Rs 0.29 crores. Had the company made a provision for the same, the loss for the period would have been higher by the said amount.
- e) Reference is invited to note 9 of the unaudited financial results. The company has not provided interest on SBI loan of Rs 1.60 crores for the quarter ended 31st December 2017 due to OTS cancellation Under accounting principles generally accepted in India, the company should have made a provision for interest. Had the company made a provision for the same, the loss for the period would have been higher by the said amount.



Branches :

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- f) Reference is invited to note 5 of the unaudited financial results. The company has neither forfeited the money received against share warrants of Rs 18.75 crores or obtained the extension from SEBI till date though the company has applied for the extension.
- g) The company has not used any provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix should be based on historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. As per Ind-AS provisions, the company should have made a provision for doubtful debts for the current quarter as well as previous financial year. Accordingly we are unable to determine the impact of no such provision on the financials of the company. Had the company made a provision for the same, the profit/loss for the respective periods would have been lower/higher by those amounts respectively.
- h) Based on our review conducted as above and subject to point numbers 'd', 'e', 'f' and 'g' above nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results for the Quarter ended 31st December 2017 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim financial reporting (Ind AS 34) specified under section 133 of the Companies Act 2013 read with relevant rules issued thereafter and other recognized accounting practices and policies has disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, read with circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For PAVULURI & Co.

Chartered Accountants

Firm Regn. No: 012194S

N. Rajesh

(CA. N. RAJESH)

PARTNER

M.No: 223169



Place: Hyderabad

Date: 12.02.2018



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Limited Review Report-Consolidated Financial Results

**Review Report to
The Board of Directors,
MIC ELECTRONICS LIMITED**

- a) We have reviewed the accompanying statement of unaudited consolidated financial results of **M/s. MIC ELECTRONICS LIMITED** ("the company") comprising its subsidiaries (together referred to as 'the Group'), for the quarter ended 31st December 2017 and the year to date from 1st April 2017 to 31st December 2017 (the "Statement") attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, read with SEBI circular No CIR/CFD/FAC/62/2016 dated 5th July 2016.
- b) The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim financial reporting (Ind AS 34) specified under section 133 of the Companies Act 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and SEBI circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016 is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express a conclusion on the statement based on our review.
- c) We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information performed by the independent Auditor of Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Holding company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- d) We did not review the interim financial results of the subsidiaries, included in the consolidated financial results. The unaudited financial information has been assessed by the management and provided to us and our conclusion on the statement to the extent they relate to these subsidiaries is based solely on such unaudited financial information furnished to us by the management.
- e) Reference is invited to note 8 of the unaudited financial results. The holding company has not provided interest on loans to the tune of Rs 0.29 crores for the quarter ended 31st December 2017 since the matter is in litigation. Under accounting principles generally accepted in India, the holding company should have made a provision for interest expense of Rs 0.29 crores. Had the company made a provision for the same, the loss for "the Gorup" would have been lower by the said amount.



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- f) Reference is invited to note 9 of the unaudited financial results. The holding company has not provided interest on SBI loan of Rs 1.60 crores for the quarter ended 31st December 2017 due to OTS cancellation. Under accounting principles generally accepted in India, the holding company should have made a provision for interest. Had the company made a provision for the same, the loss for "the Group" would have been lower by the said amount.
- g) Reference is invited to note 5 of the unaudited financial results. The holding company has neither forfeited the money received against share warrants of Rs 18.75 crores or obtained the extension from SEBI till date though the company has applied for the extension.
- h) The holding company has not used any provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix should be based on historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. As per Ind-AS provisions, the holding company should have made a provision for doubtful debts for the current quarter as well as previous financial year. Accordingly we are unable to determine the impact of no such provision on the financials of the holding company. Had the company made a provision for the same, the profit/loss for the respective periods of "the Group" would have been lower/higher by those amounts.
- i) Based on our review conducted as above and subject to point numbers 'e' to 'h' above nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results for the Quarter ended **31st December 2017** prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim financial reporting (Ind AS 34) specified under section 133 of the Companies Act 2013 read with relevant rules issued thereafter and other recognized accounting practices and policies has disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, read with circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Hyderabad
Date: 12.02.2018



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

N. Rajesh

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