

MIC Electronics Limited

CIN: L31909TG1988PLC008652

Regd. Off: A-4/II, Electronic Complex, Kushaiguda, Hyderabad,
Telangana, India, PIN: 500062.

Ph: +91 40 27122222 Fax: +91 40 27133333

Website: www.mic.co.in, Email id: cs@mic.co.in

ISO 9001:2008 ISO 14001:2004 Certified Company



Hyderabad, November 30, 2021

To

Listing Compliance Department

M/s. BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai- 400001

Listing Compliance Department

M/s. National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1, G Block,

Bandra Kurla Complex, Bandra (E),

Mumbai 400 051

Sub: Notice of 33rd Annual General Meeting and the 33rd Annual Report for the FY 2020-21

Ref: Scrip code - MIC / 532850

Pursuant to the provisions of the Regulation 34 of the SEBI (LODR) Regulations, 2015, we herewith enclose, notice of the 33rd Annual General Meeting (AGM) to be held at the registered office of the Company situated at A4/II, Electronic Complex, Kushaiguda, Hyderabad – 500062, Telangana on Monday, December 27, 2021 at 10.30 a.m.

The 33rd AGM Notice is made available on the Company's website www.mic.co.in at the Investors Section. The Register of Members and Share Transfer Books of the Company shall remain closed from December 21, 2021 to December 27, 2021 (both days inclusive) for the purpose of the 33rd Annual General Meeting.

We also enclose the 33rd Annual Report for the FY 2020-21.

This is for the information and records of the Exchange, please

Thanking you

Yours truly

For MIC Electronics Limited

Srikanth
Reddy Kolli

Srikanth Reddy Kolli

Company Secretary



Encl: A/a.



MIC Electronics Limited
33rd Annual Report 2020-21

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CORPORATE INFORMATION

Board of Directors

Mr. Kaushik Yalamanchili (DIN: 07334243)	-	Managing Director
Mr. Siva Lakshmanarao Kakarala (DIN: 03641564)	-	Non-executive Director
Mr. Manideep Katepalli (DIN: 07840019)	-	Independent Director
Ms. Karuna Gayathri Upadhyayula (DIN: 07901195)	-	Independent Director
Mr Vishnu Ravi (DIN: 01144902)	-	Managing Director (Resigned w.e.f. 30.06.2021)
Mr Srinivas Medasani (DIN: 00827476)	-	Independent Director (Resigned w.e.f. 05.07.2021)

Chief Financial Officer

- Mr Sadasivan Muralikrishnan Madurai

Company Secretary

- Mr Srikanth Reddy Kolli

Statutory Auditors

M/s. Pavuluri & Co,
Chartered Accountants,
Plot No. 48, Flat No. 301, Micasa, Phase-I,
Kavuri Hills, Hyderabad - 500 033

Secretarial Auditors

RPR & Associates, Company Secretaries,
H. No. 158/C, 2nd Floor,
Vengalrao Nagar, E Seva Lane,
SR Nagar, Hyderabad – 500038

Registrar & Share Transfer Agents

M/s Venture Capital and Corporate Investments Pvt. Ltd.,
12-10-167, Bharat Nagar, Hyderabad, Telangana – 500018
Ph: 040-23818475/476, Fax: 040-23868024,
Email: info@vccipl.com

Internal Auditors

M/s. RKSB & Associates,
Chartered Accountants
H.No. 5-5-139, Siddulawada,
Opp: Municipal Office,
Siricilla – 505301 Telangana. (from the FY 2021-22 onwards)

Registered Office

A4/II, Electronic Complex, Kushaiguda,
Hyderabad – 500062, Telangana.
Tel: (040) 27122222, Fax: (040) 27133333,
E-mail: cs@mic.co.in
CIN : L31909TG1988PLC008652
WEBSITE : www.mic.co.in,
INVESTORS EMAIL ID : cs@mic.co.in

Listing of Securities

1. BSE Limited (BSE)
2. National Stock Exchange of India Ltd (NSE)

Plant Location

Plot No. 192/B, Phase 2, IDA,
Cherlapally, Hyderabad – 500051

Bankers / Lenders

Bank of Maharashtra – Cherlapally branch

Board Committees:

Audit Committee	Mr Manideep Katepalli	Chairman
	Mr Kaushik Yalamanchili	Member
	Ms Karuna Gayathri Upadhyayula	Member
Stakeholders Relationship Committee	Mr Manideep Katepalli	Chairman
	Mr Kaushik Yalamanchili	Member
	Mr Siva Lakshmana Rao Kakarala	Member
Nomination and Remuneration Committee	Mr Manideep Katepalli	Chairman
	Mr Siva Lakshmana Rao Kakarala	Member
	Ms Karuna Gayathri Upadhyayula	Member

Notice is hereby given that the Thirty Third (33rd) Annual General Meeting of the Members of "MIC Electronics Limited" will be held at the registered office of the Company situated at A4/II, Electronic Complex, Kushaiguda, Hyderabad – 500062, Telangana on Monday, the 27th day of December 2021 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2021, including Audited Balance Sheet as at March 31, 2021, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr Siva Lakshmanarao Kakarala (DIN: 03641564), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s. Bhavani & Co., Chartered Accountants as Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the thirty eighth Annual General Meeting and to fix their remuneration:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, as applicable including any amendments, modifications, variations, or re-enactments thereof, the Company hereby appoints M/s. Bhavani & Co.; Chartered Accountants, (Firm Registration No. 012139S), as a Statutory Auditors of the Company for a term of 5 (five) consecutive years to conduct audit from the F.Y. 2021-22 to 2025-26, to hold office from the conclusion of this meeting until the conclusion of the 38th Annual General Meeting of the Company, at a remuneration of Rs. 5,00,000/- per annum in addition to reimbursement of out-of-pocket expenses incurred by them.

FURTHER RESOLVED THAT the Board of Directors or Audit Committee thereof, be and are hereby severally authorized to decide and finalize the terms and conditions of appointment, including the remuneration of the Statutory Auditors."

SPECIAL BUSINESS:

4. **To appoint Mr. Kaushik Yalamanchili (DIN : 07334243) as a Director :**

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

"RESOLVED THAT Mr. Kaushik Yalamanchili (DIN: 07334243), who was appointed as an Additional Director with effect from July 06, 2021 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of the ensuing General Meeting, and in respect of whom the board of directors vide its meeting held on November 12, 2021 recommends under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company whose period of office shall not be determinable by retirement of directors by rotation.

FURTHER RESOLVED THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to take such steps and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

5. **To approve the appointment of Mr. Kaushik Yalamanchili as a Managing Director:**

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of members be and is hereby accorded to appoint Mr. Kaushik Yalamanchili (DIN: 07334243) as a Managing Director, who is not liable to retire by rotation, for a period of 3 (Three) years with effect from September 16, 2021 on terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors and Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment and / or remuneration as they may deem fit and as may be acceptable to Mr. Kaushik Yalamanchili, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay remuneration by way of salary, allowances, perquisites and other benefits to Mr. Kaushik Yalamanchili, in respect of such financial year, as the Board of Directors may deem fit, subject to the limits and conditions prescribed in Schedule V to the Act for the time being in force.

FURTHER RESOLVED THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to take such steps and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

6. **To appoint Mr. Manideep Katepalli (DIN: 07840019) as a Director :**

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

"RESOLVED THAT Mr. Manideep Katepalli (DIN: 07840019), who was appointed as an Additional Director with effect from July 06, 2021 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of the ensuing General Meeting, and in respect of whom the board of directors vide its meeting held on November 12, 2021 recommends under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the

Company whose period of office shall not be determinable by retirement of directors by rotation.

FURTHER RESOLVED THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to take such steps and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

7. To appoint Mr. Manideep Katepalli (DIN: 07840019) as Independent Director:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI LODR Regulations, 2015, Mr Manideep Katepalli (DIN: 07840019), who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company for a period of five years with effect from July 06, 2021.

FURTHER RESOLVED THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to take such steps and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

8. To increase the limits for borrowings:

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors to borrow money, as and when required, including without limitation, from any Bank and/or other Financial Institution and/or foreign lender and/or any Body corporate/ entity/entities and/or authority/authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of Rs. 250 Crores (Rupees Two Hundred Fifty Crores only) for the Company, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital and its free reserves of the Company.

FURTHER RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and subject to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, consent of the shareholders of the company be and is hereby accorded, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed a sum of Rs. 250 Crores (Rupees Two Hundred Fifty Crores only) for the Company at any time.

FURTHER RESOLVED THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

9. To make investments, give loans, guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013:

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 including any amendment thereto or re-enactment thereof for the time being in force, if any, the approval of the members of the Company be and is hereby accorded to the Board to (a) give any loan to any Body corporate(s) / person (s); (b) give any guarantee or provide security in connection with a loan to any Body corporate(s) / person (s); and (c) acquire by way of subscription, purchase or otherwise, securities of any Body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding INR 250 Crores (Rupees Two Hundred Fifty Crores Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

FURTHER RESOLVED THAT in case of divestment of the investment, the Directors of the Company be and are hereby authorized to decide, sign the necessary applications, papers, forms, documents etc. for effective implementation of decision of divestment taken by the Company from time to time.

FURTHER RESOLVED THAT for the purpose of giving effect to the above, Board of Directors or Company Secretary of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and

to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution".

10. To amend the Main Objects Clause of the Memorandum of Association of the Company:

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 13(9) of the Company Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and subject to approval of the Registrar of Companies, Telangana and all other relevant authorities, if any, Company be and is hereby authorised to alter the Main Objects Clause of Memorandum of Association of the Company by adding following two new clauses, after existing clause III (A) 4:

5. To undertake, take up, carry on, engage, give or take the job work, either alone or jointly, into the business of manufacturing, processing, assembling, trading, marketing, repairing and distribution, deal in all kind of materials, equipment for use in all kind of applications in market segments such as e-mobility, automotive, domestic, commercial, industrial, or for any other purposes and the matters ancillary thereto, including but not limited to energy storage & management products and technologies, all kind of batteries like Lead Acid Batteries, lithium cells; aluminum fuel cells, or fuel cells ("battery cells"); or such other chemistries and components of battery cells; and batteries packs composed of such battery cells including module making & other systems; electric vehicles; power conversion and evacuation systems etc.; integrated power systems; mobility solutions; battery swapping stations; power/energy management system; public or private charging network; chargers, invertors, capacitors; solar energy cells, including PV cells and modules or such other alternative energy generating devices and parts thereof.
6. To do the business of manufacturing, trading and provide service of Lithium-ion Batteries, Lithium Polymer Batteries, Customized Battery Packs, Battery Chargers, Mobile Power, Electrical Items, Job Work Service, Electrical Vehicles, Systems directly or indirectly related to renewable energy generation and storage through solar, wind, water or any other renewable means, Installation, Commissioning and consultancy for Lithium Battery projects; to carry on all or any of the following businesses including but not limited to giving for job work or taking the job work viz., makers of, buyers and sellers of and dealers in and repairers of electrical and/or chemical batteries, appliances and goods of all kinds; of store-keepers dealing with all kinds of goods and articles whether electrical or chemical in connection with the above mentioned business, exploiters of inventions of all kinds; engineers, makers, manufacturers and dealers of and in electric motor vehicles and/or flying machines and the accessories thereof; makers of and dealers in fancy articles of all types.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to take all the requisite, incidental, consequential steps to implement the above resolution and to perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, any question, query, or doubt that may arise in this regard, and to execute/publish all such notices, deeds, agreements, papers and writings as may be necessary and required for giving effect to this resolution."

11. To increase Authorised Share Capital of the Company:

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

"RESOLVED THAT in accordance with the provisions of Section 13, 61, 64 and other applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder read with Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Authorised Share Capital of the Company be increased from the existing Rs. 54,00,00,000/- (Rupees Fifty-Four Crore only) divided into 27,00,00,000 Equity Shares of Rs. 2/- each to Rs. 75,00,00,000/- (Rupees Seventy-Five Crore only) divided into 37,50,00,000 Equity Shares of Rs. 2/- each by creation of an additional 10,50,00,000 Equity Shares of Rs. 2/- each ranking pari-passu in all respect with the existing Equity Shares of the Company;

FURTHER RESOLVED THAT the Managing Director and/or Company Secretary of the Company, be and are hereby severally authorised to exercise such powers, and to do all such acts, deeds, things and matters (including signing and filing e-Forms with the Registrar of Companies) as may be required or considered necessary or incidental thereto to give effect to this resolution."

12. To alter the Capital Clause of Memorandum of Association:

To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 13, 61, 64 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the consent of the members of the Company be and is accorded for substituting Clause V of the Memorandum of Association of the Company with the following clause:

Clause V: "The Authorised Share Capital of the Company is Rs.75,00,00,000 (Rupees Seventy Five Crores only) divided into 37,50,00,000 (Thirty Seven Crores Fifty Five Lakhs) Equity Shares of Rs.2/- (Rupees Two only) each with a power to increase and reduce the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company for the time and to vary modify or abrogate any such rights privileges or conditions in such manner as may be permitted by the Companies Act or provided by the regulations for the time being."

FURTHER RESOLVED THAT the Managing Director and/or Company Secretary of the Company, be and are hereby severally authorised to exercise such powers, and to do all such acts, deeds, things and matters (including signing and filing e-Forms with the Registrar of Companies) as may be required or considered necessary or incidental thereto to give effect to this resolution."

13. To adopt new Memorandum of Association as per the provisions of the Companies Act, 2013

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 13, 15 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory

modification or re-enactment thereof for the time being in force, and Rules made thereunder and subject to necessary statutory approvals and modifications if any, consent of the members be and is hereby accorded to adopt the new Memorandum of Association in place of the existing Memorandum of Association with no change in existing Clause III A containing the Main Objects sub-clause no. 1 to 6.

FURTHER RESOLVED THAT the existing Clause III B containing the "Objects Incidental or Ancillary to the attainment of Main Objects" sub-clause no. 1 to 42 be and is hereby stands deleted and replaced by New Clause III (B) "Matters which are necessary for furtherance of the Objects specified in Clause III(A) containing the sub-clause no. 1 to 73.

FURTHER RESOLVED THAT the existing Clause III C containing the "Other Objects" sub clause no. 1 to 31 be and is hereby also stands deleted in full.

FURTHER RESOLVED THAT consent of shareholders of the Company be and is hereby accorded to approve and adopt the aforesaid changes in the Memorandum of Association of the Company and that Mr. Kaushik Yalamanchili, Managing Director and/or Mr. Srikanth Reddy Kolli, Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

14. To adopt new set of Articles of Association as per the provisions of the Companies Act, 2013

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14, 15 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to adopt the new set of Articles of Association containing, inter-alia, Article no. 1 to Article no. 142 in place of existing Articles of Association containing Article No. 1 to Article no. 117 as available for inspection in the meeting and at the registered office of the company during working hours.

FURTHER RESOLVED THAT Mr. Kaushik Yalamanchili, Managing Director and/or Mr. Srikanth Reddy Kolli, Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

By Order of the Board
For MIC Electronics Ltd

Date: November 12, 2021
Place: Hyderabad

Srikanth Reddy Kolli
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY, OR WHERE, THAT IS ALLOWED ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY STAMPED, SIGNED AND DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights and such person, who shall not act as a proxy for any other member.
Proxies submitted on behalf of Limited Companies, Societies, Partnership Firms, etc. must be supported by appropriate resolution / authority, as applicable, issued by the member organization.
2. The Registrar of Companies, Hyderabad on September 07, 2021 had granted extension of 3 (Three) Months to the Company for the purpose of holding AGM for the FY 2020-21 based on the application made by the Company vide SRN T39465018 on August 31, 2021. Accordingly, the AGM was scheduled on December 27, 2021.
3. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slip duly filled and signed will be permitted to attend the meeting. The Company reserves the right to take all steps as may be deemed necessary to restrict non-members from attending the meeting. Members/ Proxies are requested to bring along with them Annual Reports being sent to them.
4. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to please bring your folio number/DP ID-Client ID to enable us to give you a duly filed attendance slip for your signature and participation at the meeting.
5. Members who holds shares in dematerialized form and want to change/correct the Bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR code of their Bank to their Depository participants. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the Bank account details. The Registrar is obliged to use only the data provided by the Depositories, in case of such demat shares.
6. Non-resident Indian Shareholders are requested to inform about the following immediately to the Share Transfer Agent or the concerned Depository as the case maybe: - a. the change of residential status on return to India for permanent settlement. b. the particulars of NRE Account with a Bank in India, if not furnished earlier.
7. Copy of the draft letters of appointment of Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company and also available @ www.mic.co.in.
8. The statement pursuant to Section 102 of the Companies Act, 2013, in respect of the SPECIAL BUSINESS to be transacted at the meeting is attached. The relevant details pursuant to regulations 26(4) and 36(3) of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and secretarial standard on general meetings issued by the Institute of Company Secretaries

of India, in respect of Directors seeking appointment/re-appointment at this annual general meeting are also annexed.

9. The Share Transfer Books and Register of Members of the Company will remain closed from December 21, 2021, to December 27, 2021 (both days inclusive).
10. Shareholders desiring any information as regards to the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
11. The registration of share transfers and other related correspondence will be dealt with, by the Company at M/s. Venture Capital and Corporate Investments Pvt Ltd, having its office at 12-10-167, Bharat Nagar, Hyderabad, Telangana – 500018.
12. The shareholders / members of the Company, who are having equity shares of the Company in physical form, are advised to get dematerialized of their respective equity shares by way of surrendering their physical share certificates to the Registrar and Share Transfer Agents (RTA) of the Company (i.e., M/s Venture Capital and Corporate Investments Pvt Ltd., Hyderabad) through their respective Depository Participants. The shareholders /members, who are not having demat accounts are requested to open the demat accounts and thereafter approach the RTA for dematerialization of their equity shares.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants Members holding shares in physical form can submit their PAN details to the RTA.
14. Electronic copy of the Annual Report for 2020- 21 (including Notice of the 33rd Annual General Meeting of the Company along with Attendance Slip and Proxy) is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not having email address, physical copies of the Annual Report for 2020-21 is being sent in the permitted mode.
15. Members holding shares in electronic form are requested to update the email id with their respective Depository Participants to receive all the communications in electronic mode.
16. Members may also note that the Notice of the 33rd Annual General Meeting and the Annual Report for 2020-21 will also be available on the Company's website www.mic.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on working days.
17. Voting through electronic means. Pursuant to provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to cast their votes electronically on all resolutions set forth in the notice convening the 33rd Annual General Meeting. The business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The e-voting facility is available at the link www.evotingindia.com, the e-voting facility will be available on and from December 24, 2021, at 9.00 a.m., and ends on December 26, 2021 at 5.00 p.m.

Mr. Y. Ravi Prasada Reddy, Practicing Company Secretary, Proprietor of RPR & Associates (CP No. 5360), Company Secretaries, Hyderabad, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman of this AGM ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, depositories and RTA, and will also be displayed on the Company's website, www.mic.co.in.

The instructions for shareholders voting electronically are as under:

- i) The voting period begins on December 24, 2021, at 9.00 a.m., and ends on December 26, 2021, at 5.00 p.m. 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) of December 20, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of Shareholders	Login Method
Individual shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https:// web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual shareholders holding securities in Demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual shareholders (holding securities in Demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login method for e-Voting for members holding Physical shares and shareholders other than individuals holding in Demat form:

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For members holding shares in Demat Form or Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- iv. After entering these details appropriately, click on "SUBMIT" tab.
- v. 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.
- vi. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- vii. Click on the EVSN 211118004 for the relevant on which you choose to vote.
- viii. 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.
- ix. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- x. 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.
- xi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xiii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xiv. Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@mic.co.in, yrvifcs@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- xv. PROCESS FORTHOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.
 1. For members holding Physical shares - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
 2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
 3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
- xvi. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND PURSUANT TO REGULATION 36 OF SEBI (LODR) REGULATIONS, 2015 TO THE ACCOMPANYING NOTICE DATED NOVEMBER 12, 2021.

Item No. 3

To appoint M/s. Bhavani & Co. (FRN: 012139S), Chartered Accountants as the Statutory Auditors of the Company:

M/s. Pavuluri & Co., Chartered Accountants (Firm Registration No. 012194S) were appointed second term as Statutory Auditors of the Company at the 29th AGM held on September 29, 2017, for a term of 4 (Four) consecutive years to conduct the audit of F.Y. 2017 to 2021. Their second term will expire at the conclusion of this 33rd AGM.

Based on the experience and competency of the Auditors, requirement of the Company and other relevant aspects and on the recommendation of Audit Committee, Board of Directors ('the Board') at their meeting held on November 12, 2021 recommended the appointment of M/s. Bhavani & Co. (FRN.: 012139S), Chartered Accountants as a Statutory Auditor of the Company for a term of 5 (Five) consecutive years commencing from F.Y. 2021-22 to 2025-26, for the approval of shareholders at ensuing Annual General Meeting in place of retiring auditors M/s. Pavuluri & Co., Chartered Accountants. The Auditors have confirmed that they are eligible for appointment and their appointment, if made, would be within the prescribed limits and shall be in accordance with the conditions and criteria as prescribed under section 139, 141 and other applicable provisions of the Act and Rules made thereunder and board confirmed their eligibility under the relevant provisions of Chapter X of the Companies Act, 2013 and rules made thereunder.

