

CIN No: L31909TG1988PLC008652

## **MIC Electronics Limited**

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

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www.mic.in

www.micelectronics.com

ISO 9001:2008 ISO 14001:2004 Certified Company



13<sup>th</sup> November 2020

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

To  
The Secretary  
Bombay Stock Exchange Limited  
Phiroj Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001.

Dear Sir / Madam,

Sub : Outcome of Board Meeting – Reg.

We hereby inform you that Board Meeting concluded at 2.40 PM and consider and approved Un-audited Financial Results for the second quarter and half year ended on 30<sup>th</sup> September 2020 along with Limited Review Report. (Annexed herewith).

Thanking you,

Yours truly,

For MIC Electronics Limited

(Vishnu Ravi)  
Executive Director

**MIC Electronics Limited**

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2020**

(Rs.in crores)

STAND-ALONE						SR. NO.	Particulars	CONSOLIDATED					
3 months ended 30.09.2020	Previous 3 months ended 30.06.2020	Corresponding 3 months ended in the previous year	Year to date figures for current period ended (6M)	Corresponding figures for previous year ended (6M)	Previous Accounting year ended			3 months ended 30.09.2020	Previous 3 months ended 30.06.2020	Corresponding 3 months ended in the previous year	Year to date figures for current period ended (6M)	Corresponding figures for previous year ended (6M)	Previous Accounting year ended
30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020			30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
Un-Audited	Un-Audited	Un-Audited	Un-audited	Un-audited	Audited		Un-Audited	Un-Audited	Un-Audited	Un-audited	Un-audited	Audited	
						1	<b>Income</b>						
1.02	0.00	0.48	1.02	0.77	1.86		Revenue from Operations	1.02	0.00	0.48	1.02	0.77	1.86
0.76	0.00	0.06	0.76	0.09	0.99		Other Income	0.76	0.00	0.06	0.76	0.09	0.99
<b>1.78</b>	<b>0.00</b>	<b>0.54</b>	<b>1.78</b>	<b>0.86</b>	<b>2.85</b>		<b>Total Income</b>	<b>1.78</b>	<b>0.00</b>	<b>0.54</b>	<b>1.78</b>	<b>0.86</b>	<b>2.85</b>
						2	<b>Expenses</b>						
0.19	0.00	0.15	0.19	0.23	0.41		a. Cost of Material Consumed	0.19	0.00	0.15	0.19	0.23	0.41
3.14	0.00	0.09	3.14	0.06	0.19		b. Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.14	0.00	0.09	3.14	0.06	0.19
0.19	0.00	0.63	0.19	1.34	2.46		c. Employee benefits expense	0.19	0.00	0.63	0.19	1.34	2.46
0.01	0.05	0.03	0.06	0.04	0.20		d. Finance Costs	0.01	0.05	0.03	0.06	0.04	0.20
1.70	1.71	1.88	3.41	3.76	7.53		e. Depreciation and Amortisation expense	1.70	1.71	1.88	3.41	3.76	7.53
0.09	0.19	0.63	0.28	1.01	16.00		f. Other Expenses	0.09	0.19	0.63	0.28	1.01	16.01
<b>5.32</b>	<b>1.95</b>	<b>3.41</b>	<b>7.27</b>	<b>6.44</b>	<b>26.79</b>		<b>Total Expenses</b>	<b>5.32</b>	<b>1.95</b>	<b>3.41</b>	<b>7.27</b>	<b>6.44</b>	<b>26.80</b>
<b>(3.54)</b>	<b>(1.95)</b>	<b>(2.87)</b>	<b>(5.49)</b>	<b>(5.58)</b>	<b>(23.94)</b>	3	<b>Profit / (Loss) from ordinary activities before exceptional items</b>	<b>(3.54)</b>	<b>(1.95)</b>	<b>(2.87)</b>	<b>(5.49)</b>	<b>(5.58)</b>	<b>(23.95)</b>
-	-	-	-	-	0.00	4	Exceptional Items - Expenditure / (Income)	-	-	-	-	-	0.00
<b>(3.54)</b>	<b>(1.95)</b>	<b>(2.87)</b>	<b>(5.49)</b>	<b>(5.58)</b>	<b>(23.94)</b>		<b>Profit / (Loss) before tax</b>	<b>(3.54)</b>	<b>(1.95)</b>	<b>(2.87)</b>	<b>(5.49)</b>	<b>(5.58)</b>	<b>(23.95)</b>
-	-	-	-	-	0.00	5	Tax Expense	-	-	-	-	-	0.00
<b>(3.54)</b>	<b>(1.95)</b>	<b>(2.87)</b>	<b>(5.49)</b>	<b>(5.58)</b>	<b>(23.94)</b>	6	<b>Profit for the period</b>	<b>(3.54)</b>	<b>(1.95)</b>	<b>(2.87)</b>	<b>(5.49)</b>	<b>(5.58)</b>	<b>(23.95)</b>
-	-	-	-	-	-	7	<b>Other Comprehensive Income</b>	-	-	-	-	-	-
<b>(3.54)</b>	<b>(1.95)</b>	<b>(2.87)</b>	<b>(5.49)</b>	<b>(5.58)</b>	<b>(23.94)</b>	8	<b>Total comprehensive income for the period</b>	<b>(3.54)</b>	<b>(1.95)</b>	<b>(2.87)</b>	<b>(5.49)</b>	<b>(5.58)</b>	<b>(23.95)</b>
44.05	44.05	44.05	44.05	44.05	44.05	9	Paid up Equity Share capital, equity shares of Rs.2/- each	44.05	44.05	44.05	44.05	44.05	44.05
-	-	-	(184.89)	(161.05)	(179.40)	10	Other equity excluding revaluation reserve	-	-	-	(177.61)	(153.93)	(171.94)
(0.16)	(0.09)	(0.13)	(0.25)	(0.25)	(1.09)	11	Earning Per Share (face value of Rs.2/- each)	(0.16)	(0.09)	(0.13)	(0.25)	(0.25)	(1.09)
(0.16)	(0.09)	(0.11)	(0.25)	(0.22)	(1.09)		(b) Diluted	(0.16)	(0.09)	(0.11)	(0.25)	(0.22)	(1.09)