The proposed fee for the said appointment will be Rs.5,00,000/- (Rupees Five Lakhs) per annum (exclusive of taxes and reimbursement of out-of-pocket expenses at actuals) which is in line with the industry standards and is not materially different from the fee paid to the erstwhile auditors. The Audit Committee has taken into account the experience and expertise of the auditors and recommended their appointment.

The Board has accordingly recommending to the shareholders for their appointment for a term of 5 (Five) consecutive years who shall hold the office till the conclusion of 38th Annual General Meeting of the Company to be held in the year 2026.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

The Board of Directors recommend the Resolution at Item No. 3 of the accompanying Notice for the approval of the Members of the Company as an ordinary resolution.

Item No. 4

To appoint Mr. Kaushik Yalamanchili (DIN : 07334243) as a Director :

Mr Kaushik Yalamanchili (DIN: 07334243) was appointed as an Additional Director w.e.f. July 06, 2021 in accordance with the provisions of Section 161 of the Companies Act, 2013 who holds office up to the date of ensuing General Meeting. In this regard the board of directors vide its meeting held on November 12, 2021 recommended for the approval of the shareholders, proposing candidature of Mr Kaushik Yalamanchili for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board considered that the co-option of Mr Kaushik Yalamanchili on the Board is desirable and would be beneficial to the company in various fronts and hence recommends resolution no. 4 for your approval.

Mr Kaushik Yalamanchili is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

Except Mr Kaushik Yalamanchili, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

Brief profile of director to be regularized, including nature of their expertise and other disclosure as required under SEBI LODR Regulations, Secretarial Standards, is provided at Annexure to this Notice.

Item No. 5

To approve the appointment of Mr. Kaushik Yalamanchili as a Managing Director :

The board of directors in its meeting held on September 16, 2021 & November 12, 2021 considered the recommendations of the Nomination and Remuneration Committee appointed and approved to recommend for the approval of shareholders at the ensuing AGM, the appointment of Mr Kaushik Yalamanchili as Managing Director of the Company for a period of three years from September 16, 2021.

The Company has received from Mr Kaushik Yalamanchili (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 he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013, and (iii) Notice of interest in Form MBP-1 in terms of section 184 (1), and other applicable provisions of the Companies Act, 2013.

The terms and conditions of his appointment are as follows:

- a. Period of Appointment: Three years from September 16, 2021 to September 15, 2024.
- b. Remuneration Details: Rs. 24,00,000/- per annum including Bonus, cash allowances and incentives with the authority granted to the Board of Directors to determine the salary and grant such increases from time to time within the aforesaid limit. Other facilities, if any, includes Company's Contribution to Provident Fund, Provision for Gratuity, Encashment of Leave Salary, as per the rules of the Company.

These shall not be included in computation of above limits of remuneration. Minimum Remuneration Notwithstanding anything herein above stated, wherein any financial year, the Company incurs loss or its profits are inadequate, the Company shall pay to Mr Kaushik Yalamanchili, the remuneration by way of Salary, Bonus and Other Allowances not exceeding the limits specified under Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactment (s) thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time.

- c. Termination: Mr Kaushik Yalamanchili can be terminated by either party giving 3 months' notice in writing of such termination.
- d. Duties and Responsibilities: Mr Kaushik Yalamanchili shall be responsible for entire commercial assignments as applicable under various statutes and shall perform such duties which may be entrusted to him, subject to superintendence, control and guidance of Board of Directors.

Information in accordance with Schedule V of Companies Act, 2013:

I. General Information:

1	Nature of Industry: Electronic Components – design, development & manufacturing of LED video displays and lighting products.			
2	Date or expected date of commencement of commercial: commercial operations started in the year 1988.			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: NA			
4	Financial performance based on given indications			(in INR)
	Particulars	2020-21	2019-20	2018-19
	Turnover	1,08,96,867	1,85,84,013	4,83,79,564
	Net profit/ loss after Tax	(5,41,32,436)	(23,93,57,048)	(27,47,80,130)
5	Foreign investments or collaborations, if any: NIL			

II. Information about the Appointee:

1	Background Details: Mr Kaushik Yalamanchili is an Engineering Graduate in Mechanical Engineering and having experience in trading various commodities and was handling assignment in Singapore before his return to India in the month of March 2020. After his return, he has been inducted into the Board of M/s RRK Enterprise Pvt Ltd, the Resolution Applicant, whose Resolution Plan of M/s MIC Electronics Limited was approved by the Hon'ble NCLT, Hyderabad on 31.07.2019. Subsequently, he was inducted as Additional Director in the Board of M/s MIC Electronics Limited in the Board meeting held on 06.07.2021. Since his inception into the Board, he is playing active role in revival of M/s MIC Electronics Ltd and oversaw various processes involved in meeting stringent specifications and certifications with respect to manufacture and supply of Oxygen Concentrators (OCs) order from M/s ONGC. He is closely monitoring the production of OCs to ensure timely delivery to M/s ONGC after meeting the quality checks. In addition, he is actively involved in Finance, Human Resources and other functional areas of the Company.
2	Past Remuneration: NA
3	Recognition or awards: He received academic awards during his studies.
4	Job Profile and his suitability: He is a director of M/s. RRK Enterprise Pvt Ltd, the Resolution Applicant of M/s. MIC Electronics Limited whose Resolution Plan was approved by the Hon'ble NCLT and want to run the Company successfully in the coming years with an aim of providing huge employment and to take the Company in to the list of top five in respective segment.
5	Remuneration proposed: Rs. 24,00,000/- per annum
6	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): The Nomination and Remuneration Committee constituted by the Board perused remuneration of managerial personnel in the other Companies in the similar Industry and also other companies comparable with the size of the Company, industry benchmark in general, and accorded due cognizance to all these factors before approving the remuneration as proposed hereinabove. Considering professional qualifications, background, experience and competence of Mr Kaushik Yalamanchili and the responsibility shouldered by him, the terms of remuneration are considered to be fair, just and reasonable.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: He is a director of M/s. RRK Enterprise Pvt Ltd, new promoter of the Company.

III. Other Information

1	Reasons for inadequate profits: Reasons for inadequate profits are that the Company was admitted for Insolvency Resolution Process in the year 2018 and thereafter the Company activities in all respects were deteriorated until the new management took over the Company very recently as per the Resolution Plan approved by the Hon'ble NCLT.
2	Steps taken or proposed to be taken for improvement: In order to mitigate the hardships caused by the reasons mentioned above, the new management is putting all its best efforts to revive the operations in the plants of the Company and also to revive the business to profit making.
3	Expected increase in productivity and profit in measurable terms: 500% increase in production and 15% increase in profit is expected in the next three years.

Relationship with other directors – Nil.

Shareholding in the Company – Nil.

Directorship in other companies:

1. Nature Fields Agrifarms Private Limited
2. Tengteng Steels Private Limited
3. RRK Enterprise Private Limited
4. Traderich Securities LLP – Designated Partner

5. Ares Properties LLP – Designated Partner

As the Managing Director, Mr Kaushik Yalamanchili shall perform such functions as may from time to time be entrusted to him by the Board, he shall be subject to the supervision and control of the Board of Directors. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

The special resolution as set out against item no. 5 was approved by the Nomination & Remuneration Committee and the Board at their respective meetings held on September 16, 2021.

The Board is of the opinion that the appointment of Mr Kaushik Yalamanchili as Managing Director would be in the interest of the Company and it is desirable to avail services of Mr Kaushik Yalamanchili as Managing Director due to his experience.

A brief profile of Director to be appointed, including nature of his expertise and other disclosure as required under SEBI LODR Regulations, Secretarial Standards, is provided at Annexure to this Notice.

Accordingly, the Board recommends the resolution no. 5 in relation to appointment of Mr Kaushik Yalamanchili as Managing Director, for the approval by the shareholders of the Company by way of Special Resolution.

Except Mr Kaushik Yalamanchili, none of the other Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise in the resolution set out at item no.5.

Item No. 6

To appoint Mr. Manideep Katepalli (DIN: 07840019) as a Director :

Mr Manideep Katepalli (DIN: 07840019) was appointed as an Additional Director w.e.f. July 06, 2021 in accordance with the provisions of Section 161 of the Companies Act, 2013 who holds office up to the date of ensuing General Meeting. In this regard the board of directors vide its meeting held on November 12, 2021 recommended for the approval of the shareholders, proposing candidature of Mr Manideep Katepalli for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board considered that the co-option of Mr Manideep Katepalli on the Board is desirable and would be beneficial to the company in various fronts and hence recommends resolution no. 6 for your approval.

Mr Manideep Katepalli is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

Except Mr Manideep Katepalli, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said resolution.

Brief profile of director to be regularized, including nature of his expertise and other disclosure as required under SEBI LODR Regulations, Secretarial Standards, is provided at Annexure to this Notice.

Item No. 7

To appoint Mr. Manideep Katepalli (DIN: 07840019) as Independent Director :

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr Manideep Katepalli (DIN: 07840019) is proposed to be appointed as Independent Director for a term as stated in the Resolution.

The Board of Directors in their meeting held on November 12, 2021, have recommended appointment of Mr Manideep Katepalli as Independent Director of the Company.

Mr Manideep Katepalli has submitted a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as Independent Director of the Company and he is independent of the management. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

Copy of the draft letter for appointment of Mr Manideep Katepalli, Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

A brief profile of Independent Director to be appointed, including nature of his expertise and other disclosure as required under SEBI LODR Regulations, Secretarial Standards, is provided at Annexure to this Notice.

Except Mr Manideep Katepalli, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in resolution set out at item no 7.

Item No. 8

To increase the limits for borrowings :

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company.

Hence it is proposed to increase the maximum borrowing limits to Rs. 250 Crores for the Company. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the

undertaking of the Company for which authorisation for creation of charge on assets of the Company for securing the borrowings made by the Company is also proposed to be increased to Rs. 250 Crores.

Hence, the Special Resolution at Item No.8 of the Notice is being proposed, since the same exceeds the limits provided under Section 180(1)(a) & 180(1)(c) of the Act, the Directors recommend the Special Resolution as set out at Item no. 8 of the accompanying Notice, for members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

Item No.9

To make investments, give loans, guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013:

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of the Annual General Meeting for an amount not exceeding INR 250 crores (Rupees Two Hundred Fifty crores Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013. The Directors therefore, recommend the Special Resolution for approval of the shareholders.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution as set out at item no. 9 except to the extent of their shareholding in the Company.

Item No.10

To amend the Main Objects Clause of the Memorandum of Association of the Company::

The Company intend to explore the opportunities in all kinds of energy storage products and technologies including but not limited to Li-ion batteries, Sodium-ion batteries, etc; and also intends to explore and engage in the manufacture of all kinds of energy storage products of various chemistries including but not limited to lithium cells, aluminum cells, or such other advanced cell chemistry for energy storage. In the EV space, the Company intends to explore and offer e-mobility solutions including battery swapping stations and set up charging stations. Further, the Company also intends to deal with Solar cells, PV cells including modules required for clean energy generation.

Also, the Company intends to offer complete energy storage solutions to the customers and intend to manufacture or deal in all kind of energy storage devices, balance of systems including charging systems, Battery Management Systems, Power management systems, energy management systems, inverters, power conversion and evacuation systems etc.

In order to engage in the above businesses, it is proposed to amend the objects clause of the Memorandum of Association of the Company by addition of new clauses as provided in the resolution. As per the provisions of Section 13 of the Companies Act, 2013 and the rules made thereunder requires approval of the members by way of special resolution.

Accordingly, approval of the members is sought by way of special resolution as set out in item no. 10 of the notice to amend the main objects clause of Memorandum of Association of the Company.

A draft copy of the Memorandum of Association of the Company after incorporating the above objects clause is available for inspection at the registered office of the Company during normal course of business hours and also available on the website of the Company i.e. www.mic.co.in.

The Board unanimously recommends the special resolution as set out at item no. 10 of this notice.

None of the other directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in Item No. 10 of this notice.

Item No.11

To increase Authorised Share Capital of the Company :

With a view to raise funds through issue of further securities of the Company, it is proposed to increase the existing Authorised Share Capital of the Company from Rs. 54 Crore to Rs. 75 Crore.

Pursuant to Sections 13, 61 and 64 of the Companies Act, 2013, the consent of the Shareholders of the Company is required to the proposed increase in the authorised share capital. Accordingly, the Board of Directors of the Company, vide its resolution passed at the meeting held on November 12, 2021 has proposed to increase the Authorised Share Capital of the Company and seeks the approval of members for the same.

None of the Directors or key managerial personnel of the Company, or their respective relatives, is concerned or interested, financially or otherwise, except their shareholding, if any, in the Company, in the resolution set out at Item No. 11 of the Notice.

Item No.12

To alter the Capital Clause of Memorandum of Association :

In order to reflect the increase Authorised Share Capital of the Company, and in order to confirm to the requirements of the Companies Act, 2013,

Clause V of the Memorandum of Association of the Company is required to be amended.

A draft of the amended Memorandum of Association of the Company with the following Clause V is being circulated herewith:

Clause V: "The Authorised Share Capital of the Company is Rs.75,00,00,000 (Rupees Seventy Five Crores only) divided into 37,50,00,000 (Thirty Seven Crores Fifty Five Lakhs) Equity Shares of Rs.2/- (Rupees Two only) each with a power to increase and reduce the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company for the time and to vary modify or abrogate any such rights privileges or conditions in such manner as may be permitted by the Companies Act or provided by the regulations for the time being."

Pursuant to Section 13 of the Companies Act, 2013, the alteration of the Memorandum of Association of the Company requires the approval of Members of the Company and accordingly the Board now seeks the approval of members for the same by way of passing a special resolution.

None of the Directors or key managerial personnel of the Company, or their respective relatives, is concerned or interested, financially or otherwise, except their shareholding, if any, in the Company, in the resolution set out at Item No. 12 of the Notice.

Item No. 13

To adopt new Memorandum of Association as per the provisions of the Companies Act, 2013 :

The Companies Act, 2013, has prescribed a new format of Memorandum of Association ("MOA") for public companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter the MOA of the Company by merging and retaining the Objects under Clause III (C) – "The Other Objects are" with Clause III (B) – "The Objects Incidental or Ancillary to the attainment of the Main Objects are" to the extent possible and also to rename and renumber the Clause III (A) and III (B) of the Object Clause.

The Board at its meeting held on November 12, 2021 has approved alteration of the MOA of the Company and recommends the Special Resolution set forth in Item No. 13 of the Notice for approval of the Members.

The proposed draft MOA is being uploaded on the Company's website for perusal by the Members.

Further, a copy of the proposed MOA of the Company would be available for inspection for the Members at the Registered Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 5.00 p.m. till the date of AGM. The aforesaid documents are also available for inspection at the AGM.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the resolution except to the extent of their shareholding, if any, in the Company.

Item No. 14

To adopt new set of Articles of Association as per the provisions of the Companies Act, 2013 :

The existing Articles of Association (AOA) are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act. On 12 September, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on 26 March, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal"). With the coming into force of the Act, several regulations of the existing AOA of the Company require alteration or deletions in several articles.

Given this position, it is considered expedient to replace wholly the existing AOA by a new set of Articles. The new AOA to be substituted in place of the existing AOA are based on "Table-F" of the Act which sets out the model articles of association for a company limited by shares.

Pursuant to Section 14 of the Act, the consent of the Members by way of Special Resolution is required for alteration of AOA of the Company. The Board recommends the Special Resolution set forth in Item No. 14 of the Notice for approval of the Members.

The proposed new draft AOA is being uploaded on the Company's website for perusal by the Members. Further, a copy of the proposed set of new AOA of the Company would be available for inspection for the Members at the Registered Office/Corporate Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 5.00 p.m. till the date of AGM. The aforesaid documents are also available for inspection at the AGM.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

By Order of the Board
For MIC Electronics Ltd

Srikanth Reddy Kolli
Company Secretary

Date: November 12, 2021
Place: Hyderabad

Annexure

Details of Director(s) seeking appointment/ re-appointment/ regularization at the Annual General Meeting (Pursuant to Reg.36 (3) of SEBI (LODR) Regulations, 2015 is given below:

A	Name	Mr Kaushik Yalamanchili	Mr Manideep Katepalli	Mr Siva Lakshmanarao Kakarala
B	Brief Profile			
	i) Age	28 years	30 years	77 years
	ii) Educational Qualification	Engineering Graduate in Mechanical Engineering	Engineering Graduate in Computer Science	MA (Mathematics) and MS (Operations Research)
	iii) Experience in specific functional area	Mr Kaushik Yalamanchili is an Engineering Graduate in Mechanical Engineering and having experience in trading various commodities and was handling assignment in Singapore before his return to India in the month of March 2020. After his return, he has been inducted into the Board of M/s RRK Enterprise Pvt Ltd, the Resolution Applicant, whose Resolution Plan of M/s MIC Electronics Limited was approved by the Hon'ble NCLT, Hyderabad on 31.07.2019. Subsequently, he was inducted as Additional Director in the Board of M/s MIC Electronics Limited in the Board meeting held on 06.07.2021. Since his inception into the Board, he is playing active role in revival of Company and oversaw various processes involved in meeting stringent specifications and certifications with respect to manufacture and supply of Oxygen Concentrators (OCs) order from M/s ONGC. He is closely monitoring the production of OCs to ensure timely delivery to M/s ONGC after meeting the quality checks. In addition, he is actively involved in Finance, Human Resources and other functional areas of the Company.	Mr Manideep Katepalli is an engineering graduate in computer science from Aurora's Scientific Technological and Research Academy and having experience in trading in automobile sector for the last five years and an experienced Co-founder with a demonstrated history of working in the Pre-Owned Cars Industry. Having skills in Business Planning, Strategizing and Sales & Marketing.	Mr Siva Lakshmana Rao Kakarala is M.A. (Mathematics) from Andhra University and M.S. (Operations Research) from United States of America. He has vast experience in Banking and Financial Sectors in India and the USA; been involved in different industries including bulk drugs, software and electrical and electronics industries. He was also founder and Director of Natco Pharma Limited and founder and Director of Laan Research Private Limited. He served as the Chairman at Sri Venkateswara Temple at Bridgewater, NJ and also served as a temple trustee for 29 years.
	iv) Date of appointment on the board of the Company	July 06, 2021	July 06, 2021	August 07, 2019
C	Nature of expertise in functional area	Mentioned in clause B (iii) above.	Mentioned in clause B (iii) above.	Mentioned in clause B (iii) above.
D	Directorship held in other Companies (excluding foreign and Section 8 Companies)	1. Nature Fields Agrifarms Pvt Ltd 2. Tengt Steels Private Limited 3. RRK Enterprise Private Limited 4. Traderich Securities LLP 5. Ares Properties LLP	1. Brand Reach Pvt Ltd 2. Etrio Logistics Pvt Ltd 3. Mint Mobility Pvt Ltd 4. Right Automobiles Pvt Ltd	1. Laan Resorts & Hotels Private Limited 2. Laan Research Private Limited
E	Chairmanship/ Membership of committees of other Companies (includes only Audit, Stakeholders Relationship and Nomination & Remuneration Committee)	Nil	Nil	Nil
F	No. of shares of Rs.10/- each held by the Director	Nil	Nil	575250 (post capital reduction holding)
G	Relationship between Directors inter se (As per section 2(77) of the Companies Act, 2013 and Companies (Specification of definitions details) Rules, 2014)	Nil	Nil	Nil

BOARD'S REPORT

Dear Members,

Your directors have pleasure in presenting before you the 33rd Board's Report on the Company's business and operations, together with the audited financial statements for the financial year ended March 31, 2021.

Update on Implementation of the Resolution Plan

In accordance with the applicable provisions of the Insolvency and Bankruptcy Code 2016 ("IBC/Code"), the Corporate Insolvency Resolution Process ("CIRP Process") of MIC Electronics Limited ("Company") was initiated by the Financial Creditors of the Company. The Financial Creditors petition to initiate the CIRP Process was admitted by the National Company Law Tribunal ("NCLT") Hyderabad Bench on March 13, 2018 ("Insolvency Commencement Date"). Mr. Prabhakar Nandiraju was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company. Subsequently, Mr. Prabhakar Nandiraju was confirmed as the Resolution Professional ("RP") by the committee of creditors ("CoC") at their meeting held on June 01, 2018. On appointment of the IRP/RP, the powers of the Board of Directors of the Company were suspended.

The RP invited expressions of interest and submission of a resolution plan in accordance with the provisions of the Code. Out of various resolution plans submitted by Resolution Applicants, the CoC approved the resolution plan submitted by Cosyn Limited consortium (Cosyn Limited, RRK Enterprise Pvt Ltd and Mr Siva Lakshmana Rao Kakarala). The RP submitted the CoC approved resolution plan to the NCLT on December 10, 2018 for its approval and the NCLT, Hyderabad Bench approved the resolution plan submitted by Cosyn Limited consortium on July 31, 2019 ("IBC/NCLT Order"). Pursuant to the NCLT order, Cosyn Limited consortium is under process of implementation of Resolution Plan. A new Board was constituted on August 07, 2019 ("Reconstituted Board" or "Board") and a new management was put in place. In accordance with the provisions of the Code and the NCLT order, the approved resolution plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved.

The entire payments contemplated under the resolution plan were paid to the financial creditors and upon the completion of entire payment, the IA No. 166/2021 in CP(IB) No. 24/7/HDB/2018 was disposed of by the Hon'ble NCLT, Hyderabad bench vide Order dated July 22, 2021.

Members are requested to read this report in light of the fact that the new Board and the new management is currently implementing the resolution plan.

Financial performance

In compliance with the provisions of the Companies Act, 2013 ('Act'), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Company has prepared its financial statements as per Indian Accounting Standards ('Ind AS') for the FY 2020-21. The financial highlights of the Company's operations are as follows:

(Amount in Rs)

Particulars	2020-21	2019-20
Total Income	4,23,23,523	2,85,35,129
Total Expenditure	9,64,55,959	26,78,92,177
Profit before Tax	(5,41,32,436)	(23,93,57,048)
Provision for Tax	--	--
Profit after Tax	(5,41,32,436)	(23,93,57,048)
Transfer to General Reserve	--	--
Profit available for appropriation	--	--
Provision for Proposed Dividend	--	--
Provision for Corporate Tax	--	--

Performance

a) Operations

The total revenue of the Company for the financial year ended March 31, 2021 was Rs. 4,23,23,523/- as compared to the previous year's total revenue of Rs. 2,85,35,129/-. During this financial year the Company has incurred a net loss of Rs (5,41,32,436)/- as against the previous year's net loss of Rs. (23,93,57,048)/-.

b) Prospects

During the year under review, your company executed regular Annual Maintenance Contracts (AMC) of Indian Railways and executed certain lighting and display order of private parties. The Company received the Oxygen Concentrators (OCs) supply order from the Oil and Natural Gas Commission (ONGC) in the Month of June, 2021 for the quantity of 5000 OCs and the order value is Rs. 30 Crores. The new management of the Company is studying the business lines of the Company in order to identify and focus on the profit generating lines apart from the regular AMCs of Indian Railways and other private parties.

Change in the nature of business

There was no change in nature of the business of the Company during the financial year ended on March 31, 2021.

COVID-19

These are unprecedented times, as our country and the entire world struggle to contain and combat the COVID-19 pandemic. Amidst such rampant uncertainties, we have abided by every safety and social distancing norms and have been consistently communicating the same to both our employees and customers. We stand in solidarity with the Government of India and all our citizens, and our efforts towards the betterment of one and all will continue, unabated. The Company closed its operational activities from March 21, 2020 to August 31, 2020 and re-commenced from September 01, 2020 onwards.

Share Capital

During the F.Y. 2020-21, the authorised share capital of the Company is Rs 54,00,00,000 (Rupees Fifty Four Crores) divided into 27,00,00,000 equity shares of Rs 02/- each and the paid-up share capital of the Company is Rs. 44,05,08,638/- divided into 22,02,54,319 equity shares of Rs 02/- each.

As per the resolution plan, the erstwhile paid up equity share capital of the Company of Rs. 44,05,08,638/- divided into 22,02,54,319 equity shares of Rs 02/- each was reduced to Rs. 11,01,28,000/- divided into 5,50,64,000 equity shares of Rs. 02/- each at Board of Directors meeting held on June 30, 2021.

Transfer to reserves

For the financial year ended March 31, 2021, the Company has not transferred any amount to General Reserves and Surplus Account.

Dividend

Company has not declared any dividend during the year.

Buy Back of shares and disinvestment

The Company has not bought back any of its securities and there were no disinvestment during the Financial Year ended March 31, 2021.

Indian Accounting Standards (Ind AS)

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standards) Rules, 2015. The standalone and consolidated financial statements of the Company, forming part of the Annual Report, have been prepared and presented in accordance with all the material aspects of the Indian Accounting Standards ('Ind AS') as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')) and relevant amendment rules issued thereafter and guidelines issued by the Securities Exchange Board of India ("SEBI").

Transfer of unclaimed Dividend(s)/ Shares to Investor Education and Protection Fund

During the FY 2020-21, there was no unpaid/ unclaimed dividend pertaining to FY 2012-13 to be transferred to the Investors Education and Protection Fund ('IEPF') Account established by the Central Government.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the shares on which dividend remains unpaid / unclaimed for seven consecutive years or more shall be transferred to the Investor's Education and Protection Fund ('IEPF') after giving due notices to the concerned shareholders, which is not applicable to the Company during the year.

Unclaimed securities demat suspense account

There were no unclaimed securities to be kept in the demat suspense account.

Deposits

The Company has not accepted any deposits from public in terms of Section 73 of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet for the FY 2020-21.

Significant and material orders passed by the regulators

During the FY 2020-21, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Material changes and commitments

There were no material changes and commitments, affecting the financial position of the Company between the end of the financial year March 31, 2021 to which the financial statements relates and the date of signing of this report.

Board of Directors

During the FY 2020-21, the following are the Board of Directors of the Company

Sl.No.	Name of the Director	DIN	Designation
1	Mr Vishnu Ravi	01144902	Executive Director
2	Mr Siva Lakshmana Rao Kakarala	03641564	Non-executive Director
3	Mr Srinivas Medasani	00827476	Independent Director
4	Ms Karuna Gayathri Upadhyayula	07901195	Independent Director

Mr Vishnu Ravi resigned as Director of the Company on June 30, 2021 and Mr Srinivas Medasani resigned as Director of the Company on July 05, 2021. The board places vote of appreciation for their services during their tenure.

The Board of Directors in its meeting held on July 06, 2021 had appointed Mr Kaushik Yalamanchili holding DIN: 07334243 as Additional Director in the promoter category and Mr Manideep Katepalli holding DIN: 07840019 as Additional Director in the Independent Director category.

Upon recommendations of the Nomination and Remuneration Committee in its meeting held on September 16, 2021, the Board of Directors in its meeting held on September 16, 2021, appointed Mr Kaushik Yalamanchili as Managing Director of the Company for a period of three years subject to the approval of members at the ensuing AGM of the Company and accordingly the board recommends his appointment for members approval at the 33rd AGM.

The Board of Directors in its meeting held on November 12, 2021, recommends for the approval of members at the ensuing 33rd AGM, the appointment of Mr Kaushik Yalamanchili and Mr Manideep Katepalli as Directors of the Company.

Currently the board of directors consists of the following directors:

Sl.No.	Name of the Director	DIN	Designation
1	Mr Kaushik Yalamanchili	07334243	Managing Director
2	Mr Siva Lakshmana Rao Kakarala	03641564	Non-executive Director
3	Mr Manideep Katepalli	07840019	Independent Director
4	Ms Karuna Gayathri Upadhyayula	07901195	Independent Director

Key Managerial Personnel

During the FY 2020-21, the Company is having the following KMPs

1. *Mr Vishnu Ravi - Managing Director
2. Mr Muralikrishnan Sadasivan Madurai – Company Secretary
*Mr Vishnu Ravi resigned as Director on June 30, 2021.

The Company has not appointed the Chief Financial Officer of the Company during the FY 2020-21.

Currently the Company is having the following KMPs

1. *Mr Kaushik Yalamanchili – Managing Director
2. **Mr Muralikrishnan Sadasivan Madurai – Chief Financial Officer
3. ***Mr Srikanth Reddy Kolli – Company Secretary
* Mr Kaushik Yalamanchili was appointed as Managing Director w.e.f. September 16, 2021.
** Mr Muralikrishnan Sadasivan Madurai resigned as Company Secretary w.e.f. September 30, 2021 and was appointed Chief Financial Officer of the Company w.e.f. October 01, 2021.
*** Mr Srikanth Reddy Kolli was appointed as Company Secretary w.e.f. October 01, 2021.

Declaration by the Independent Directors

The Company has received declarations from all Independent directors of the Company confirming that they continue to meet the criteria of independence, as prescribed under Section 149 of the Companies Act, 2013, rules made there under and SEBI LODR Regulations. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

Policy on Directors' appointment and remuneration and other details

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors and Senior Management personnel and fix their remuneration. The detailed policy is available on the Company's website at www.mic.co.in.

Annual Board Evaluation

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

Criteria for Performance Evaluation:

1. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making.
2. Adherence to the Code of Conduct in letter and in spirit by the Independent Directors.
3. Bringing objectivity and independence of view to the Board's discussions in relation to the Company's strategy, performance, and risk management
4. Statutory Compliance and ensuring high standards of financial probity and Corporate Governance
5. Responsibility towards requirements under the Companies Act, 2013, Responsibilities of the Board and accountability under the Director's Responsibility Statement.

Familiarisation Programme

A handbook covering the role, functions, duties and responsibilities and the details of the compliance requirements expected from the Directors under the Act, and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were given and explained to the new Directors.

The newly appointed Directors are given induction and orientation with respect to Company's Vision, Core purpose, Core Values and Business operations. In addition, detailed presentations are made by Senior Management Personnel on business environment, performance of the Company at every Board Meeting.

The above initiatives help the Directors to understand the Company, its business and the regulatory framework in which the Company operates and enables the Directors to fulfill their role/responsibility.

Details of Familiarization Programme for the Independent Directors are uploaded on the website of the Company at www.mic.co.in.

Particulars in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo

The information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided in the **Annexure-I** forming part of this Report.

Subsidiary, Associate and Joint Venture Companies

As on March 31, 2021, your Company has the following Subsidiary. Further there has been no material change in the nature of business of the Subsidiary.

MIC Electronics Inc. is a subsidiary of the Company. The said subsidiary has no operations during the financial year ended March 31, 2021.

As per the provisions of Section 129(3) of the Companies Act, 2013 (the Act) read with Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Subsidiary in Form AOC-1 is enclosed as **Annexure – II** to this Report.

Performance and financial position of each of the subsidiaries, associates and joint ventures:

As per Rule 8 of Companies (Accounts) Rules, 2014, a Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies of the Company is enclosed as **Annexure – II** to this Report.

Related Party Transactions

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee and also the Board for approval, where ever required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors on a quarterly basis. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.mic.co.in.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 is prepared in Form AOC-2 pursuant to clause (h) of the Companies (Accounts) Rules, 2014 and the same is annexed herewith as **Annexure-III** to this Report.

Statement of Particulars of Appointment and Remuneration of Managerial Personnel/ employees:

Information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided along with a statement containing, inter alia, names of employees employed throughout the

financial year and in receipt of remuneration of Rs. 102 lakhs or more, employees employed for part of the year and in receipt of Rs. 80.50 lakhs or more per month, pursuant to Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as **Annexure-IV** to this report.

Statutory Auditors

M/s. Pavuluri & Co., Chartered Accountants (Firm Registration No. 012194S) were appointed second term as Statutory Auditors of the Company at the 29th AGM held on September 29, 2017 for a term of 4 (Four) consecutive years to conduct the audit of F.Y. 2017 to 2021. Their second term will expire at the conclusion of this 33rd AGM.

Based on the experience and competency of the Auditors, requirement of the Company and other relevant aspects and on the recommendation of Audit Committee, Board of Directors ('the Board') at their meeting held on November 12, 2021 recommend the appointment of M/s. Bhavani & Co. (FRN.: 012139S), Chartered Accountants as a Statutory Auditor of the Company for a term of 5 (Five) consecutive years commencing from F.Y. 2021-22 to 2025-26, for the approval of shareholders at ensuing Annual General Meeting in place of retiring auditors M/s. Pavuluri & Co., Chartered Accountants. The Auditors have confirmed that they are eligible for appointment and their appointment, if made, would be within the prescribed limits and shall be in accordance with the conditions and criteria as prescribed under section 139, 141 and other applicable provisions of the Act and Rules made thereunder and board confirmed their eligibility under the relevant provisions of Chapter X of the Companies Act, 2013 and rules made thereunder.

The proposed fee for the said appointment will be Rs.5,00,000/- (Rupees Five Lakhs) (exclusive of taxes and reimbursement of out of pocket expenses at actuals) which is in line with the industry standards and is not materially different from the fee paid to the erstwhile auditors. The Audit Committee has taken into account the experience and expertise of the auditors and recommended their appointment.

The Board has accordingly recommending to the shareholders for their appointment for a term of 5 (Five) consecutive years who shall hold the office till the conclusion of 38th Annual General Meeting of the Company to be held in the year 2026.

Pursuant to notification from the MCA dated 07.05.2018, ratification of appointment of statutory auditors at every Annual General Meeting has been omitted.

Auditors' Report

(a) Statutory Auditors Report

The board of directors in its meeting held on June 30, 2021 duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2021 and has noted the following qualifications/ emphasis of the matter together with the management replies:

Statutory Auditors Qualifications on Standalone Financial Statements	Management Replies
Note 2.25 to the standalone financial statements in connection with write off of assets/expenses/write back off liability/provision has been carried out in the books of accounts of the company and the balancing figure has been adjusted in the capital reserve as per the NCLT order dated 31st July 2019 approving the resolution plan. In this regard, we are of the opinion that the company should make these adjustments by crediting the balancing figure of Rs.138.53 crores to the profit and loss account in conformity with the Indian Accounting Standards. Had the company credited this amount to the profit and loss account the profit would have been increased by the said amount and capital reserve would have been decreased by the said amount.	The net amount of write off assets/expenses/ write back off liability/ provision are transferred to Capital Reserve in compliance with the approved Resolution Plan by Hon'ble NCLT, Hyderabad vide its Order dated 31st July, 2019 with respect to accounting treatment of such write off assets/ expenses/ write back off liability/ provision transfer to Capital Reserve and shall be deemed to be in compliance with the applicable accounting standards.
Note 2.42 to the standalone financial statements in connection with trade receivables, security deposits, loans and advances, other financial and current assets aggregating to Rs. 7.43 crores. There is existence of material uncertainties over the realisability of these amounts due to various factors such as disputes, age of these assets etc. There is also non-availability of confirmation of various trade receivables etc. In absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable.	The management is confident of recovery of trade receivables, security deposits, loans and advances, other financial and current assets which represent the balance amounts after realization / making provisions in the books. Hence, further provisions are not made.
We draw attention to Note No.2.44 as regards to the management evaluation of COVID-19 impact on the future performance of the company. Our opinion is not modified in respect of this matter.	Management have taken all the precautions and safety measures to tackle COVID-19 impact on the future performance of the Company.
Section 203 of the Companies Act, read with rule 8A of the companies (Appointment and remuneration of Managerial Personnel) Amendment rules, 2014, In respect of appointment of CFO, as per the said provisions the Board should fill the vacancy of CFO within 6 months from the date of such vacancy. However, in the present case such six months have already been elapsed from the date of such vacancy.	Chief Financial Officer will be appointed w.e.f. October 01, 2021.

Statutory Auditors Qualifications on Consolidated Financial Statements	Management Replies
<p>Note 2.26 to the consolidated financial statements in connection with write off of assets/expenses/write back off liability/provision has been carried out in the books of accounts of the group and the balancing figure has been adjusted in the capital reserve as per the NCLT order dated 31st July 2019 approving the resolution plan. In this regard, we are of the opinion that the group should make these adjustments by crediting the balancing figure of Rs.138.53 crores to the profit and loss account in conformity with the Indian Accounting Standards. Had the group credited this amount to the profit and loss account the profit would have been increased by the said amount and capital reserve would have been decreased by the said amount.</p>	<p>The net amount of write off assets/expenses/ write back off liability/ provision are transferred to Capital Reserve in compliance with the approved Resolution Plan by Hon'ble NCLT, Hyderabad vide its Order dated 31st July, 2019 with respect to accounting treatment of such write off assets/expenses/ write back off liability/ provision transfer to Capital Reserve and shall be deemed to be in compliance with the applicable accounting standards.</p>
<p>Note 2.40 to the consolidated financial statements in connection with trade receivables, security deposits, loans and advances, other financial and current assets aggregating to Rs. 15.63 crores. There is existence of material uncertainties over the realisability of these amounts due to various factors such as disputes, age of these assets etc. There is also non-availability of confirmation of various trade receivables etc. In absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable.</p>	<p>The management is confident of recovery of trade receivables, security deposits, loans and advances, other financial and current assets which represent the balance amounts after realization / making provisions in the books. Hence, further provisions are not made.</p>
<p>We draw attention to Note No.2.42 as regards to the management evaluation of COVID-19 impact on the future performance of the group. Our opinion is not modified in respect of this matter</p>	<p>Management have taken all the precautions and safety measures to tackle COVID-19 impact on the future performance of the Company.</p>
<p>Section 203 of the Companies Act, read with rule 8A of the companies (Appointment and remuneration of Managerial Personnel) Amendment rules, 2014, in respect of appointment of CFO, as per the said provisions the Board should fill the vacancy of CFO within 6 months from the date of such vacancy. However, in the present case such six months have already been elapsed from the date of such vacancy.</p>	<p>Chief Financial Officer will be appointed w.e.f. October 01, 2021.</p>
<p>We did not audit the financial statements of the subsidiary company M/s. MIC Electronics Inc. as at 31st March 2021. These financial statements have not been audited by any other auditor but prepared and furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub section 3 of section 143 of the act.</p>	<p>MIC Electronics Inc, a US based subsidiary was not operational and no staff to attend our requests of audited financials and hence based on the available data, the Company submitted to the Auditors, the provisional financial statements of MIC Electronics Inc for the purpose of consolidation.</p>

(b) Internal Auditors

During the year under review, the Company has not appointed the internal auditors to review internal controls and operating systems and procedures as per the scope of audit and is in the process of identifying the suitable person for conducting the internal audit.

The Board of Directors, on recommendation of the Audit Committee appoints/re-appoints the Internal Auditors of your Company every year in compliance with Section 138 of the Act read with the Companies (Accounts) Rules, 2014.

(c) Cost Auditors

Pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Act, the maintenance of cost records is not applicable for the company for the year under review.

(d) Cost Audit Records

Appointment of Cost Auditors is not applicable as the turnover is less than applicable limit and hence maintenance of cost records was not applicable to the Company.

(e) Secretarial Auditors and Report

Mr Srinivasa Rao Vattikuti who was appointed as the Secretarial Auditor of the Company for the FY 2020-21 was deceased due to Covid-19 in the month of May 2021 and the Board expressed sincere condolences to Mr Srinivasa Rao Vattikuti family. In order to fill the casual vacancy caused due to the death of previous Secretarial Auditor, the Board in its meeting held on September 16, 2021 appointed M/s. RPR & Associates as the Secretarial Auditors of the Company for the FY 2020-21 and 2021-22 who had given their consent and eligibility to act as the Secretarial Auditor of the Company.

The Secretarial Audit for the financial year ended March 31, 2021, was carried out by M/s. RPR & Associates, Practicing Company Secretaries. The Report given by the Secretarial Auditors in Form MR-3 is annexed as **Annexure-V** and forms integral part of this Report.

The board of directors in its meeting held on November 12, 2021 duly reviewed the Secretarial Auditor's Report for the year ended March 31, 2021 and has noted the following qualifications/ observations/ deviations together with the management replies:

Secretarial Auditors Qualifications in the Secretarial Audit Report	Management Replies
Non-compliance of Regulation 33(3)(a) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with respect to the first quarter (submission of financial results) of FY 2020-21	Delay was caused due to adoption of audited financial results and statements for the FY 2019-20 on October 07, 2020 due to Covid-19 and the transition process from Resolution Professional (RP) to the new management as per the Resolution Plan approved by the Hon'ble NCLT, Hyderabad bench. The first quarter results for the FY 2020-21 were approved on October 22, 2021.
Non-compliance or delay in compliance with various regulations of SEBI LODR like Regulation 7, 13, 23(9), 31, 46 etc	The Company complied with the requirement of said regulations with delay due to Covid-19 and the transition process from Resolution Professional (RP) to the new management as per the Resolution Plan approved by the Hon'ble NCLT, Hyderabad bench.
Non-compliance of Section 21A of Securities Contracts (Regulation) Act, 1956 read with Rule 21 of Securities Contracts (Regulation) Rules, 1957 and SEBI (Regulatory fees on Stock Exchanges) Regulations, 2006.	The Annual Fee dues were regularized in the current financial year 2021-22 which are payable for the year 2020-21.
Non submission of Annual Secretarial Compliance Report for the FY 2019-20 as required by the SEBI Circular dated February 08, 2019.	The then secretarial auditor of the Company who was supposed to give this report was demised in the Month of May 2021.
Non-compliance of Section 203(1) of the Companies Act, 2013 with respect to appointment of Chief Financial Officer during the FY 2020-21.	The Company appointed the Chief Financial Officer w.e.f. October 01, 2021.
Non-compliance of Section 138, read with rule 13 of Companies Accounts Rules, 2014 with respect to Appointment of Internal auditor.	The Company is in the process of identifying the suitable person for the appointment as Internal Auditor.
Non-compliance of Section 6(3) and 47 of the Foreign Exchange Management Act, 1999, read with Regulation No15 of Notification No. FEMA.120/RB-2004 dated July 7, 2004, (GSR 757 (E) dated November 19, 2004) as amended, with respect to filing of Annual Performance Report and A.P. (DIR Series) Circular No.145 dated June 18, 2014	Filing of Annual Performance Report is held up for certain clarifications sought and will be addressed and filed in the current financial year 2021-22.
During the year, Annual return on Foreign Liabilities and Assets (FLA) was not submitted for the F.Y. 2020-21 with the RBI.	The ODI in the MIC Electronics Inc, Subsidiary was written off in full due to implementation of resolution plan for the MIC Electronics Limited and filing of FLA will no longer arise.
During the year, the Stock Exchanges levied Fines/ penalties on the Company for non-compliance or delay compliance with SEBI LODR Regulations/ non-submission or delay in submission of various disclosures/ certificates required to be submitted under SEBI LODR Regulations.	The Company applied for waiver of SOP fines with the stock exchanges based on the immunity provided under the Resolution Plan approved by the Hon'ble NCLT, Hyderabad bench and they were under process.