**Notes:**

- Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of MIC Electronics Limited ("company") under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') by an order of the National Company Law Tribunal (NCLT), Hyderabad with effect from 13th March 2018. As per Section 17 of the Code, appointed Mr.N.Prabhakar as the interim Resolution Professional (IRP) in terms of IBC. Mr.N.Prabhakar was subsequently confirmed by the committee of creditors (CoC) as the Resolution Professional (RP).  
  
Thereafter Honourable NCLT, Hyderabad bench has passed an order dated 31st July 2019 approving the Resolution Plan submitted by the resolution applicant. Consequently new board of directors have been appointed by the company. The above results have been reviewed by the Audit Committee at its meeting held on 13th November 2020 and approved by the Board of Directors of the Company at its meeting held on 13th November 2020. The same have also been subjected to limited review by the statutory auditors.
- During the half year ended 30th September 2020, the company has incurred a net loss of Rs.5.49 crores resulting into accumulated losses of Rs.184.89 crores as at 30th September 2020 and erosion of its network. The company has obligations towards fund based borrowings aggregating to Rs.162.39 crores. As part of CIRP Process, the resolution plan approved by Coc was submitted to Hon'ble NCLT, Hyderabad Bench and is approved by Honourable NCLT on 31st July 2019. In the opinion of the management revival of the company is possible in foreseeable future, accordingly, above results have been prepared on the basis that the company is a going concern.
- During the half year ended 30th September 2020, the group has incurred a net loss of Rs.5.49 crores resulting into accumulated losses of Rs.177.61 crores as at 30th September 2020 and erosion of its network. The group has obligations towards fund based borrowings aggregating to Rs.162.39 crores.
- Since, the company is under CIRP, due to the shortage of resources of the company and due to the impact of COVID-19, physical verification of inventories and its valuation could not be done as on 30th September 2020 aggregating to Rs.46.39 crores. Hence, the company has not made any provision to the valuation of inventories as on 30th September 2020.
- Since, the company is under CIRP, due to the shortage of resources of the company and due to the impact of COVID-19, Physical verification of fixed assets aggregating to Rs.73.03 crores (WDV as on 30th September 2020) has not been carried out by the management.
- The consolidated financial results include the unaudited financial results of the wholly owned subsidiary, M/s MIC Electronics Inc.
- Management reviewed the deferred tax assets/liabilities on temporary differences between the tax base of assets and liabilities and their carrying amounts for the financial reporting purpose at reporting date. However, as the company is under CIRP, there is virtual uncertainty of taxable profits in near future and availability of deferred tax assets to be set off. Accordingly, the deferred tax (net assets) for the reporting period i.e, April 1, 2020 to September 30, 2020 have not been considered.
- The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. As on the date of these results, the Company based on the internal and external information available and the current indicators, believes that there is no material impact of the pandemic on its overall performance, except as mentioned hereinbefore. However, given the uncertainties associated with the nature and duration of COVID-19, the Company continues to monitor the situation closely and shall take appropriate actions based on material changes (if any).
- The Company has only one segment i.e., LED Products.
- The figures for the quarter ended September 30, 2020 as reported in these financial results are the balancing figures between the un-audited figures in respect of 6 months period ended 30th September 2020 and published year to date figures for the first quarter ended 30th June 2020.
- Figures have been rearranged wherever necessary.

**STATEMENT OF ASSETS & LIABILITIES  
AS AT 30TH SEPTEMBER 2020**

(Rs.in crores)

Standalone		Particulars	Consolidated	
As at 30.09.2020	As At 31.03.2020		As At 30.09.2020	As At 31.03.2020
Un Audited	Audited		Un Audited	Audited
		<b>ASSETS</b>		
		<b>Non Current Assets</b>		
71.15	74.55	Property, Plant & Equipment	71.15	74.55
1.82	1.82	Capital Work-in-Progress	1.82	1.82
0.06	0.07	Other Intangible Assets	0.06	0.07
		Financial Assets		
		(i) Investments	7.57	7.75
11.54	11.54	Other Non Current Assets	11.55	11.56
<b>84.57</b>	<b>87.98</b>		<b>92.15</b>	<b>95.75</b>
		<b>Current Assets</b>		
46.39	49.53	Inventories	46.39	49.53
		Financial Assets		
8.46	9.51	(i) Trade receivables	8.46	9.51
0.17	0.05	(ii) Cash & Cash Equivalents	0.18	0.05
1.25	1.30	(iii) Bank balances other than ii above	1.25	1.30
0.27	0.11	(iv) Other financial assets	0.95	0.80
3.83	3.66	Other Current Assets	3.83	3.67
<b>60.37</b>	<b>64.16</b>		<b>61.06</b>	<b>64.86</b>
<b>144.94</b>	<b>152.14</b>	<b>TOTAL ASSETS</b>	<b>153.21</b>	<b>160.61</b>
		<b>EQUITY AND LIABILITIES</b>		
		<b>Equity</b>		
44.05	44.05	Equity Share Capital	44.05	44.05
(184.89)	(179.40)	Other Equity	(177.61)	(171.94)
<b>(140.84)</b>	<b>(135.35)</b>		<b>(133.56)</b>	<b>(127.89)</b>
		<b>Liabilities</b>		
		<b>Non-current liabilities</b>		
		Financial Liabilities		
		(i) Borrowings		
2.15	2.15	Long Term Provisions	2.15	2.15
<b>2.15</b>	<b>2.15</b>		<b>2.15</b>	<b>2.15</b>
		<b>Current liabilities</b>		
		Financial Liabilities		
14.48	14.48	(i) Borrowings	14.48	14.48
58.70	59.32	(ii) Trade Payables	59.69	60.33
161.65	169.28	(iii) Other Financial Liabilities	161.65	169.28
48.11	41.57	Other current liabilities	48.11	41.57
0.69	0.69	Current Tax Liabilities (Net)	0.69	0.69
<b>283.63</b>	<b>285.34</b>		<b>284.62</b>	<b>286.35</b>
<b>144.94</b>	<b>152.14</b>	<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>153.21</b>	<b>160.61</b>