In terms of the amended SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company had obtained the Secretarial Compliance certificate for the FY 2020-21 from M/s. RPR & Associates, Practicing Company Secretaries which is annexed as **Annexure-V(A)** and forms integral part of this Report and the same was also intimated to the Stock Exchanges where the shares of the Company are listed.

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Company has obtained a certificate on non-disqualification of directors from Mr Y Ravi Prasada Reddy, (Membership No.: FCS 5783), Proprietor of M/s. RPR & Associates, Practicing Company Secretaries (PCS Registration No. 5360) which is annexed as **Annexure-V(B)** and forms integral of this Report.

Corporate Social Responsibility (CSR)

Since the Company did not have profits (average net profits for the last three financial years), it was not obligated to contribute towards CSR activities during FY 2020-21. However, the Company is committed to build its CSR capabilities on a sustainable basis and undertake CSR activities as and when the opportunity arises.

The Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013 is not required to be given as the Company was not required to contribute towards CSR activities during FY 2020-21.

Management Discussion and Analysis Report

In terms of the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the Management's Discussion and Analysis for the year ended march 31, 2021 is annexed hereto as **Annexure-VI** and forms integral of this Report.

Corporate Governance

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. It is imperative that your company's affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of the stakeholders.

The Report on corporate governance for the year ended March 31, 2021, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto as **Annexure-VII** and forms integral of this Report.

Auditors' certificate on Corporate Governance

As required by SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the auditor's certificate on corporate governance regarding the compliance of conditions forms integral of this Report.

Statement containing additional information as required under Schedule V of the Companies Act, 2013

A statement containing additional information as required under Clause IV of Section II of Part II of Schedule V of the Companies Act, 2013 is provided in the Report on Corporate Governance, which forms part of this Annual Report.

Risk Management

During the year, the risk assessment parameters were reviewed. The audit committee reviewed the element of risks and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which have the potential of threatening the existence of the Company.

The audit committee provides the framework of Risk Management by describing mechanisms for the proactive identification and prioritization of risks based on the scanning of the external environment and continuous monitoring of internal risk factors.

Analysis of the risks identified is carried out by way of focused discussion at the meetings of the Board. The robust governance structure has also helped in the integration of the Enterprise Risk Management process with the Company's strategy and planning processes where emerging risks are used as inputs in the strategy and planning process. Identified risks are used as one of the key inputs in the strategy and business plan.

Internal Financial Control Systems and their adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

Various Audit Systems in the Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the audit reports, Company undertakes corrective actions in respective areas and strengthens the control. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board periodically.

The Board of Directors of the Company have adopted various policies like Related Party Transactions policy, Whistle Blower Policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The details in respect of internal financial control and their adequacy are included in the management discussion & analysis, which forms part of this report.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiaries for FY 2020-21, are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of the Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The Audited Consolidated Financial Statements together with the Auditor's Report thereon forms part of this Annual Report.

Pursuant to the provisions of Section 136 of the Act, the Financial Statements of the Company, Consolidated Financial Statements along with relevant documents and separate annual accounts in respect of subsidiaries are available on the website of the Company. The annual accounts of the subsidiaries and related detailed information will be made available to investors seeking information till the date of the AGM.

Material changes and commitments affecting the financial position of the company between the end of the financial year and the date of the report. There are no material changes and commitments affecting financial position of the company, which occurred after the end of the financial year i.e., March 31, 2021.

Listing of Company's Equity Shares

The Company's Equity shares were listed with M/s. BSE Limited and M/s. National Stock Exchange of India Limited (Stock Exchanges). Due to capital reduction from Rs. 44,05,08,638/- to Rs. 11,01,28,000/- approved by the Board of Directors in its meeting held on June 30, 2021 as required by the Resolution Plan approved by the Hon'ble NCLT, Hyderabad bench the trading in shares of the Company suspended by the stock exchanges from June 24, 2021 onwards.

The Company applied for re-listing of reduced capital of Rs. 11,01,28,000/- divided in to 5,50,64,000 equity shares of Rs. 2/- each with the stock exchanges and obtained Listing approvals. Corporate Actions submitted to depositories which are under process.

The Company has paid the Annual Listing Fees to the said Stock Exchange for the Financial Year 2021-22.

Whistle blower Policy

The Company has adopted a Whistle-blower Policy to provide a formal mechanism to the Directors, Employees and its Stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Protected disclosures can be made by a whistle-blower through several channels.

The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. No personnel of the Company have been denied access to the Audit Committee.

The Whistle-blower Policy also facilitates all employees of the Company to report any instance of leak of Unpublished Price Sensitive Information. The Policy is also posted on the website of the Company at www.mic.co.in.

Reporting of Fraud

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which need to be mentioned in this Report.

Declaration as per Section 134(3) of the Companies Act, 2013

During the year, the statutory auditors and secretarial auditor have not reported any instances of frauds committed by or against the Company by its Directors/ Officers/ Employees to the Audit Committee or Board under section 143(12) of the Companies Act, 2013 and rules made thereof. Therefore, no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), a copy of the Annual Return of the Company for the FY 2020-21 shall be placed on the Website of the Company at www.mic.co.in.

Prevention of Sexual Harassment of Women at Workplace

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The internal complaints committee was duly constituted as required. During the financial year ended March 31, 2021, the Company has not received any Complaints pertaining to Sexual Harassment.

Particulars of Loans, Guarantees or Securities or Investments

The Company has not given loans / guarantees or made any investments during the year under review.

Managing Director (MD) & Chief Financial Officer (CFO) Certification

Only the Managing Director of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 since there was no CFO during the FY 2020-21.

Managing Director also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

The annual certificate given by the Managing Director forms integral part of this report.

Meetings of the Board of Directors and its Committees during the Financial Year 2020-21

During the year, Board convened five meetings. The dates of the five meetings are October 07, 2020, October 22, 2020, November 13, 2020, December 04, 2020 and February 12, 2021.

The details were disclosed in the report on Corporate Governance which forms part of this Annual Report. The intervening gap between any two meetings was within the prescribed period.

All the recommendations made by committees of the Board including the Audit Committee were accepted by the Board. A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during FY 2020-21 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Report.

Committees of the Board

The Composition of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee are mentioned in the Report on Corporate Governance.

Nomination and remuneration policy

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy which lays down a framework in relation to selection, appointment and remuneration to Directors, Key Managerial Personnel and Senior Management of the Company. The details of Nomination and Remuneration Committee and Policy are stated in the Corporate Governance Report.

Human Resources

The management believes that competent and committed human resources are vitally important to attain success in the organisation. In line with this philosophy, utmost care is being exercised to attract quality resources and suitable training is imparted on various skillsets and behavior. Various initiatives were undertaken to enhance the competitive spirit and encourage bonding teamwork among the employees even during the COVID pandemic outbreak, which resulted to uninterrupted operations of the Company and could achieve the targeted growth in the performance of the Company.

Insurance

All properties and insurable interests of the Company including buildings, plant and machinery and stocks have been fully insured.

Revision of Financial Statements

There was no revision of the financial statements for the year under review

Compliance with SEBI (LODR) regulations, 2015

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with BSE Limited and National Stock Exchange of India Limited and framed the required policies which are available on Company's website i.e. www.mic.co.in

- Board Diversity Policy
- Policy on preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Familiarisation programme for Non-executive directors
- Sexual Harassment Policy
- Policy on related party transactions
- Code of Conduct and Ethics
- Nomination and Remuneration Policy
- Policy to determine materiality
- Code for prohibition of insider trading
- Code of fair disclosure
- EOHS Policy

Non-Executive Directors Compensation and disclosures

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors. The details of sitting fee paid were given in the Report on corporate governance.

Industry Based Disclosure

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

Event Based Disclosure

During the year under review, the Company has not taken up any of the following activities:

1. **Issue of sweat equity share:** The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.
2. **Issue of shares with differential rights:** The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.
3. **Issue of shares under employee's stock option scheme:** The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act is required to be given.
4. **Disclosure on purchase by company or giving of loans by it for purchase of its shares:** The Company did not purchase or give any loans for purchase of its shares.
5. **Preferential Allotment of Shares:** The Company did not allot any shares on preferential basis during the period under review.

Employees Stock Options

No employee was issued Stock Option, during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

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:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2020-21 and of the statement of profit of the Company for that period;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts for the year 2020-21 have been prepared on a going concern basis.
- v. Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. That system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Appreciation

The board wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to stream line all the pending compliances and thereby to have a fresh start for the Company.

Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis as explained in the Corporate Governance Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

Acknowledgement

The board take this opportunity to place on record their sincere thanks to the suppliers, customers, strategic partners, Banks and Financial Institutions, Insurance Companies, Central and State Government, Indian Railways, Material suppliers, customers and the shareholders for their support and co-operation extended to the Company from time to time. The board is pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

By order of the Board
For MIC Electronics Limited

Mr Kaushik Yalamanchili
Managing Director
DIN: 07334243

Mr Manideep Katepalli
Director
DIN: 07840019

Date: November 12, 2021
Place: Hyderabad

ANNEXURE-I

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

[(Information Under Section 134(3)(m) of The Companies Act, 2013, Read with Rules 8(3) of the Companies (Accounts) Rules, 2014]

FORM A

1. CONSERVATION OF ENERGY
 - (i) Energy Conservation measures : Nil
 - (ii) Total energy consumption : Nil
2. TECHNOLOGY ABSORPTION : Nil

FORM B

(Disclosure of particulars with respect to Technology Absorption)

- A. Research and Development (R & D)
 1. Specific areas in which R & D is carried out by the company : NA
 2. Benefits derived as a result of the above R & D : NA
 3. Future plan of action : NA
 4. Expenditure on R & D : NA
- B. Technology absorption, adaptation and innovation : NA

The Company is making all its efforts for improving productivity, product quality and reducing consumption of scarce raw materials and fuels.

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:

(Rs. In Lakhs)

Particulars	March 31, 2021 (12 Months)	March 31, 2020 (12 Months)
Earnings	Nil	Nil
Outgo	15.42	14.06

ANNEXURE-II

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part – A: Subsidiaries

1	Name of the subsidiary	MIC Electronics Inc., USA
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01 April 2020 to 31 March 2021.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR and One USD equal to INR 73.2065 as on March 31, 2021
4	Share capital	4539450
5	Reserves & surplus	8540277
6	Total assets	82009322
7	Total Liabilities	68929595
8	Investments	75214648
9	Turnover	--
10	Profit before taxation	-32335
11	Provision for taxation	--
12	Profit after taxation	-32335
13	Proposed Dividend	--
14	% of shareholding	100.00%

Names of subsidiaries which are yet to commence operations: MIC Electronics Inc.,

Part – B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1	Names of Associates and Joint Ventures	--
2	Latest Audited Balance Sheet*	--
3	Shares of Associates held by the Company on the year end:	
	- Number of Shares of Rs. 10/- each.	--
	- Amount of Investment	--
	- Extent of Holding %	--
4	Description of how there is significant influence*	--
5	Reason why the Associates are not consolidated	--
6	Net worth attributable to shareholding as per latest audited Balance Sheet*	--
7	Profit / Loss for the year*	
	- Considered in Consolidation	--
	- Not considered in Consolidation	--

ANNEXURE-III

FORM 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)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31 March, 2021, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis:

The details of contracts or arrangements or transactions at arm's length basis are as follows:

Nature of contract & Name of the related party	Nature of relationship	Duration of Contracts	Salient Terms	Amount (Rs. in Lakhs)
Sales	-	-	-	-
Purchases	-	-	-	-
Managerial Remuneration Vishnu Ravi Muralikrishnan S M	Managing Director Company Secretary	Three years Ongoing	- -	0.00012 7.87
Reimbursement of Expenses	-	-	-	-
Debit Balances	-	-	-	-
Credit Balances	-	-	-	-
Investments M/s. MIC Electronics Inc	Subsidiary	Ongoing since Incorporation of the Company. (i.e. 10/01 /2007)	Equity investment (MIC Electronics Inc. USA, is a 100% subsidiary of MIC Electronics Limited.)	45.39

ANNEXURE-IV

The details of remuneration during the year 2020-21 as per Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2015 are as follows:

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

(Amount in Rs.)

Name of Managerial Personnel	Designation	Remuneration FY 20-21 (12 Months)	Remuneration FY 19-20 (12 Months)	% of Increase / Decrease in Remuneration	Ratio of Remuneration to MRE	Ratio of Remuneration to	
						Revenues FY-20-21	Net Loss FY-20-21
Mr Vishnu Ravi	Executive Director	12	2,05,000	(100.00)	--	--	--
Key Managerial Personnel							
Mr M S Murali Krishnan	Company Secretary	7,86,881	10,21,413	(22.96)	64.92	7.22	1.45

Remuneration paid to Independent Directors (Sitting Fee)

Sitting fee paid/ payable to Non-executive Directors for the period April 01, 2020 to March 31, 2021

Sl. No.	Name of the Director	Designation	Fee attending for Board Meeting
1	Mr M Srinivas	Independent Director	Rs. 1,32,000/-
2	Ms U K Gayathri	Independent Director	Rs. 1,32,000/-

- The Median Remuneration of the employees of the Company during the financial year was Rs. 2,76,000/- PA.
- In the financial year, there was an increase of 96.46% in the median remuneration employees compared to previous year.
- The number of permanent employees on the rolls of the Company as of March 31, 2021 and March 31, 2020 was 36 and 96 respectively.
- Variations in the market capitalization of the Company:
 - The Market Capitalization as on March 31, 2021 is Rs. 14,53,67,850/- and as on March 31, 2020 is Rs. 10,13,16,987/-.
 - Price earnings ratio of the Company as on March 31, 2021 is not applicable due to company incurring losses.
 - 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 March 31, 2021 is Market Value Rs. 0.66 for the Face value of Rs.2/- per share each representing a 97.80% decrease over the IPO held on 2007 Market Value of Rs. 150/- each Face Value of Rs. 10/- per share.
Sub-division of shares held during the year 2008 face value of 10/- each to 2/- each.
- The key parameters for the variable component of remuneration availed by the directors are considered as per the Nomination and Remuneration Policy during the period April 01, 2020 to March 31, 2021.
- 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 Nil : 1 ratio of Managerial Remuneration and it is hereby confirmed that the remuneration is as per the remuneration policy of the Company.
- 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.

ANNEXURE-V

Form No. MR-3

SECRETARIAL AUDIT REPORT

[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]

To
The Members of
MIC Electronics Limited
Hyderabad

We have conducted the secretarial audit of 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the period ended on March 31, 2021 (consisting of 12 months from 01.04.2020 to 31.03.2021), generally complied with the statutory provisions listed hereunder and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - 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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable to the Company during the audit period;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable to the Company during the audit period;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company during the audit period;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2018 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2018 - Not applicable to the Company during the audit period;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable to the Company during the audit period;

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited.

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

- i. During the year, the Company has not appointed the Chief Financial Officer for the whole FY 2020-21 as required under the provisions of SEBI (LODR) Regulations and the Companies Act, 2013.
- ii. Non-compliance of Section 138 read with rule 13 of Companies Accounts Rules, 2014 with respect to Appointment of Internal auditor.
- iii. Non-compliance of Regulation 33(3)(a) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with respect to the first quarter of FY 2020-21
- iv. Non-compliance or delay in compliance with various regulations of SEBI LODR like Regulation 7, 13, 23(9), 31, 46 etc

- v. Non-compliance of Section 21A of Securities Contracts (Regulation) Act, 1956 read with Rule 21 of Securities Contracts (Regulation) Rules, 1957 and SEBI (Regulatory fees on Stock Exchanges) Regulations, 2006.
- vi. Non submission of Annual Secretarial Compliance Report for the FY 2019-20 as required by the SEBI Circular dated February 08, 2019.
- vii. During the year, the Stock Exchanges levied Fines/ penalties on the Company for non-compliance or delay compliance with SEBI LODR Regulations/ non-submission or delay in submission of various disclosures/ certificates required to be submitted under SEBI LODR Regulations. However, based on the Resolution Plan approved by the Hon'ble NCLT, Hyderabad bench, the Company applied for waiver of said penalties / fines with the stock exchanges. The said applications are in the process.
- viii. During the year, there was a non-compliance of Section 6(3) and 47 of the Foreign Exchange Management Act, 1999, read with Regulation No 15 of Notification No. FEMA.120/RB-2004 dated July 7, 2004, (GSR 757 (E) dated November 19, 2004) as amended, with respect to filing of Annual Performance Report and A.P. (DIR Series) Circular No.145 dated June 18, 2014.
- ix. During the year, Annual return on Foreign Liabilities and Assets (FLA) was not submitted for the F.Y. 2019-20 with the RBI.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under specific laws applicable to the Company.

We further report that:

The Board of Directors of the Company has been constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as required under the provisions of Section 149, 177 and 178 of the Companies Act, 2013 regarding minimum of number of independent directors on the Board, Audit committee and Nomination and remuneration committee. 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. Decisions at the Board Meetings and committee meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliance by the Company of the applicable financial laws, labour laws, filing of periodical returns, maintenance of financial records and books of accounts have not been reviewed by us since the same have been subject to review by Statutory Auditors, Internal Auditors and other professionals.

Date: 12.11.2021.
Place: Hyderabad

For RPR & ASSOCIATES
Company Secretaries

Y Ravi Prasada Reddy
Proprietor
FCS No. 5783, C P No. 5360
UDIN: F005783C001416931

This Report is to be read with our letter of even date which is annexed as 'Annexure' and forms an integral part of this report.

ANNEXURE

To
The Members of
MIC Electronics Limited
Hyderabad

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditors' Responsibility

2. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 12.11.2021.
Place: Hyderabad

For RPR & ASSOCIATES
Company Secretaries

Y Ravi Prasada Reddy
Proprietor
FCS No. 5783, C P No. 5360
UDIN: F005783C001416931

ANNEXURE-V(A)

**Annual Secretarial Compliance Report of
M/s. MIC Electronics Limited for the year ended 31.03.2021**

(Pursuant to circular dated 8th February, 2019 issued by SEBI)

We, M/s. RPR and Associates, Company Secretaries, Hyderabad, have examined:

- (a) all the documents and records made available to us and explanation provided by M/s. MIC Electronics Limited (CIN: L31909TG1988PLC008652) having its registered office at A4/II, Electronic Complex, Kushaiguda, Hyderabad, Telangana - 500062, ("the listed entity");
- (b) the filings/ submissions made by the listed entity to the stock exchanges;
- (c) website of the listed entity; and
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification/report,

For the year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and amendments from time to time;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable during the period under review;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable during the period under review;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable during the period under review;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable during the period under review;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - Not applicable during the period under review;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;

and circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sl.No.	Compliance Requirement (Regulations/ Circulars /Guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Submission of Annual Secretarial Compliance Report for the FY 2019-20 under Regulations 23(9) of SEBI LODR	Not submitted the said Report with the Stock Exchanges.	The default is continuing.
2	Appointment of Chief Financial Officer under Regulation 2(f)(d) and violation of Regulation 17(8) of SEBI LODR	Not appointed the CFO and not obtained the Compliance Certificate as required	The default is continuing.
3	Non-compliance with various regulations of SEBI LODR like Regulation 7, 13, 17, 23(9), 31, 33, 46 etc	The Company has not complied or complied beyond the due date(s) with the provisions of the various regulations under SEBI LODR.	The Company has not complied or complied with delay with the provisions of the various regulations under SEBI LODR. The list of fines levied by the exchanges for the said violations is given below.

- (b) Based on the management representation, the listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder insofar as it appears from our examination of those records;

ANNUAL SECRETARIAL COMPLIANCE CERTIFICATE

- (c) During the Review Period, no actions has been taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder except levying fines/ penalties by the exchanges for non-submissions or delay in submissions as required under the provisions of the SEBI (LODR) Regulations, 2015. The details of said fines/ penalties are given below in the tabulated form. The Company applied for waiver of the said fines with the exchanges which are under consideration by the exchanges as on date of this Report.

Sr.No.	Quarter	Regulation	Pending Fine (in Rs)
1	30-Jun-2019	Reg. 31	6000
2	30-Jun-2020	Reg. 33	185000
3	30-Jun-2020	Reg. 31	324000
4	30-Sep-2018	Reg. 33	75000
5	30-Sep-2019	Reg. 33	150000
6	30-Sep-2019	Reg. 31	86000
7	30-Sep-2020	Reg 13(3)	1000
8	30-Sep-2020	Reg. 31	140000
9	31-Mar-2018	Reg. 33	655509
10	31-Mar-2020	Reg. 33	330000
11	31-Mar-2021	Reg. 31	126000
12	30-Sep-2020	Regulation 7(1)	92000
13	30-Sep-2020	Regulation 23(9)	1260000
14	30-Jun-2020	Regulation 7(1)	91000
15	30-Jun-2020	Regulation 6(1)	91000
16	30-Sep-2020	Regulation 6(1)	92000
		Total	3704509

- (d) The listed entity has not submitted the Annual Secretarial Compliance Report for the FY 2019-20 to the exchanges and therefore we couldn't comment about the observations.

For RPR & ASSOCIATES
Company Secretaries

Y Ravi Prasada Reddy
Proprietor
FCS No. 5783, C P No. 5360
UDIN: F005783C000853245

Date: 29.08.2021.
Place: Hyderabad

ANNEXURE-V(B)

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with Schedule V of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
M/s. MIC ELECTRONICS LIMITED
A4/II, Electronic Complex,
Kushaiguda, Hyderabad,
Telangana - 500062.

We have examined and verified the books, papers, minute books, forms and returns filed and other records maintained by M/s. MIC Electronics Limited (hereinafter referred to as the "Company") having its registered office at A4/II, Electronic Complex, Kushaiguda, Hyderabad, Telangana - 500062 and the information provided by the Company and its directors and also based on the information available at the websites of Ministry of Corporate Affairs (i.e. www.mca.gov.in) and Securities and Exchange Board of India (i.e. www.sebi.gov.in), we hereby certify that as on the date of this certificate, none of the below mentioned directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of Company by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

Sl No	Name of the Director	Director Identification Number (DIN)
1	Mr Kaushik Yalamanchili	07334243
2	Mr Siva Lakshmana Rao Kakarala	03641564
3	Mr Manideep Katepalli	07840019
4	Ms Karuna Gayathri Upadhyayula	07901195

Date: 12.11.2021.
Place: Hyderabad

For RPR & ASSOCIATES
Company Secretaries

Y Ravi Prasada Reddy
Proprietor
FCS No. 5783, C P No. 5360
UDIN: F005783C001417006

ANNEXURE-VI

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

In the context of the changed scenario in terms of Technological Developments, Business Environment and the catastrophic situation the entire world is going through in the wake of COVID-19 pandemic, Your Company's core strength is Technology and Product innovation in the domain of LEDs, communications and Embedded Electronics. The company would strive to leverage on its long standing experience in the field of LED Display and mini / micro LED TV products by bringing out contemporary high-end display systems that will find applications in several areas that are of relevance in both urban and rural parts of India and elsewhere in the world.

Business analysts have projected huge global demand for Display products of various types (flat panel, flexible panel and transparent panel), of various technologies (OLED, Quantum Dot, LED, LCD, e-Paper and others), various applications (Smart phones, tablets, Smart wearable's, television, Digital Signage, PC, laptop, vehicle display and others), various industry verticals (Health care, Consumer Electronics, Retail, BFSI, Defence, Automotive etc) and various geographical domains (North America, Europe, Asia Pacific and LAMEA (Latin America, Middle East, Africa) countries. Annual demand for these products is projected as around US \$ 200 Billion by the year 2025. The major chunk of demand is projected for North America (66 Billion). Average CAGR is projected as 7.4% while for North America it is 4.7% and for Asia Pacific the estimated CAGR is 11.4%. These estimates have to be taken as indicative and suitable corrections have to be incorporated considering the COVID situation.

Your company needs to make careful choice in respect of Display types & technologies, products, applications and targeted market regions while drawing up its Business Plans and the new management of the Company is studying the business lines of the Company to identify profit generating segments and to revive the present situation of the Company.

Opportunities and Threats

Your company is essentially an R&D driven company and has several firsts to its credit in terms of product innovations. However, historically its weaknesses have been in terms of marketing, revenue generation, HR management, cash-flow management, risk analysis, customer support management, intellectual property protection and structured planning in an overall sense. This new management team has focused on abovementioned weaknesses and working to establish and implement the standard operating practices by observing leaders in respective filed.

Segment-wise or product-wise performance

Your Company is operating only in one segment ie.LED based products. During the year under review, sales from LED lightings including Solar LED Street lights amounted to Rs.0.07 Cr and sales from LED display boards were to the tune of Rs.0.98 Cr. The revenue generated from AMC contracts of Indian Railways and other private agencies were Rs.0.04 Cr.

Outlook

The Pandemic COVID has not only proved to be a fatal health hazard but also led to substantial changes in the habits and practices of people in the areas of entertainment, sports and education. These changes essentially mean avoidance of mass gatherings and the trend is expected to continue for quite some time not only in India but the world over. This changed scenario will be a design parameter for your company new display products with a target application like: Railway and other transportation applications, Bezel free Video walls, Conference rooms, Video Conferencing applications etc. The Company had bagged Rs. 30 Crore order from the ONGC for supply of 5000 units of Oxygen Concentrators in the Month of June 2021 and is expecting another order of similar kind. The new management of the Company is focusing on identifying the profit generating business lines of the Company apart from continuing the AMCs in order to revive the Company.

Risks and concerns.

The weak-link of your company historically has been the Marketing and Revenue generation despite the fact that the company has cutting-edge technology and more than contemporary products. This gap needs to be bridged forthwith as the top most priority and marketing strategies have to be efficiently and effectively tuned.

Concerned agencies, identified as responsible for promoting the products and generating revenues will be taken into confidence before / during the product conceptualisation and introduction whenever and wherever necessary, help of market research teams of proven reputation will be sought before launching on product development.

With respect to customized application products, suitable incentive schemes will be devised for the teams responsible for successfully executing the projects.

While your company has been endeavouring to safeguard its intellectual property by applying for patents, copyrights and trademarks, it has not succeeded in taking effective actions against agencies which are infringing on its patent rights. Effective steps will be taken by hiring the services of experienced legal teams to tackle the situations.

HR management is a discipline which needs to be strengthened in a large measure to effectively manage the faculties of discipline, compensation, reward / punishment schemes and career progressions in your company.

Also the main goal of the organization will be to meet its financial obligations in terms of profitability and healthy cash flows. All the activities of your company will have to fall in line to meet this core objective.

Internal Financial Control Systems and their Adequacy

The Company has adequate internal financial control systems and procedures in all operational areas and at all levels equipment's procurement,

finance, administration, marketing and personnel departments. The Audit committee reviews the adequacy of internal controls from time to time.

Financial review

The Highlights of Financial Operational Performance are given below:

(Rs. In Lakhs)

Particulars	2020-21	2019-20	2018-19
Total Income	423.23	285.35	549.80
Total Expenditure	964.56	2678.92	3269.42
Profit before Tax	(541.32)	(2393.57)	(2719.62)
Provision for Tax	--	--	--
Profit after Tax	(541.32)	(2393.57)	(27.47.80)
Transfer to General Reserve	--	--	--
Profit available for appropriation	--	--	--
Provision for Proposed Dividend	--	--	--
Provision for Corporate Tax	--	--	--

The total revenue of the Company for the financial year ended March 31, 2021 is Rs 423.23 lakhs as compared to the previous year's total revenue of Rs 285.35 lakhs. During this financial year the Company has accrued a net loss of Rs 541.32 lakhs as against the previous year's net loss of Rs 2393.57 lakhs.

Human Resources Development and Industrial Relations

The Company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development.

Industrial relations during the year are cordial and the Company is committed to maintain the same in future.

By order of the Board
For MIC Electronics Limited

Mr Kaushik Yalamanchili
Managing Director
DIN: 07334243

Mr Manideep Katepalli
Director
DIN: 07840019

Date: November 12, 2021
Place: Hyderabad

ANNEXURE-VII

REPORT ON CORPORATE GOVERNANCE

The Company was admitted to corporate insolvency resolution process ("CIRP") vide order of the National Company Law Tribunal ("NCLT"), Principal Bench, Hyderabad dated March 13, 2018 ("Insolvency Commencement Date") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). In connection with the corporate insolvency resolution process of the Company, the NCLT vide its order dated July 31, 2019 approved the Resolution Plan ("IBC/NCLT Order") submitted by M/s. Cosyn Limited Consortium (Cosyn Limited, RRK Enterprise Limited and Mr Siva Lakshmana Rao Kakarala). Pursuant to the NCLT Order dated July 31, 2019, a new Board has been constituted in on August 07, 2019 ("Reconstituted Board" or "Board") and a new management was put in place. In accordance with the provisions of the Code and the NCLT order, the approved resolution plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved.

1. Company's philosophy on corporate governance

MIC Electronics Limited set the highest standards of Corporate Governance right from its inception benchmarked with the best class practices across the globe. Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo and actions of its employees. The aim of "Good Corporate Governance" is to ensure commitment of the board in managing the company in a transparent manner for maximizing long-term value of the company for its shareholders and all other partners. It integrates all the participants involved in a process, which is economic, and at the same time social. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executive and independent directors on the Board.

Hence it harmonizes the need for a company to strike a balance at all times between the need to enhance shareholders' wealth whilst not in any way being detrimental to the interests of the other stakeholders in the company.

2. Board of Directors

a. Composition and Category of Directors

In terms of compliance with the regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI Listing Regulations, 2015", the Company endeavour to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As at March 31, 2021, the Board of Directors ("Board") comprises of four Directors, of which one is Executive, one is Non-Executive Non-Independent and the other two are Independent Directors. The composition and category of the Board of Directors is as follows:

The old board of director's stands vacated from the date on which the resolution professional handed over the Company to the new management who was the successful resolution applicant whose resolution plan was approved by the Hon'ble NCLT, Hyderabad bench.

Accordingly, the new board comprises the following as on March 31, 2021.

S.No.	Name of Director	Designation	Category
1	Mr Vishnu Ravi	Executive Director	Promoter group
2	Mr Siva Lakshmana Rao Kakarala	Non-Executive Director	Promoter group
3	Mr Srinivas Medasani	Director	Independent
4	Ms Karuna Gayathri Upadhyayula	Director	Independent

Note: Mr Vishnu Ravi resigned as Director w.e.f. June 30, 2021 and Mr Srinivas Medasani resigned as Director w.e.f. July 05, 2021.

b. Attendance of each director at the Board meetings and at the last Annual General Meeting

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended March 31, 2021 has been set out here below:

S.No.	Name of Director	No. of Board Meetings		Attendance at last AGM
		Held	Attended	
1	Mr Vishnu Ravi	5	5	Yes
2	Mr Siva Lakshmana Rao Kakarala	5	1	No
3	Mr Srinivas Medasani	5	5	Yes
4	Ms Karuna Gayathri Upadhyayula	5	5	Yes

c. Number of other Directorships, Committee Membership(s) & Chairmanship(s):

S.No.	Name of Director	Other Directorships	Committee Membership	Committee Chairmanship
1	Mr Vishnu Ravi	1	2	1
2	Mr Siva Lakshmana Rao Kakarala	2	-	-
3	Mr Srinivas Medasani	1	-	-
4	Ms Karuna Gayathri Upadhyayula	4	-	-

- The number of total directorships are in accordance with Section 165 of the Companies Act, 2013.
- The Number of Directorships, Committee memberships and Chairmanships of all listed and unlisted companies are within the limits as per Regulation 26 of SEBI (LODR) Regulations, 2015 and erstwhile Clause 49(II)(D)(2) of the Listing Agreement.

d. Number of Board Meetings held and the date on which held

In terms of compliance with the requirement of Regulation 17(2) of SEBI (LODR) Regulations, 2015, Five Board Meetings were held during the financial year ended March 31, 2021.

The dates on which the Board meetings were held are:

07.10.2020, 22.10.2020, 13.11.2020, 04.12.2020 and 12.02.2021

e. Disclosure of relationship between the directors inter-se

None of the Directors are related to any other Director.

f. Shares held by Non-Executive Directors

The number of equity shares of the Company held by the non-executive directors, as on March 31, 2021 are as follows:

S.No.	Name of the Director	No of Equity Shares
1	Mr Siva Lakshmana Rao Kakarala	23,01,000

Note: the above shareholding was prior to the capital reduction contemplated by the Resolution Plan.

g. The details of familiarization programs imparted to independent directors is given below

Your Company follows a structured orientation and familiarization programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved.

3. Board Committees

Details of the Board Committees and other related information are provided hereunder:

I. Audit Committee**a) Brief description of terms of reference**

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Review of financial reporting systems;
2. Ensuring compliance with regulatory guidelines;
3. Reviewing the quarterly, half yearly and annual financial results;
4. Approval of annual internal audit plan;
5. Review and approval of related party transactions;
6. Discussing the annual financial statements and auditor's report before submission to the Board with particular reference to the
 - i. Director's Responsibility Statement;
 - ii. Major accounting entries;
 - iii. Significant adjustments in financial statements arising out of audit findings;
 - iv. Compliance with listing requirements etc.;
7. Interaction with statutory, internal and cost auditors;
8. Recommendation for appointment and remuneration of auditors; and
9. Reviewing and monitoring the auditor's independence and performance etc.

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions 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;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

In addition to the above, the Audit Committee also reviews the financial statements, minutes and details of investments made by the subsidiary companies.

b. Composition, Name of members and Chairman

As on March 31, 2021, the Audit Committee comprises of Two Independent Directors, One Executive Director. The Chairperson of the Audit Committee is Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013:

S.No.	Name of the Director	Designation
1	Ms Karuna Gayathri Upadhyayula	Chairperson
2	Mr Srinivas Medasani	Member
3	Mr Vishnu Ravi	Member

- CFO, Statutory Auditors and Internal Auditors attend the Audit Committee meetings on invitation and the Company Secretary acts as the Secretary of the Committee.
- Minutes of meetings of the Audit Committee are placed before the Board and discussed in the meeting.

c. Meetings and attendance during the year

- Four Audit Committee Meetings were held during the financial year ended March 31, 2021. The Audit Committee meetings were held on 07.10.2020, 22.10.2020, 13.11.2020 and 12.02.2021
- Attendance at the Audit Committee Meeting:

S. No.	Name of Director	No. of Meetings	
		Held	Attended
1	Ms Karuna Gayathri Upadhyayula	4	4
2	Mr Srinivas Medasani	4	4
3	Mr Vishnu Ravi	4	4

The Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company. The chairperson of the Audit Committee attended the Annual General Meeting to answer the queries raised by the shareholders regarding Audit and Accounts.

II. Nomination & Remuneration Committee

a. Brief description of terms of reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Carry on the evaluation of every director's performance;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity; and
- Any other matter as the Board may decide from time to time.

b. Composition, Name of members and Chairman

As on the date of this Report, the Nomination and Remuneration Committee was constituted by the Board with 2 Independent Directors, 1 Non-Executive Director. The following is the composition of the Committee.

S.No.	Name of the Director	Designation
1	Mr Srinivas Medasani	Chairman
2	Mr Siva Lakshmana Rao Kakarala	Member
3	Ms Karuna Gayathri Upadhyayula	Member

- The Company Secretary acts as the Secretary of the Committee.
- Minutes of meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

c. Nomination and Remuneration Committee meetings

During the period from April 01, 2020 to March 31, 2021, One Nomination and Remuneration Committee Meeting held on 12.02.2021 for which all the members of the committee were present.

d. Nomination and Remuneration policy

- The nomination and remuneration committee has adopted a Nomination and Remuneration Policy which, inter-alia, deals with the manner of selection of Board of Directors, KMP & other senior management and their remuneration. Executive Directors and KMP are eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The Executive Director and KMP remuneration is determined based on levels of responsibility and scales prevailing in the industry. The executive directors are not paid sitting fee for any Board/Committee meetings attended by them.
- The Non-executive directors are not paid sitting fees for attending meetings of Board/Committee.

e. Performance Evaluation of Directors

The criteria and the procedure for the process of Board evaluation is mentioned in the Directors' report.

III. Independent Directors' Meeting

During the period from April 01, 2020 to March 31, 2021, One Independent Directors Meeting held on 12.02.2021.

IV. Stakeholders Relationship Committee**a. Brief description of terms of reference**

The Stakeholders Relationship Committee oversees and reviews all matters connected with the share transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual report/dividends etc. The committee oversees the performance of the Registrar of Transfer Agents and recommends measures for overall improvement in the quality of investor services. Email-Id for Investor Grievance: cs@mic.co.in

b. Composition as on the date of this Report

S.No.	Name of the Director	Designation
1	Mr Srinivas Medasani	Chairman
2	Mr Siva Lakshmana Rao Kakarala	Member
3	Mr Vishnu Ravi	Member
4	Ms Karuna Gayathri Upadhyayula	Member

c. Name and designation of Compliance Officer

During the year under review, Mr M S Muralikrishnan was the Company Secretary and Compliance Officer of the Company.

d. Number of Shareholders complaints received so far

During the year ended March 31, 2021, the Company has received and resolved the complaints.

e. Number of complaints not resolved to the satisfaction of shareholders is Nil**f. There were no pending complaints as at the year end.****Remuneration of Directors****a. Details of Remuneration of Non-executive Directors**

There were no pecuniary transactions with any non-executive director of the Company.

Sitting Fee is not paid to Non-Executive Director for attending the Board and Committee Meetings

b. Details of Remuneration of Executive Directors and Key Managerial Personnel:

Mr Vishnu Ravi, Managing Director was paid Gross Salary of Rs. 12 for the FY 2020-21.

Mr M S Muralikrishnan, Company Secretary was paid Gross Salary of Rs. 786881 for the FY 2020-21.

4. General Body Meetings

Location and Time, where last three Annual General Meetings held

Year	Locations	Date	Time
32nd AGM (2019-20)	Video Conference (venue deemed to be the registered office of the Company)	December 31, 2020	10.30 A.M
31st AGM (2018-19)	A4/II, Electronic Complex, Kushaiguda, Hyderabad, Telangana – 500062.	December 21, 2019	10.30 A.M
30th AGM (2017-18)	A4/II, Electronic Complex, Kushaiguda, Hyderabad, Telangana – 500062.	December 31, 2018	09.30 A.M

5. Means of Communication**a. Financial / Quarterly Results**

The quarterly results of the Company are published in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in widely circulated newspapers.

b. Newspapers wherein results normally published

The results of the Company are published in widely circulated newspapers.

c. Any website, where displayed

The results of the Company are published on the Company's website: www.mic.co.in

d. Whether it also displays official news releases

Official news releases along with quarterly results are displayed on the Company's website: www.mic.co.in

e. Presentations made to institutional investors or to the analysts

There are no presentations made to the investors / analysts.

The website www.mic.co.in contains a separate dedicated section for the Company's "Investor Relations" where shareholders' information is available. The full Annual Report, shareholding pattern, corporate governance reports etc. is also available in the 'Investor Info' section on the website of the Company.

6. Subsidiary Companies

Subsidiary Companies as on 31st March 2021 are: MIC Electronics Inc (USA) in which Dr. M V Ramana Rao and Atluri Venkata Ram are the Directors.