## Cash Flow Statement for the Half year ended

(Rs.in Crores)

Standalone		Particulars	Consolidated	
30.09.20	30.09.19		30.09.20	30.09.19
Un Audited	Un Audited		Un Audited	Un Audited
		<b>Cash Flow from Operating Activities</b>		
(5.49)	(5.58)	Profit/(Loss) before Income tax from Continued Operations	(5.49)	(5.58)
		Effect of currency translation on consolidation	(0.18)	0.14
<b>(5.49)</b>	<b>(5.58)</b>	<b>Profit before Income tax including discontinued operations</b>	<b>(5.67)</b>	<b>(5.45)</b>
		Adjustments for non cash/non operational expenses :		
3.41	3.76	Depreciation & amortisation expenses	3.41	3.76
0.06	0.04	Financial Charges	0.06	0.04
	0.00	Interest received /Other Income	-	(0.00)
<b>(2.02)</b>	<b>(1.78)</b>	<b>Operating Profit before Working Capital Changes</b>	<b>(2.20)</b>	<b>(1.65)</b>
		Adjustments for working capital changes		
1.04	(0.35)	(Increase)/Decrease in Trade Receivables	1.04	(0.35)
3.14	0.16	(Increase)/Decrease in Inventories	3.14	0.16
(0.16)	(0.02)	(Increase)/Decrease in Other financial assets	0.04	(0.03)
0.01	0.09	Increase/(Decrease) in Other Non Current Assets	0.01	0.09
(0.16)	(0.05)	(Increase)/Decrease in Other Current Assets	(0.16)	(0.05)
(0.62)	0.26	Increase/(Decrease) in Trade Payables	(0.64)	0.28
0.00	0.00	(Increase)/Decrease in Provisions	-	-
(7.63)	(3.95)	Increase/(Decrease) in Other financial liabilities	(7.63)	(3.95)
6.54	5.70	Increase/(Decrease) in Other Current Liabilities	6.54	5.70
<b>2.16</b>	<b>1.84</b>	<b>Cash generated from Operations</b>	<b>2.34</b>	<b>1.84</b>
(0.05)	(0.04)	Financial Charges paid	(0.05)	(0.04)
<b>0.09</b>	<b>0.02</b>	<b>Net Cash Flow from operating activities</b>	<b>0.09</b>	<b>0.16</b>
		<b>Cash Flow from Investing Activities</b>		
(0.01)	(0.00)	Expenditure on acquisition of tangible and intangible assets ( net of Sale proceeds)	(0.01)	(0.00)
	0.00	Proceeds from sale of Investments		(0.14)
	(0.00)	Interest Received/Other Income		0.00
<b>(0.01)</b>	<b>(0.01)</b>	<b>Net Cash Flow from Investing Activities</b>	<b>(0.01)</b>	<b>(0.14)</b>
		<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	0.00	Proceeds from borrowings		
0.05	(0.02)	Deposits paid towards LCs & BGs	0.05	(0.02)
<b>0.05</b>	<b>(0.02)</b>	<b>Net Cash Flow from financing activities</b>	<b>0.05</b>	<b>(0.02)</b>
0.13	(0.01)	Net Increase in Cash and Cash equivalents	0.13	(0.01)
0.05	0.05	Cash and Cash equivalents as at the beginning of the year	0.05	0.06
<b>0.18</b>	<b>0.05</b>	<b>Cash and Cash equivalents as at the end of the year</b>	<b>0.18</b>	<b>0.05</b>



## PAVULURI & Co.

CHARTERED ACCOUNTANTS

Plot No.48, Flat No.301,

Micasa, Phase - I, Kavuri Hills,

Hyderabad - 500 033.