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

7. General shareholder information

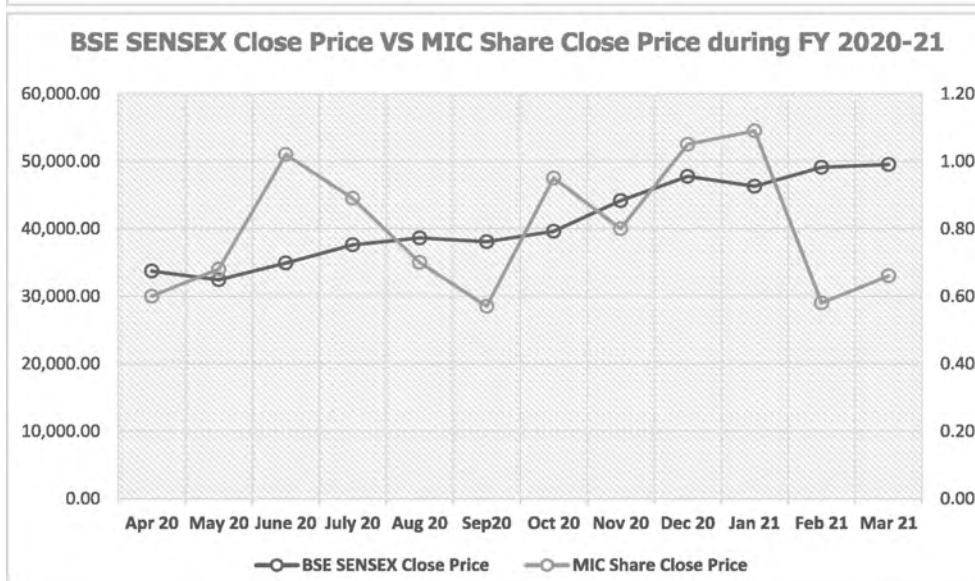
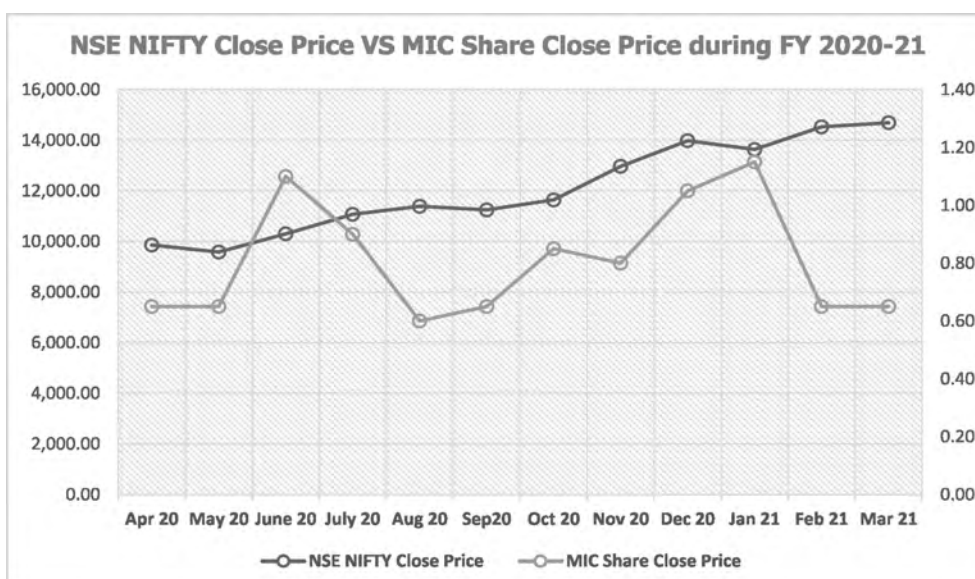
Annual General Meeting	Date : December 27, 2021
	Time : 10.30 AM
	Venue : A4/II, Electronic Complex, Kushaiguda, Hyderabad, Telangana – 500062.
Financial Calendar	April 01, 2020 to March 31, 2021
Date of Book Closure	December 21, 2021 to December 27, 2021 (both days inclusive)
Dividend Payment Date	Nil
Listing on Stock Exchanges	BSE Ltd and National Stock Exchange of India Ltd
Scrip/Stock Code	532850 on BSE and MIC on NSE
ISIN Number for NSDL&CDSL	INE287C01037

8. Market price data

Trading in the shares of the Company was suspended by the stock exchanges from June 24, 2021 due to capital reduction as per the resolution plan. The Company applied to the stock exchanges for relisting of the reduced capital of Rs. 11,01,28,000/- divided in to 5,50,64,000 equity shares of Rs. 2/- each.

Market Price data: High / Low during each month in the Period 2020-21 and performance in comparison to broad based indices such as NSE Nifty and BSE SENSEX.

Month & Year	NSE (in rs.)		NIFTY		BSE (in rs.)		sensex	
	high	low	high	low	high	low	high	low
Apr-20	0.70	0.45	9889.05	8055.80	0.60	0.46	33887.25	27500.79
May-20	0.70	0.55	9598.85	8806.75	0.70	0.56	32845.48	29968.45
Jun-20	1.15	0.65	10553.15	9544.35	1.10	0.66	35706.55	32348.10
Jul-20	1.05	0.90	11341.40	10299.60	0.97	0.89	38617.03	34927.20
Aug-20	0.85	0.55	11794.25	10882.25	0.85	0.64	40010.17	36911.23
Sep-20	0.70	0.50	11618.10	10790.20	0.70	0.56	39359.51	36495.98
Oct-20	1.05	0.60	12025.45	11347.05	0.95	0.57	41048.05	38410.20
Nov-20	0.85	0.65	13145.85	11557.40	0.98	0.80	44825.37	39334.92
Dec-20	1.10	0.65	14024.85	12962.80	1.06	0.63	47896.97	44118.10
Jan-21	1.25	1.05	14753.55	13596.75	1.32	1.05	50184.01	46160.46
Feb-21	1.10	0.55	15431.75	13661.75	1.04	0.56	52516.76	46433.65
Mar-21	1.05	0.60	15336.30	14264.40	0.90	0.57	51821.84	48236.35



Distribution of Shareholding as on March 31, 2021

Shares	Holders		Shares	
	Number	% To Total	No of Shares	% To Total
Upto - 500	29671	59.37	5764918	2.62
501 - 1000	7418	14.84	6511935	2.96
1001 - 2000	4790	9.58	7798321	3.54
2001 - 3000	2077	4.16	5473228	2.48
3001 - 4000	1041	2.08	3807281	1.73
4001 - 5000	1151	2.30	5554705	2.52
5001 - 10000	1940	3.88	15170132	6.89
10001 and above	1889	3.78	170173799	77.26
Total	49977	100	220254319	100

Share holding pattern as on March 31, 2021

Category	Holding as on 31-03-2021	%
BODIES CORPORATE	51571938	23.41
CLEARING MEMBER	1495389	0.68
CENTRAL/STATE GOVERNMENT(S)	--	0.00
FINANCIAL INSTITUTIONS/BANKS	100	0.00
FOREIGN BODIES CORPORATE	--	0.00
FOREIGN INSTITUTIONAL INVESTORS	--	0.00
INSURANCE COMPANIES	--	0.00
MUTUAL FUNDS/UTI	--	0.00
NON RESIDENTIAL INDIVIDUALS	10628366	4.83
FOREIGN NATION	--	0.00
FOREIGN PORTFOLIO INVESTORS - INDIVIDUAL(FPI)	--	0.00
FOREIGN PORTFOLIO INVESTORS - CORPORATE(FPI)	--	0.00
PROMOTER AND PROMOTER GROUP	16766803	7.61
PUBLIC	139791223	64.03
ALTERNATE INVESTMENT FUNDS	--	0.00
QUALIFIED INSITUTIONAL BUYERS	--	0.00
TRUST	500	0.00
IEPF AUTHORITY MCA	--	0.00
TOTAL	220254319	100.00

Dematerialisation of shares and liquidity

Considering the capital reduction approved by the Board of Directors in its meeting held on June 30, 2021 in compliance with the resolution plan, 5,45,63,571 shares representing 99.09% shares have been in dematerialisation form while 5,00,429 shares representing 0.91% in physical form.

The Company has not issued any GDR/ADR and there are no outstanding warrants or any convertible instruments.

Depositories for Equity Shares

- (i). National Securities Depository Limited (NSDL) and
- (ii). Central Depository Services Limited (CDSL)

Registrar & Transfer agents

Venture Capital and Corporate Investments Pvt. Ltd.

12-10-167, Bharatnagar, Hyderabad-500018, Tel: 040-23868257/258, E-mail: info@vccipl.com

Share Transfer System

SEBI vide its Circular No. CIR/MIRSD/8/2012, dated July 5, 2012 has reduced the time-line for registering the transfer of shares to 15 days, the Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. In compliance with the Listing Agreement with the Stock Exchanges, a Practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

Plant Locations

1	MIC Electronics Limited – EOU Plot No.192/B, Phase-II, IDA, Cherlapally, Hyderabad - 500051
2	MIC Electronics Limited IP 47, Raipur, Sahkariyudgyokshetra, Raipur, Bhagwanpur, Roorkee, Uttarakhand, India – 247667

Address for Correspondence

Sl.No.	Shareholders Correspondence for	Address
1	Transfer/ Dematerialization/ Consolidation/ Split of shares, Issue of Duplicate Share Certificates, Non- receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharatnagar, Hyderabad-500018 Tel: 040-23868257/258 E-mail: info@vccipl.com
2	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	MIC Electronics Limited A4/II, Electronic Complex, Kushaiguda, Hyderabad, Telangana – 500062. E-mail: cs@mic.co.in

8. Other Disclosures**a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;**

Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

b. Details of non-compliance by the listed entity, penalties, structures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

The stock exchanges levied penalties for non compliances or delay in compliances with the SEBI LODR Regulations and the Company had applied for waiver based on the immunity provided by the Hon'ble NCLT, Hyderabad bench under the Resolution Plan. The said waiver applications were under process by the stock exchanges.

c. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is available on the Company website, www.mic.co.in. During the financial year under review, none of the Complaint has received.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non- mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

e. Web link where policy for determining 'material' subsidiaries is disclosed;

The policy for determining 'material' subsidiaries is available on the website of the Company <http://www.mic.co.in>

f. Web link where policy on dealing with related party transactions;

The policy on dealing with related party transactions is available on the website of the Company: <http://www.mic.co.in>

g. Disclosure of commodity price risks and commodity hedging activities: Not applicable**h. As on March 31, 2021, the Company has complied with the requirements of the Schedule V Corporate Governance report sub- paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.****9. As on March 31, 2021, the Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:**

Regulation	Particulars of Regulation	Compliance Status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stake Holders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect of Subsidiary of Listed entity	Yes
25	Obligation with respect to Independent Director	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirement	Yes
46(2)(b)to(i)	Website	Yes

10. Code of Conduct

The Company has in place a comprehensive Code of Conduct applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been posted on the Company's website.

11. MD and CFO Certification

In line with the requirements of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, MD of the Company have submitted a certificate, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31, 2021 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

12. Disclosure with respect to Demat suspense account/ unclaimed suspense account

There are no unclaimed securities to be kept in the demat suspense account.

13. Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended March 31, 2021, there were no proceeds from public issues, rights issues, preferential issues, etc. However the resolution applicants as per the resolution plan are entitled to be allotted 16,51,90,319 equity shares (i.e. 75% of erstwhile share capital of the Company) against the amounts paid as contemplated under the resolution plan. The said allotment will be made after re-listing the reduced capital of Rs. 11,01,28,000/-.

14. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company <http://www.mic.co.in>

15. The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: <http://www.mic.co.in>.

16. Company's Policy on prevention of insider trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and in continuation with your Company's efforts to enhance the standards of corporate governance in the Company, and to strictly monitor and prevent insider trading within the company, your company has in place a Code of Conduct which is approved by the Board.

As on March 31, 2021, Mr M S Muralikrishnan, Company Secretary of the Company is acting as Compliance Officer for the said purpose. The code is applicable to all such employees, officers, Directors and Promoters of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and others concerned the compliance of the same has been affirmed by them.

By order of the Board
For MIC Electronics Limited

Date: November 12, 2021
Place: Hyderabad

Mr Kaushik Yalamanchili
Managing Director
DIN: 07334243

Mr Manideep Katepalli
Director
DIN: 07840019

MD & CFO CERTIFICATION TO THE BOARD

Pursuant to Regulation 17(8) of SEBI (LODR), Regulations, 2015

Since there was no CFO appointed during the FY 2020-21, Mr Vishnu Ravi, Managing Director of the Company had given this certificate.

We hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the Financial Year ended March 31, 2021 and that these statements;
 - i. Do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii. Together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of Business conduct and Ethics.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d. We have disclosed, wherever applicable to the Auditors and the Audit Committee:
 - i. That there were no deficiencies in the design or operations of Internal Controls that could adversely affect the company's ability to record, process, summarize and report financial data including any corrective actions;
 - ii. That there are no material weaknesses in the internal controls over financial reporting;
 - iii. That there are no significant changes in internal control over financial reporting during the year;
 - iv. All significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes of the financial statements; and
 - v. That there are no instances of significant fraud of which we have become aware of and involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

For MIC Electronics Limited

Mr Vishnu Ravi
Managing Director

Date: June 30, 2021

Place: Hyderabad

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a code of conduct for all the Board members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2021 as envisaged in the chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For MIC Electronics Limited

Mr Kaushik Yalamanchili
Managing Director

Date: November 12, 2021

Place: Hyderabad

CERTIFICATE ON CORPORATE GOVERNANCE

To The Members

M/s. MIC Electronics Limited, Hyderabad.

We, RPR & Associates have examined the compliance of conditions of corporate governance by M/s. MIC Electronics Limited ("the Company"), for the year ended March 31, 2021, as per the relevant provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

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

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance Issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our explanations of the relevant records and the explanations given to us by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations except the deviations mentioned in our Secretarial Audit Report dated November 12, 2021 for the FY 2020-21.

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

For RPR & ASSOCIATES

Company Secretaries

Y. Ravi Prasada Reddy

Proprietor
FCS No. 5783, C P No. 5360
UDIN: F005783C001417041

Place: Hyderabad

Date: November 12, 2021

INDEPENDENT AUDITORS' REPORT

To the members,

M/s. MIC ELECTRONICS LIMITED,

Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016:

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 31st July 2019 approving the Resolution Plan submitted by the Resolution applicant. Consequently new Board of Directors have been appointed by the company.

Report on the Audit of Financial Statements:

Opinion

We have audited the accompanying financial statements of M/s. MIC ELECTRONICS LIMITED ("the Company"), which comprise the Balance Sheet as on 31st March, 2021, and the Statement of Profit and Loss (including other Comprehensive Income), statement of changes in equity and statement of cash flows for the year ended 31st March, 2021 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanation given to us, the accompanying standalone financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies Accounting Standard Rules 2015 as amended (IndAS) and other accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2021 and its loss, total comprehensive income, its cash flows, its changes in equity for the year ended on that date.

Basis of Qualified Opinion

We refer to the following notes to stand alone financial statements.

- a. Note 2.25 to the standalone financial statements in connection with write off of assets/expenses/write back off liability/provision has been carried out in the books of accounts of the company and the balancing figure has been adjusted in the capital reserve as per the NCLT order dated 31st July 2019 approving the resolution plan. In this regard, we are of the opinion that the company should make these adjustments by crediting the balancing figure of Rs.138.53 crores to the profit and loss account in conformity with the Indian Accounting Standards. Had the company credited this amount to the profit and loss account the profit would have been increased by the said amount and capital reserve would have been decreased by the said amount.
- b. Note 2.42 to the standalone financial statements in connection with trade receivables, security deposits, loans and advances, other financial and current assets aggregating to Rs. 7.43 crores. There is existence of material uncertainties over the realisability of these amounts due to various factors such as disputes, age of these assets etc. There is also non-availability of confirmation of various trade receivables etc. In absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable.

Other Matters:

- a. We draw attention to Note No.2.44 as regards to the management evaluation of COVID-19 impact on the future performance of the company. Our opinion is not modified in respect of this matter.
- b. Section 203 of the Companies Act, read with rule 8A of the companies (Appointment and remuneration of Managerial Personnel) Amendment rules, 2014, In respect of appointment of CFO, as per the said provisions the Board should fill the vacancy of CFO within 6 months from the date of such vacancy. However, in the present case such six months have already been elapsed from the date of such vacancy.

Key Audit Matters :

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<p>Revenue Recognition :</p> <p>The Company recognizes revenue from products based on the terms and conditions of transactions which varies with different customers.</p> <p>For sale transactions in a certain period of time around the Balance Sheet date, it is essential to ensure that the control of goods have transferred to the customers. As revenue recognition is subject to management's judgement on whether the control of the goods have been transferred, we consider cut-off of revenue as a key audit matter.</p>	<p>Principal audit procedures :</p> <p>We obtained an understanding of the revenue recognition process and tested the company's controls around the timely and accurate recording of sales transactions.</p> <p>We have obtained an understanding of a sample of customer contracts.</p> <p>We tested the access and change management controls of the relevant information technology system in which shipments are recorded.</p> <p>Our test of revenue samples focused on sales recorded immediately before the year – end, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents.</p>

Information other than the financial statements and Auditor's report there on:

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance and Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the standalone financial statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the

audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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 report that:
 - a. Except for possible effects of the matters as described in the "Basis of qualified opinion" paragraph, we have sought and obtained the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Except for possible effects of the matters as described in the "Basis of qualified opinion" paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d. Due to the matters as described in the "Basis of qualified opinion" paragraph, in our opinion, the aforesaid standalone financial statements do not comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. The matter described in the "Basis of qualified opinion" may not have an adverse effect on the functioning of the company.
 - f. On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act;
 - g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the "Basis of qualified opinion" paragraph above;
 - h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a qualified opinion on the Company's internal financial controls over financial reporting.
 - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigations on its financial position to the extent ascertained, in its standalone financial statements;
 - ii. Except for the possible effects of the matters described under "Basis of qualified opinion" paragraph, the company has made a provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The company did not have any derivative contracts.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For PAVULURI & Co.

Chartered Accountants

Firm Reg. No:012194S

(CA N. RAJESH)

PARTNER

M.No : 223169

UDIN # 21223169AAAAET4633

Place : Hyderabad

Date : 30.06.2021

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

1. (a) the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed on property provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
3. The Company has not granted interest free unsecured loan to a company covered in the Register maintained under section 189 of the Act during the year.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. Pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Act, the maintenance of cost records is not applicable for the company.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has not been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. There have been significant delays in a large number of cases in depositing these dues with the appropriate authorities.

According to the information and explanations given to us and records of the company examined by us, the following are the undisputed amounts payable in respect of Provident Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Duty of Customs, Excise Duty, Value added tax and Other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable. However, as per the NCLT order dated 31.07.2019 the company is of the opinion, the statutory dues before date of admission of CIRP are not required to be paid.

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Due date	date of payment
Finance Act, 1994	Service Tax	1,00,92,802	From 2011 onwards	Various dates	Nil
Employees Provident Fund & Miscellaneous provisions act, 1952	Provident Fund	2,29,27,953	From 2009 onwards	Various dates	Nil
Employees State Insurance Act, 1948	Employee State Insurance	34,02,597	From 2011 onwards	Various dates	Nil
APPT Act, 1987	Professional Tax	15,56,260	From 2011 onwards	Various dates	Nil
Income Tax Act, 1961	TDS	2,31,62,102	From 2012 onwards	Various dates	Nil
AP Value Added Tax Act, 2005 & The Central Sales Tax Act, 1956	VAT / CST	2,91,75,577	From 2013 onwards	Various dates	Nil
Goods and services Tax Act	GST	19,04,966	From 2017 onwards	Various dates	Nil
T.S.Municipalities Act, 1965	Property Tax	66,67,372	From 2013 onwards	Various dates	Nil
Income Tax Act, 1961	Income Tax	68,97,374	From 2017 onwards	Various dates	Nil
Central Excise Act, 1944	Excise Duty	37,839	From 2019 onwards	Various dates	Nil

According to the information and explanations given to us and records of the company examined by us, the following are disputed dues relating to Wealth tax, Duty of Customs and Cess which have not been deposited with the appropriate authorities on account of any dispute. However, as per the NCLT order dated 31.07.2019 the company is of the opinion, the statutory dues before date of admission of CIRP are not required to be paid.

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	38,96,982/-	2008-2009	Customs, Excise & Service Tax Appellate tribunal, south zonal bench, Bangalore vide appeal no.C/2303 of 2010 Amt.deposited : Rs.28,96,982/-

Customs Act, 1962	Customs Duty	18,01,111/-	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	8,40,705/-	2008-2009	Appellate Deputy Commissioner (CT), Secunderabad Division vide Appeal No.S/23/09-10/V Amt. deposited :Rs. 8,40,705/-
The A.P.VAT Act, 2005	APVAT	5,45,677/-	2007-2008	Appellate Deputy Commissioner (CT), Secunderabad Division Amt. deposited : Rs.5,45,677/-
The A.P.VAT Act, 2005	APVAT	18,09,145/-	2005-2006	WP No.14764/2009 filed with High Court, AP Amt.deposited : Rs.18,09,145/-

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debentures. The Company has not taken any loans and borrowings from financial institutions and government.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made preferential allotment or private placement of shares during the year under review according to the requirement of Sec 42 of the Companies Act 2013 and the amount raised have been used for the purposes for which the funds were raised.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For PAVULURI & Co.

Chartered Accountants

Firm Reg. No:012194S

(CA N. RAJESH)

PARTNER

M.No : 223169

UDIN # 1223169AAAAET4633

Place : Hyderabad

Date : 30.06.2021

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of MIC ELECTRONICS LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of MIC ELECTRONICS LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Hyderabad
Date : 30.06.2021

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

(CA N. RAJESH)
PARTNER
M.No : 223169
UDIN # 21223169AAAAET4633

BALANCE SHEET FOR PERIOD ENDED 31ST MARCH 2021

(Amount in Rs.)

Particulars	Note	As at 31.03.2021	As at 31.03.2020
I. ASSETS			
(1) Non-Current Assets			
Property, Plant & Equipment	2.01	462,956,380	745,453,193
Capital Work-in-Progress		-	18,255,480
Intangible Assets	2.02	301,306	649,892
Other Non Current Assets	2.03	5,250,299	91,537,292
		468,507,985	855,895,857
(2) Current Assets			
Inventories	2.04	18,901,654	495,292,608
Financial Assets			
(i) Trade receivables	2.05	39,607,535	95,068,509
(ii) Cash & Cash Equivalents	2.06	1,034,572	465,245
(iii) Bank balances other than (ii) above	2.07	10,064,387	13,017,564
(iv) Other Financial Assets	2.08	143,629	1,072,791
Other Current Assets	2.09	29,251,150	60,554,967
		99,002,927	665,471,684
TOTAL ASSETS		567,510,912	1,521,367,541
II. EQUITY AND LIABILITIES			
(1) Equity			
Equity Share Capital	2.10	440,508,638	440,508,638
Other Equity		(462,836,781)	(1,794,006,882)
TOTAL EQUITY		(22,328,143)	(1,353,498,244)
(2) Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	2.11	260,816,000	-
Long Term Provisions	2.12	-	21,466,974
		260,816,000	21,466,974
Current liabilities			
Financial Liabilities			
(i) Borrowings	2.13	17,012,302	144,769,543
(ii) Trade Payables	2.14	6,331,019	593,215,213
(iii) Other Financial Liabilities	2.15	284,105,236	1,877,486,488
Other current liabilities	2.16	21,574,498	231,030,193
Income Tax Liabilities (Net)	2.17	-	6,897,374
		329,023,055	2,853,398,811
TOTAL EQUITY & LIABILITIES		567,510,912	1,521,367,541
See accompanying notes to financial statements 1-2.44			

As per our report of even date

For PAVULURI & CO.
Chartered Accountants
Firm Reg. No. 012194S

CA.N. Rajesh
Partner
M.No. 223169

Place : Hyderabad
Date : 30.06.2021

For MIC Electronics Limited

Vishnu Ravi
Executive Director
Din No. 01144902

U.K. Gayathri
Director
Din No. 07901195

M.S. Murali Krishnan
Company Secretary
M.No. A7533

STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31ST MARCH 2021

(Amount in Rs.)

Particulars	Note	Year ending 31.03.2021	Year ending 31.03.2020
I INCOME :			
Revenue from operations	2.18	10,896,867	18,584,013
Other Income	2.19	31,426,656	9,951,116
Total Income		42,323,523	28,535,129
II EXPENDITURE :			
Cost of material consumed	2.20	1,922,627	4,073,203
Changes in inventories of finished goods, work -in-progress and stock-in-trade	2.21	5,169,624	1,859,475
Employee benefits expense	2.22	6,274,204	24,614,850
Finance Costs	2.23	877,955	2,009,287
Depreciation and amortization expense	2.01/2.02	68,235,780	75,293,946
Other expenses	2.24	13,975,769	160,041,416
Total expenses		96,455,959	267,892,177
III Profit/(Loss) before exceptional items and tax (I-II)		(54,132,436)	(239,357,048)
IV Exceptional Items		-	-
V Profit/(Loss) before tax (III+IV)		(54,132,436)	(239,357,048)
VI Tax expenses:			
Deffered tax (Liability)/Asset		-	-
VII Profit/(Loss) for the period from continuing operations (V - VI)		(54,132,436)	(239,357,048)
VIII Other comprehensive Income			
A (i) Items That May Not Be Reclassified to Profit or Loss		-	-
(ii) Income Tax Relating to Items That May Not Be Reclassified to Profit or Loss		-	-
B (i) Items That May Be Reclassified to Profit or Loss		-	-
(ii) Income Tax Relating to Items That May Be Reclassified to Profit or Loss		-	-
IX Total Comprehensive Income For The Period (VII+VIII) (Comprising Profit/(Loss) and Other Comprehensive Income For The Period)		(54,132,436)	(239,357,048)
X Earnings per equity share of par value Rs 2/- each			
- Basic		(0.25)	(1.09)
- Diluted		(0.25)	(1.09)
See accompanying notes to financial statements	1-2.44		

As per our report of even date

For PAVULURI & CO.
Chartered Accountants
Firm Reg. No. 012194S

CA.N.Rajesh
Partner
M.No. 223169

Place : Hyderabad
Date : 30.06.2021

For MIC Electronics Limited

Vishnu Ravi
Executive Director
Din No. 01144902

U.K. Gayathri
Director
Din No. 07901195

M.S. Murali Krishnan
Company Secretary
M.No. A7533

(Amount in Rs.)

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2021

A. Movements in Equity Share Capital

	No. of Shares	Equity Share Capital (Rs)
As at 01.04.2019	220,254,319	440,508,638
Changes in equity share capital	-	-
As at 31.03.2020	220,254,319	440,508,638
Changes in equity share capital	-	-
As at 31.03.2021	220,254,319	440,508,638

B. Other Equity

Statement of Changes in Equity for the period ended 31st March 2021

Particulars	Reserves & Surplus							Total Other Equity
	Capital Reserve	Securities Premium Reserve	Share warrants forfeited	Amalgamation Reserve	General Reserve	Retained Earnings	Money Received against Share Warrants	
Balance as at 01.04.2019	267,000	1,884,309,212	396,331,045	18,000,000	180,000,000	(4,221,107,391)	187,550,300	(1,554,649,834)
Share warrants forfeited during the year	-	-	187,550,300	-	-	-	(187,550,300)	-
Profit for the year	-	-	-	-	-	(239,357,048)	-	(239,357,048)
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-
Balance as at 31.03.2020	267,000	1,884,309,212	583,881,345	18,000,000	180,000,000	(4,460,464,439)	-	(1,794,006,882)
Profit for the year	-	-	-	-	-	(54,132,436)	-	(54,132,436)
Balances written off due to CIRP (Refer Note 2.25)	1,385,302,537	-	-	-	-	-	-	1,385,302,537
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-
Balance as at 31.03.2021	1,385,569,537	1,884,309,212	583,881,345	18,000,000	180,000,000	(4,514,596,875)	-	(462,836,781)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021

(Amount in Rs)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Cash Flow from Operating Activities		
Profit/(Loss) before Income tax from Continued Operations	<u>(54,132,436)</u>	<u>(239,357,048)</u>
Profit before Income tax	<u>(54,132,436)</u>	<u>(239,357,048)</u>
Adjustments for non cash/non operational expenses :		
Depreciation & amortisation expenses	68,235,780	75,293,946
Financial Charges	877,955	2,009,287
Interest received /Other Income	30,382,776	696,873
Operating Profit before Working Capital Changes	<u>45,364,075</u>	<u>(161,356,942)</u>
Adjustments for working capital changes		
(Increase)/Decrease in Trade Receivables	55,460,966	99,298,469
(Increase)/Decrease in Inventories	476,390,954	3,497,662
(Increase)/Decrease in Other financial assets	929,162	404,256
(Increase)/Decrease in Other Non Current Assets	86,286,993	2,010,533
(Increase)/Decrease in Other Current Assets	31,303,817	(3,861,991)
Increase/(Decrease) in Trade Payables	(586,884,194)	15,017,590
Increase/(Decrease) in Provisions	(21,466,974)	-
Increase/(Decrease) in borrowings	260,816,000	-
Increase/(Decrease) in Other financial liabilities	(1,593,381,244)	64,793,291
Increase/(Decrease) in Other Current Liabilities	(209,455,695)	<u>(17,465,885)</u>
Cash generated from Operations	<u>(1,500,000,215)</u>	<u>163,693,925</u>
Financial Charges paid	(877,955)	(2,009,287)
Direct Taxes paid	(6,897,374)	-
Net Cash Flow from operating activities	<u>(1,462,411,469)</u>	<u>327,696</u>
Cash Flow from Investing Activities		
Expenditure on acquisition of tangible and intangible assets (net of Sale proceeds)	214,609,619	(33,357)
(Increase) / Decrease of Capital Work-in-Progress	18,255,480	-
Interest Received/Other Income	(30,382,776)	(696,873)
Net Cash Flow from Investing Activities	<u>202,482,323</u>	<u>(730,230)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	(127,757,241)	(3,860,772)
Deposits paid towards LCs & BGs	2,953,177	4,188,717
Increase/(Decrease) in capital reserve	1,385,302,537	-
Net Cash Flow from financing activities	<u>1,260,498,473</u>	<u>327,945</u>
Net Increase in Cash and Cash equivalents	569,327	(74,589)
Cash and Cash equivalents as at the beginning of the year	465,245	539,834
Cash and Cash equivalents as at the end of the year	1,034,572	465,245

As per our report of even date

For PAVULURI & CO.Chartered Accountants
Firm Reg. No. 012194S**CA.N.Rajesh**Partner
M.No. 223169

Place : Hyderabad

Date : 30.06.2021

For MIC Electronics Limited**Vishnu Ravi**
Executive Director
Din No. 01144902**U.K. Gayathri**
Director
Din No. 07901195**M.S. Murali Krishnan**Company Secretary
M.No. A7533

1 Significant Accounting Policies

1.1 Basis of Preparation

(a) Statement of Compliance

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

(b) Basis of measurement

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

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- ii. Defined benefit and other long-term employee benefits.

(c) Functional and presentation currency

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

(d) Use of estimates and judgement

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

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

1.2 Summary of significant accounting policies

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Foreign currency transactions and balances

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

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

iii) Investment in subsidiaries

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

iv) Financial instruments

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

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

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

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

a) Non-derivative financial assets

Financial assets at amortized cost

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

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

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

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

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

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

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

b) Non-derivative financial liabilities

Financial liabilities at amortized cost

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

v) Property plant and equipment:

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

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

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

vi) Intangible assets

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

vii) Inventory

- a) Raw materials and Work in Progress are valued at cost. Finished goods are valued at cost or net realizable value which ever is less.
- b) The basis of determining the cost is

Raw materials	:	Weighted average cost
Stores and spares	:	Weighted average cost
Work in process and finished goods	:	Material cost plus appropriate share of labour, related overheads and levies
- c) In case of identified Obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

viii) Impairment

a) Financial assets

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

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

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

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

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

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

- ii) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- iii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

b) Non-financial assets

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

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

ix) Employee benefits

a) Gratuity & Provident Fund:

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

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

c) Accrued Leave Salary:

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

x) Provisions

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

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

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

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

xi) Research & Development (R&D)

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

xii) Revenue recognition:

Accounting Policies, change in Accounting estimates and errors (As per Ind-As 8) :

1. Review of accounting policies

a. Revenue recognition :

Ind As 115 recognises revenue of transfer of the control of goods or services, either over a period of time or a point of time, at an amount that the entity expects to be entitled in exchange for those goods or services. In order to align with Ind As 115, the Accounting policy on revenue recognition was reviewed and revised.

The said revision has nil impact on the financials of the company as the company was recognising and accounting revenue in line with the Ind As 115.

b. Lease :

- a. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.
- b. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lessees.
- c. the lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated over the lease term.
- d. Low value leases upto Rs.6 lakhs p.a. per lease and short term leases of 12 months or less are fully charged to expense.

xiii) Finance income and expense

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

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

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

xiv) Income tax

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

a) Current income tax

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

b) Deferred income tax

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

xv) Earnings per share

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

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

xvi) Borrowing costs

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

xvii) Prepaid Expenses

Expenses are accounted under prepaid expenses by only when the amount relating to the unexpired period.

xviii) Restatement of earliest prior period financials on material error/ommissions

The value of error and ommissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income / expenses exceeds 1.00% of the previous year turnover of the company.

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

(Amount in Rs.)

Note 2.01 : Property, Plant & Equipment

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2021 are as follows :

	GROSS CARRYING VALUE			ACCUMULATED DEPRECIATION			NET CARRYING VALUE		
	As at 01.04.2020	Additions	Disposals	As at 31.03.2021	As at 01.04.2020	Additions	Due to revaluation	As at 31.03.2021	As at 31.03.2020
Land & Land Development	221,079,000	-	-	221,079,000	-	-	(4,608,000)	216,471,000	221,079,000
Buildings	220,315,679	-	-	220,315,679	35,044,281	9,450,885	16,014,473	191,834,986	185,271,398
Plant & Machinery	964,811,168	-	-	964,811,168	635,358,335	57,948,269	(232,199,717)	39,304,847	329,452,833
Furniture & Fixtures	21,507,814	-	-	21,507,814	19,290,426	387,448	2,903,866	4,733,806	2,217,388
Office Equipment	3,178,334	-	-	3,178,334	2,885,994	29,695	353,966	616,611	292,340
Electrical Installations	13,129,859	-	-	13,129,859	12,370,082	107,776	2,593,511	3,245,512	759,777
D.G.Set	1,228,230	-	-	1,228,230	1,166,814	466,851	466,851	528,267	61,416
Transformer	1,109,125	-	-	1,109,125	1,053,670	421,579	421,579	477,034	55,455
Vehicles	16,756,208	-	-	16,756,208	15,822,244	211,347	3,792,883	4,515,500	933,964
Computers	34,823,251	91,985	-	34,915,236	34,347,143	25,617	639,730	1,182,206	476,108
Display Equipment not put to use	4,853,514	-	-	4,853,514	-	-	(4,806,903)	46,611	4,853,514
Total (Rs)	1,502,792,182	91,985	-	1,502,884,167	757,338,989	68,161,037	(214,427,761)	462,956,380	745,453,193

Note 2.02 : Intangible Assets

The changes in the carrying value of intangible assets for the year ended 31st March, 2021 are as follows :

	GROSS CARRYING VALUE			ACCUMULATED DEPRECIATION			NET CARRYING VALUE		
	As at 01.04.2020	Additions	Disposals	As at 31.03.2021	As at 01.04.2020	Additions	Deletions	As at 31.03.2021	As at 31.03.2020
Computer Software	15,277,444	-	-	15,277,444	14,627,552	74,743	(273,843)	301,306	649,892
Total (Rs)	15,277,444	-	-	15,277,444	14,627,552	74,743	(273,843)	301,306	649,892

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

(Amount in Rs.)

Particulars	As at 31.03.2021	As at 31.03.2020
NOTE - 2.03		
Other Non Current Assets		
Unsecured, Considered Good :		
- Other Secured Deposits	5,250,299	88,337,292
Others		
- Share Application money pending allotment in other companies	-	-
	<u>5,250,299</u>	<u>88,337,292</u>
Unsecured, considered doubtful :		
Security Deposits		
- Other Secured Deposits	55,523,000	200,000
Others		
- Share Application money pending allotment in other companies	3,000,000	3,000,000
	<u>58,523,000</u>	<u>3,200,000</u>
Less : Provision for doubtful deposits/advances	<u>58,523,000</u>	-
	<u>5,250,299</u>	<u>91,537,292</u>

Particulars	As at 31.03.2021	As at 31.03.2020
NOTE- 2.04		
Inventories		
Raw Material	118,715,633	118,715,633
Less : Depletion in value of inventories	106,478,909	12,236,724
Material under customs clearance	54,924,197	54,924,197
Less : Depletion in value of inventories	54,924,197	-
Work-in-Progress	193,913,283	192,773,166
Less : Depletion in value of inventories	187,248,353	6,664,930
Finished Goods	121,436,000	127,745,741
Less : Depletion in value of inventories	121,436,000	-
Stores and Spares	1,133,871	1,133,871
Less : Depletion in value of inventories	1,133,871	-
	<u>18,901,654</u>	<u>495,292,608</u>

Raw Materials are valued at lower of cost and net realisable value. The company has identified depletion in value of inventories and accordingly made necessary adjustments to the value of inventories.

Particulars	As at 31.03.2021	As at 31.03.2020
NOTE- 2.05		
Trade Receivables		
Trade receivables outstanding for a period exceeding six months from the due date of payments	337,433,455	614,145,909
Other Trade receivables	33,372,362	3,564,001
	<u>370,805,817</u>	<u>617,709,910</u>
Less : Provision for bad and doubtful debts	<u>331,198,282</u>	522,641,401
	<u>39,607,535</u>	<u>95,068,509</u>
Break-up security details		
i) Secured, Considered good	-	-
ii) UnSecured, Considered good	39,607,535	95,068,509
iii) Doubtful	331,198,282	522,641,401

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

(Amount in Rs.)

Particulars	As at 31.03.2021	As at 31.03.2020
NOTE- 2.06		
Cash & Cash equivalents		
Balance with Banks :		
In Current Accounts	1,024,384	463,713
Cash in Hand	10,188	1,532
	<u>1,034,572</u>	<u>465,245</u>
NOTE- 2.07		
Bank balances other than 2.06 above		
In Margin Money Accounts	10,064,387	13,017,564
	<u>10,064,387</u>	<u>13,017,564</u>
NOTE- 2.08		
Other Financial Assets		
Advance for expenses	143,629	1,072,791
	<u>143,629</u>	<u>1,072,791</u>
NOTE- 2.09		
Other Current Assets		
Unsecured Considered Good		
Security Deposits		
- Deposit-Delhi Metro Rail Corpn	15,937,628	23,916,725
Other Advances		
(i) Prepaid Expenses	148,844	62,581
(ii) Balances with Govt Authorities		
TDS receivable	2,837,589	3,301,520
IGST Receivable	-	6,065
GST Input	7,596,308	14,064,346
(iii) Others		
Advance for Materials	2,367,729	13,074,785
Advance for Services	363,052	1,298,785
Other advances	-	4,830,160
	<u>29,251,150</u>	<u>60,554,967</u>
Unsecured Considered Doubtful		
(i) Balances with Govt Authorities		
TDS receivable	-	5,639,060
(ii) Other Advances		
Advance for Materials	-	40,791,488
Advance for Services	-	663,352
Other advances	1,503,000	18,133,229
	<u>1,503,000</u>	<u>65,227,129</u>
Less : Provision for bad and doubtful advances	<u>1,503,000</u>	<u>65,227,129</u>
	<u>29,251,150</u>	<u>60,554,967</u>

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

NOTE - 2.10

(Amount in Rs.)

Equity Share Capital

	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
I. Authorised:				
Equity shares of Rs 2/- each with voting rights	270,000,000	540,000,000	270,000,000	540,000,000
II. Issued, Subscribed and Paid up:				
Equity shares of Rs 2/- each with voting rights	220,254,319	440,508,638	220,254,319	440,508,638
	220,254,319	440,508,638	220,254,319	440,508,638

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

a) Details of Reconciliation of Share Capital

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Equity shares with voting rights:-				
Opening Balance	220,254,319	440,508,638	220,254,319	440,508,638
Fresh Issue	-	-	-	-
Closing Balance	220,254,319	440,508,638	220,254,319	440,508,638

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

Class of shares / Name of shareholder	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Malaxmi Infraventures India Pvt Ltd	14,000,000	6.36%	14,000,000	6.36%

NOTE - 2.11

Borrowings

	Current Portion (*)	Non-Current Portion	Current Portion (*)	Non-Current Portion
Secured Loans				
Long Term Loans - From Banks				
UCO Bank	-	-	71,231,180	-
State Bank of India, SAM Branch	-	-	590,000,000	-
Long Term Loans - Others				
Technology Development Board	-	-	150,000,000	-
Srei Equipment Finance Ltd	50,674,405	-	93,818,258	-
Unsecured Loans				
Financial Contribution from EESL	-	-	111,897,973	-
Cosyn Consortium on account of resolution plan	-	260,816,000	184,710,000	-
	50,674,405	260,816,000	1,201,657,411	-

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

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

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

b) Longterm Unsecured Loans

As per the Resolution plan the consortium members have brought in Rs.26.08 crores, will be converted to share capital by allotting shares during the financial year 2021-22.

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

(Amount in Rs.)