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Email : pavuluriandco@gmail.com

### Independent Auditors' Review Report - Standalone Financial Results

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

- a) We were engaged to review the accompanying statement of unaudited standalone financial results of **M/s. MIC ELECTRONICS LIMITED** ("the company") for the quarter and half year ended **30<sup>th</sup> September, 2020** (hereinafter referred to as "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.
- b) The company has been under the corporate insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") National Company Law Tribunal order dated March 13, 2018. The powers of the Board of Directors stand suspended as per Section 17 of the Code and such powers were exercised by the Resolution professional appointed by the honourable National Company Law Tribunal (Hyderabad bench) by the said order under the provisions of the code. Thereafter, honourable NCLT has passed an order dated 31<sup>st</sup> July 2019 approving the Resolution Plan submitted by the Resolution applicant. Consequently new Board of Directors have been appointed by the company.
- c) 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 5<sup>th</sup> July 2016 is the responsibility of Company's Management and has been signed by the Board of Directors of the Company. Our responsibility is to express a conclusion on the statement based on our review.
- d) We were engaged to conduct 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.
- e) We draw attention to Note 2 to the statement, in respect of preparation of statement on going concern basis. During the period the Company has incurred a Net Loss of Rs. 5.49 crores resulting into accumulated losses of Rs.184.89 crores and erosion of its Net worth as at 30<sup>th</sup> September 2020. The Company has obligations towards fund based borrowings aggregating to Rs.162.39 crores. Even though the resolution plan submitted for the company has been approved by the Honourable NCLT, Hyderabad bench, the implementation of resolution process is still in progress. The ultimate outcome of these matters at present is uncertain. We are unable to obtain sufficient and appropriate audit evidence in relation to going concern.
- f) We draw attention to the statement, regarding the pending comprehensive review of all the assets and liabilities and accordingly no provision for impairment of assets and write back of liabilities in the books of

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accounts has been made by the Company. In the absence of Comprehensive review by the company & pending confirmations, we are unable to comment on the recoverable / payable amount with regard to said items and consequential impact, if any on the statement.

- g) According to the information and explanation given to us, since the company is under CIRP, due to shortage of resources of the company and due to the impact of COVID-19, the Company has neither counted the physical inventories nor stated the inventories at the lower of cost and net realizable value as on 30<sup>th</sup> September 2020 which constitute departure from the accounting standards prescribed under section 133 of the Companies Act, 2013. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at September 30, 2020 which are stated in the balance sheet at Rs 46.39 crores.
- h) According to the information and explanation given to us, since the company is under CIRP, due to shortage of resources and due to the impact of COVID-19, the management has not done physical verification of fixed assets. Pending such physical verification, we are unable to comment on the reasonableness of the physical verification programme and discrepancies that may arise on such physical verification of fixed assets as well as requirement of any provision for impairment of fixed assets. We were unable to satisfy ourselves by alternative means concerning the fixed assets held at September 30, 2020 which are stated in the balance sheet at Rs 73.03 crores.
- i) The Company has received communication from State Bank of India to conduct a forensic audit and appointed an audit firm to conduct the forensic audit and as on the date of the report, the forensic audit is completed. However, no report has been provided for verification. However, the Company is of the view there will not be any significant impact that requires any adjustment that may arise to the amounts and disclosures in the financial statements.

As a result of these matters, we have not been able to obtain sufficient appropriate audit evidence to state whether any adjustments or disclosure would be required to the information included in the financial statements and the impact thereof.

- j) Because of the significance of the matters described in Paragraphs "(e) to (g)" we do not express an opinion on the accompanying statement of un-audited financial results for the Quarter and half year ended 30<sup>th</sup> September 2020.

Place: Hyderabad

Date: 13.11.2020



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

N. Rajesh

(CA. N. RAJESH)

PARTNER

M.No: 223169

UDIN #20223169AAAADJ9535



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### Limited Review Report-Consolidated Financial Results

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

- a) We were engaged to review the accompanying statement of unaudited consolidated financial results of **M/s. MIC ELECTRONICS LIMITED** ("the company") comprising of its subsidiary (together referred to as 'the Group'), for the quarter and half year ended **30<sup>th</sup> September, 2020**(hereinafter referred to as "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.
- b) The company has been under the corporate insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") National Company Law Tribunal order dated March 13, 2018. The powers of the Board of Directors stand suspended as per Section 17 of the Code and such powers were exercised by the Resolution professional appointed by the honourable National Company Law Tribunal (Hyderabad bench) by the said order under the provisions of the code. Thereafter, honourable NCLT has passed an order dated 31<sup>st</sup> July 2019 approving the Resolution Plan submitted by the Resolution applicant. Consequently new Board of Directors have been appointed by the company.
- c) 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 5<sup>th</sup> July 2016 is the responsibility of Company's Management and has been signed by the Board of Directors of the Company. Our responsibility is to express a conclusion on the consolidated statement based on our review.
- d) We were engaged to conduct 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 consolidated 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.
- e) We did not review the interim financial results of the subsidiary, 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 this subsidiary is based solely on such unaudited financial information furnished to us by the management.
- f) We draw attention to Note 3 to the Consolidated statement, in respect of preparation of statement on going concern basis. During the period the Group has incurred a Net Loss of Rs. 5.49 crores resulting into accumulated losses of Rs.177.61 crores and erosion of its Net worth as at 30<sup>th</sup> September 2020. The Group has obligations towards fund based borrowings aggregating to Rs.162.39 crores. Even though the resolution plan submitted for the company has been approved by the Honourable NCLT, Hyderabad bench, the implementation of resolution process is still in progress. The ultimate outcome of these matters at present is uncertain. We are unable to obtain sufficient and appropriate audit evidence in relation to going concern.







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Email : pavuluriandco@gmail.com

- g) According to the information and explanation given to us, since the company is under CIRP, due to shortage of resources of the company and due to the impact of COVID-19, the Company has neither counted the physical inventories nor stated the inventories at the lower of cost and net realizable value as on 30<sup>th</sup> September 2020 which constitute departure from the accounting standards prescribed under section 133 of the Companies Act, 2013. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at September 30, 2020 which are stated in the balance sheet at Rs 46.39 crores.
- h) According to the information and explanation given to us, since the company is under CIRP, due to shortage of resources and due to the impact of COVID-19, the management has not done physical verification of fixed assets. Pending such physical verification, we are unable to comment on the reasonableness of the physical verification programme and discrepancies that may arise on such physical verification of fixed assets as well as requirement of any provision for impairment of fixed assets. We were unable to satisfy ourselves by alternative means concerning the fixed assets held at September 30, 2020 which are stated in the balance sheet at Rs 73.03 crores.
- i) We draw attention to the consolidated statement, regarding the pending comprehensive review of all the assets and liabilities and accordingly provision for impairment of assets and write back of liabilities, hence no provision in the books of accounts has been made by the Company. In the absence of Comprehensive review by the company & pending confirmations, we are unable to comment on the recoverable / payable amount with regard to said items and consequential impact, if any on the statement.
- j) The Company has received communication from State Bank of India to conduct a forensic audit and appointed an audit firm to conduct the forensic audit and as on the date of the report, the forensic audit is completed. However, no report has been provided for verification. However, the Company is of the view there will not be any significant impact that requires any adjustment that may arise to the amounts and disclosures in the financial statements.
- As a result of these matters, we have not been able to obtain sufficient appropriate audit evidence to state whether any adjustments or disclosure would be required to the information included in the financial statements and the impact thereof.
- k) Because of the significance of the matters described in Paragraphs "(f) to (h)" we do not express an opinion on the accompanying statement of consolidated un-audited financial results for the Quarter and half year ended 30<sup>th</sup> September 2020.

Place: Hyderabad

Date: 13.11.2020



**For PAVULURI & Co.**  
**Chartered Accountants**

**Firm Regn. No: 012194S**



**(CA. N. RAJESH)**

**PARTNER**

**M.No: 223169**

**UDIN #20223169AAAADK8961**