Particulars	As at 31.03.2021	As at 31.03.2020
NOTE- 2.12		
Long Term Provisions		
Provision for employee benefits		
- Provision for gratuity	-	13,492,679
- Provision for leave encashment	-	7,974,295
	<u>-</u>	<u>21,466,974</u>
NOTE - 2.13		
Borrowings		
(A) UnSecured Loans		
(i) Loans from related parties		
Loans from directors	-	3,954,062
(ii) Intercorporate Loans		
JBB Infrastructures Pvt Ltd	660,651	11,728,480
MIC Electronics Limited Employees welfare trust	-	6,270,534
Reliance Capital Ltd	13,908,580	29,385,727
Sri Kanakadurga Castings Pvt Ltd	223,992	4,907,942
Think Solar India Pvt Ltd	-	46,460,155
Kiran impex pvt ltd	-	39,843,564
(iii) Loans against corporate guarantees		
Andhra Bank	1,589,626	1,589,626
Axis Bank Ltd	629,453	629,453
Total Borrowings (i+ii)	<u>17,012,302</u>	<u>144,769,543</u>
NOTE - 2.14		
Trade Payables		
Payables for materials	74,419	580,785,404
Payables for services	6,256,600	12,429,809
	<u>6,331,019</u>	<u>593,215,213</u>
	<u>6,331,019</u>	<u>593,215,213</u>
NOTE - 2.15		
Other Financial Liabilities		
Current maturities of long term borrowings (Refer Note No : 2.11)	50,674,405	1,201,657,411
Interest accrued and due on borrowings		
Secured		
- Interest accrued and due on borrowings as per NCLT Order	222,019,595	519,949,372
Unsecured		
- Interest accrued and due on short term borrowings as per NCLT Order	2,820,831	18,382,802
- Interest accrued and due on others	-	4,929,100
Share Warrants Application Money refundable	2,308,315	71,360,176
Payables on purchase of fixed assets	-	3,531,957
Payables for expenses	6,282,090	57,675,670
	<u>284,105,236</u>	<u>1,877,486,488</u>
A) Interest on 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.		
B) Interest on Term Loan taken from State Bank of India is secured as follows:		
a) Primary Security: (i) Exclusive Charge on hypothecation of stock (ii) Exclusive charge on hypothecation of Receivables		

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

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

- 1) EM Land admeasuring 4444.44 sq.yards with industrial building comprising of Plot No.A 4/1 to A4/7 situated at Sy.Nos.321,321/5, 321/6 & 321/1A, Electronic Complex at Kushaiguda, RR District, Telangana state for Rs.15.42 cores as on 25.02.2016
- 2) EM on residential plot no.41, 42, 60 and 61 at Kowkooor, Alwal Municipality, Hyderabad, Telangana State admeasuring 820 Sq.Yards valued for Rs.0.32 Crores as on 19.02.2016.
- 3) EM on industrial site admeasuring 1455 sq.mts with building with 5035 sft builtup area at Plot No.47, Raipur Industrial Area, Bhagawanpur, Roorkee Tahsil, Haridwar District, Uttaranchal State valued at Rs.1.25 crores as on 18.02.2016
- 4) EM on industrail site at Khasra No.117 admeasuring 269.54 sq Mt (322.38 Sq.Yards) situated at Raipur Paragana, Roorkee Tehsil, Haridwar District valued for Rs.0.22 crores as on 18.02.2016
- 5) Second charge on EM of industrial plot no.192/B, Sy.No.274 admeasuring 5341 Sq.Yards situated at Phase II, IDA, Cherlapally Village, Ghatkesar Mandal, RR District, Telangana (First charge held of M/s.Srei Equipment Finance Pvt Ltd for term loan of Rs.24.00 crores) valued at Rs.20.51 crores
- 6) Charge on unencumbered Plant & Machinery of the company for Rs.9.15 crores as on 2016.

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

- (i) Paripassu first charge on the below mentioned fixed assets along with State Bank of India.
- 1) EM Land admeasuring 4444.44 sq.yards with industrial building comprising of Plot No.A 4/1 to A4/7 situated at Sy.Nos.321,321/5, 321/6 & 321/1A, Electronic Complex at Kushaiguda, RR District, Telangana state valued for Rs.15.42 cores as on 25.02.2016
 - 2) EM on residential plot no.41, 42, 60 and 61 at Kowkooor, Alwal Municipality, Hyderabad, Telangana State admeasuring 820 Sq.Yards valued for Rs.0.32 Crores as on 19.02.2016.
 - 3) EM on industrial site admeasuring 1455 sq.mts with building with 5035 sft builtup area at Plot No.47, Raipur Industrial Area, Bhagawanpur, Roorkee Tahsil, Haridwar District, Uttaranchal State valued at Rs.1.25 crores as on 18.02.2016
 - 4) EM on industrail site at Khasra No.117 admeasuring 269.54 sq Mt (322.38 Sq.Yards) situated at Raipur Paragana, Roorkee Tehsil, Haridwar District valued for Rs.0.22 crores as on 18.02.2016

Particulars	As at 31.03.2021	As at 31.03.2020
NOTE - 2.16		
Other Current Liabilities		
Statutory remittances	8,449,581	102,102,737
Salaries Payable	8,063,008	93,404,763
Directors remuneration Payable	1,553,359	4,115,646
Advance from customers	-	3,732,689
Others	3,508,550	27,674,358
	<u>21,574,498</u>	<u>231,030,193</u>

NOTE - 2.17**Current Tax Liabilities (NET) :**

Income Tax	-	6,897,374
	-	6,897,374

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
NOTE- 2.18		
Revenue from Operations		
(A) Revenue from Sale of products		
Domestic	10,494,357	8,199,206
	<u>10,494,357</u>	<u>8,199,206</u>
	<u>10,494,357</u>	<u>8,199,206</u>
(B) Other operating revenues		
AMC Charges & Service Charges	402,510	10,384,807
	<u>402,510</u>	<u>10,384,807</u>
	<u>402,510</u>	<u>10,384,807</u>
Total Revenue from Operations (A+B)	<u>10,896,867</u>	<u>18,584,013</u>

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

(Amount in Rs.)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
NOTE- 2.19		
Other Incomes		
Interest Received on Deposit-Delhi Metro Rail Corpn	29,830,465	-
Interest Received from others	552,311	696,873
Credit Balances written back	-	6,017,624
Rents received	1,032,000	1,032,000
Prior period income	-	1,985,642
Miscellaneous Income	11,880	218,977
	<u>31,426,656</u>	<u>9,951,116</u>
NOTE- 2.20		
Cost of Materials Consumed		
A) Raw Material Consumed		
Opening Stock	118,715,633	119,336,090
Purchases	1,925,267	3,414,725
Less : Material consumed for R&D	<u>3,514</u>	<u>16,673</u>
	<u>1,921,753</u>	<u>3,398,052</u>
	<u>120,637,386</u>	<u>122,734,142</u>
Less : Closing Stock	<u>118,715,633</u>	<u>118,715,633</u>
Raw Material Consumed	<u>1,921,753</u>	<u>4,018,509</u>
B) Packing Materials and consumables		
Opening Stock	1,133,871	1,185,378
Purchase of packing material & consumables	874	3,187
Less : Depletion in value of stocks	<u>1,134,745</u>	<u>1,188,565</u>
Less : Closing Stock	<u>1,133,871</u>	<u>1,133,871</u>
Consumption	<u>874</u>	<u>54,694</u>
Total Cost of material consumed	<u>1,922,627</u>	<u>4,073,203</u>
NOTE- 2.21		
Changes in Inventory		
Closing Stock of :		
Work-in-Progress	193,913,283	192,773,166
Finished Goods / FG in transit	121,436,000	127,745,741
Total (A)	<u>315,349,283</u>	<u>320,518,907</u>
Opening Stock of :		
Work-in-Progress	192,773,166	194,525,254
Finished Goods	127,745,741	127,853,128
Total (B)	<u>320,518,907</u>	<u>322,378,382</u>
Increase/(Decrease) in Stock (A-B)	<u>(5,169,624)</u>	<u>(1,859,475)</u>
NOTE- 2.22		
Employee Benefit expense		
Salary, Wages, Allowances & other Benefits	5,997,965	22,226,973
Directors Remuneration	12	805,000
P. F. & ESI Contribution	268,186	1,427,633
Staff Welfare Expenses	8,041	155,244
	<u>6,274,204</u>	<u>24,614,850</u>
NOTE- 2.23		
Financial Cost		
Bank Charges	877,955	1,927,245
Interest on :		
Others - Interest on other loans/ICDs & Financial Charges	-	82,042
	<u>877,955</u>	<u>2,009,287</u>

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

(Amount in Rs.)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
NOTE- 2.24		
Other Expenses		
Job-works, Installation charges & Maintenance Expenses	674,527	1,979,461
Power and Fuel	323,368	481,997
Insurance	102,523	281,070
Repairs & Maintenance	144,668	92,481
Printing & Stationary	85,896	348,628
Postage, Telephones & Internet	320,668	494,951
Rent	-	612,000
Interest, Rates & Taxes & Penalties	4,849,495	1,205,942
Professional Charges	3,377,931	3,410,765
Auditors Remuneration		
- As Statutory Auditors	413,000	413,000
- As Tax auditors	177,000	177,000
Auditors Expenses	1,754	3,371
General Expenses	827,957	1,403,558
Board Meeting Expenses	264,000	222,072
Corporate Insolvency Resolution Process Cost Expenses	-	1,309,294
Foreign exchange rate difference	40,888	35,100,150
Security Expenses	512,207	112,050
Travelling & Conveyance	148,585	1,922,273
Bad debts & debit balances written off	-	1,662,341
Provision for bad/doubtful debts/advances	-	103,912,499
Vehicle Maintenance	29,440	378,866
Selling & Distribution Expenses	115,046	538,318
R & D Expenses	1,566,816	3,979,329
	13,975,769	160,041,416

NOTE- 2.25

Pursuant to the order of NCLT dt.31.07.2019 approving the resolution plan, necessary write off of assets/ expenses / write back of liability / provision has been carried out in the books of accounts of the company. As per the order any debit or credit being the balancing figure shall be adjusted by the company in the capital reserve and the same shall be deemed to be in compliance with the applicable accounting standards. Below is the breakup of such adjustments passed to capital reserve.

Sl.No.	Particulars	As at 31st March, 2021
Income		
1	Extinguishment of operational creditors (including the Central Government, State Government or Local authority)	839,914,855
2	Write back of non-assignable loans of financial creditors	1,410,653,269
3	Extinguishment of other current and non-current liability	32,993,306
		2,283,561,430
Expenditure (Written off)		
1	Property, Plant & Equipment including capital work in progress	232,957,084
2	Inventories	471,221,330
3	Trade Receivables	75,218,797
4	Other Current and non current assets	118,861,682
		898,258,893
	Net	1,385,302,537

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

NOTE- 2.26

- (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.

(Amount in Rs.)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
-------------	---------------------------------------	---------------------------------------

NOTE- 2.27

Foreign Currency / Exchange Transactions :

A) Value of Imports on CIF Basis

Components

1,542,277	1,335,605
<u>1,542,277</u>	<u>1,335,605</u>

B) Expenditure

Travelling

-	70,021
<u>-</u>	<u>70,021</u>

NOTE- 2.28

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

(Amount in Rs.)

Particulars	As at 31th March, 2021	As at 31th March, 2020
Counter guarantees given by the company to banks towards issue of B.Gs.	<u>4,206,738</u>	<u>5,234,760</u>

NOTE- 2.29

Managerial Remuneration :

(Amount in Rs.)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Directors		
Remuneration	<u>12</u>	805,000
Total	<u>12</u>	<u>805,000</u>

NOTE- 2.30

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

NOTE- 2.31

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

(Amount in Rs.)

Particulars	For the year ended 31st March, 21		For the year ended 31st March, 20	
	Value	%	Value	%
Imported	<u>1,883,903</u>	<u>97.99%</u>	1,912,776	46.96%
Indigenous (including purchase of traded goods)	<u>38,724</u>	<u>2.01%</u>	2,160,427	53.04%
Total	<u>1,922,627</u>	<u>100.00%</u>	<u>4,073,203</u>	<u>100.00%</u>

NOTE- 2.32

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

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

NOTE : 2.33 : Disclosure Under Accounting Standards

2.33.1 Employee Benefits as per Ind-As 19

General Description of defined/contributory benefit plans

Plan	Description
Gratuity	Gratuity provision is made to all eligible employees based on the actuarial valuation. However, in view of ongoing CIRP Process, the company has not made any actuarial valuation for gratuity provision for the financial year 2020-21. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.
Provident Fund	The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.
Accrued Leave Salary	Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. However, in view of ongoing CIRP Process, the company has not made any actuarial valuation for Accrued Leave Salary for the financial year 2020-21. The company is making actual payments as and when crystalized.

Other Disclosures :

Other defined benefit plans :

(Amount in Rs.)

	Gratuity	Accrued Leave Salary
A. Changes in the present value of the obligation as on 31st March 2020		
Present value of obligation at the beginning of the year	13,892,714	13,892,714
Interest cost	-	-
Current service cost	-	-
Past service cost	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on obligation	-	-
Present value of obligation at the end of the period 31st March 2021	-	-
Present value of obligation at the beginning of the year	-	-
Interest cost	-	-
Current service cost	-	-
Past service cost	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on obligation	-	-
Present value of obligation at the end of the period	-	-
B. Changes in the fair value of the plan Assets as on 31st March 2020		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period 31st March 2021	-	-
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period	-	-
C. Amounts recognised in the Balance sheet as on 31st March 2020		
Present value of the obligations at the end of the year	-	-
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet 31st March 2021	-	-
Present value of the obligations at the end of the year	-	-
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet	-	-
D. Amounts recognised in the Statement of P&L for the period ended		
Expenses recognised in Statement of Profit and Loss 31st March 2020		
Current service cost	-	-
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Net actuarial gain/loss recognised in the year	-	-
Expenses recognised in Statement of Profit and Loss 31st March 2021	-	-
Current service cost	-	-
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Net actuarial gain/loss recognised in the year	-	-
Expenses recognised in Statement of Profit and Loss	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

E. Principal Actuarial Assumptions:			
	DESCRIPTION	2020-21	2019-20
i.	Discount Rate	-	-
ii.	Mortality Rate	-	-
iii.	Medical Cost Trend rates	-	-
iv.	Expected average remaining service	-	-
v.	Employee Attrition Rate (Past Service)	-	-

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

NOTE- 2.34

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

NOTE- 2.35

Related party disclosures :

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

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

Sl No.	Name of the Related Party	Nature of Relationship
1	M/s.MIC Electronics Inc., USA	100% Subsidiary Company
2	Shri R.Vishnu, Executive Director	
3	Shri K.Siva Lakshmana Rao, Non Executive Director	
4	Shri M.Srinivas, Independent Director	Key Management Personnel
5	Ms.U.K.Gayathri, Independent Director	
6	Shri M.S.Muralikrishnan, Company Secretary	

b) Aggregated Related party transactions

i) Particulars of transactions during the year (Amount in Rs.)

Sl.No.	Nature of Transaction	for the year ended 31st March, 2021	for the year ended 31st March, 2020
	Expenditure during the year		
1	Remuneration to Key Managerial personnel	786,893	3,242,413
2	Sitting fees to Directors	264,000	216,000

ii) Amounts due from /(due to) related parties at the year end (Amount in Rs.)

Sl.No.	Nature of Transaction	As at 31st March, 2021	As at 31st March, 2020
1	Outstanding balances payable to Management Personnel	2,217,924	7,393,357
2	Sitting fee and other expenses payable to Directors	393,600	2,640,262

NOTE- 2.36 Calculation of earnings per share (Ind AS 33)

(Amount in Rs.)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit attributable to Share Holders	(54,132,436)	(239,357,048)
No. of Equity Shares Outstanding	220,254,319	220,254,319
Weighted No. of Equity Shares	220,254,319	220,254,319
Convertible Share Warrants	-	-
No. of diluted equity shares	220,254,319	220,254,319
Nominal Value of Equity Share	2.00	2.00
Basic EPS	(0.25)	(1.09)
Diluted EPS	(0.25)	(1.09)

NOTE- 2.37

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

The Research & Development expenditure, charged to statement of profit & loss during the year is Rs.15.67 Lakhs (previous year Rs.39.79 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

NOTE- 2.38

Provisions, Contingent Liabilities and Contingent Assets (Ind AS-37) : Necessary details in regard to provisions have been disclosed in notes 2.28

Note-2.39 : Disclosure as required under Regulation 34(3) and 53(f) of SEBI (LODR)

- 2.39.1** Loans and advances in the nature of loans to Subsidiary companies where there is no repayment schedule or no interest : Nil
2.39.2 There are no Investments by the loanees as mentioned in 2.39.1 in the shares of MIC Electronics Ltd.
2.39.3 The company does not have any associate companies as on 31st March, 2021
2.39.4 There are no loans and advances in the nature of loans to firms/companies in which directors are interested.

Note-2.40 : Others**2.40.1 Fair Value Measurement****Financial instruments by category**

(Amount in Rs.)

	As at March 21			As at March 20		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Investments			-			-
Trade receivables			39,607,535			95,068,509
Cash and cash equivalents			1,034,572			465,245
Other bank balances			10,064,387			13,017,564
Loans			-			-
Other financial assets			143,629			1,072,791
Total	-	-	50,850,123	-	-	109,624,109
Financial Liabilities						
Borrowings			17,012,302			144,769,543
Trade payables			6,331,019			593,215,213
Other financial liabilities			284,105,236			1,877,486,488
Total	-	-	307,448,557	-	-	2,615,471,244

- 1 Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) as of 31 March 2021, and 31st March 2020, respectively, are not included.
2 Other liabilities that are not financial liabilities (such as statutory dues payable, advances from customers and certain other accruals) as of 31 March 2021, and 31st March 2020, respectively, are not included.

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

2.40.2 Financial Risk Management**a) Risk Management Framework**

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

A. Credit risk

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

Trade receivables

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

Pursuant to the order of NCLT dt.31.07.2019 approving the resolution plan, necessary write off of assets including trade and other receivables has been carried out in the books of accounts of the company. The management has made analysis of the Trade receivables and made necessary provisions for bad and doubtful debts in the books of accounts as on 31st March 2021. the same has been reflected at Note No.2.05. The provision for loss allowance based on historic losses has not been considered as it is deemed inappropriate for the current year due to unique circumstances of company going through CIRP process and subsequent write off of trade receivables.

B. Liquidity risk

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

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

Maturities of financial liabilities

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

(Amount in Rs.)

	Year ended 31 March 2021	Year ended 31 March 2020
	On demand	On demand
Borrowings	17,012,302	144,769,543
Trade payables	6,331,019	593,215,213
Other financial liabilities	284,105,236	1,877,486,488
Total	307,448,557	2,615,471,244

C. Market risk

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

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

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

Other Notes

2.41 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.

Pursuant to approval of the Resolution Plan, the same, inter alia, upon implementation shall result into the following :

- a) Payments to Stake Holders - The Resolution plan contemplates, inter alia, payments amounting to
 - i) upto an aggregate of Rs.5.80 Crores towards payment of CIRP Cost
 - ii) Rs.1.05 crores towards workmen, Employee dues and ex employees claims (Form D)
 - iii) Rs.0.08 crores towards government dues
 - iv) Rs.2.16 Crores to Certain Operational creditors
 - v) Rs.49.72 crores towards repayment of secured and unsecured financial creditors

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

- b) Infusion of funds - Infusion of need based working capital funds for an approximate amount of Rs.6 Crores and infusion of an amount of Rs.3 crores for capital expenditure.
 - c) Reduction of existing share capital - The resolution plan proposes reduction of company's share capital without any payout to the share holders, by reducing the number of shares from 22,02,54,319 shares to 5,50,64,000 shares of face value Rs.2.00 each. Remaining 16,51,90,319 shares will be issued and allotted to new promoters, strategic investors and associates after the NCLT approval.
 - d) The resolution applicant has made payment of Rs.26.08 Crores to creditors as on 31st March 2021 as per NCLT Order dated 31st July 2019. Subsequent to the date of balance sheet, the balance amount of Rs.29.88 Crores as on 04.05.2021 was paid as full and final payment to discharge the liabilities of all creditors. The company has therefore made necessary writeoffs / writebacks in the books as on 31st March 2021.
- 2.42** The company has certain trade receivables , security deposits , loans and advances, other financial and current assets aggregating to Rs.7.43 Crores. The management of the company is confident of recovery of the aforesaid dues. Confirmation of balances could not be obtained as at 31st March 2021 for various trade receivables. The management has already made provision for doubtful receivables / advances and believes that no material adjustments would be required in books of accounts upon receipt of these confirmations.
- 2.43** 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 March 31, 2021 have not been considered.
- 2.44** 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).

INDEPENDENT AUDITORS' REPORT

To the members,

M/s. MIC ELECTRONICS LIMITED,

Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016:

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 31st July 2019 approving the Resolution Plan submitted by the Resolution applicant. Consequently new Board of Directors have been appointed by the company.

Report on the Audit of Consolidated Financial Statements:

Opinion

We have audited the accompanying consolidated financial statements of M/s. MIC ELECTRONICS LIMITED ("the Parent") and its subsidiary (The Parent and its subsidiary together referred to as group), which comprise the Balance Sheet as on 31st March, 2021, and the Statement of Profit and Loss (including other Comprehensive Income), statement of changes in equity and statement of cash flows for the year ended 31st March, 2021 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanation given to us, the accompanying consolidated financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies Accounting Standard Rules 2015 as amended (IndAS) and other accounting principles generally accepted in India, of the state of affairs of the group as at 31st March 2021 and its loss, total comprehensive income, its cash flows, its changes in equity for the year ended on that date.

Basis of Qualified Opinion

We refer to the following notes to consolidated financial statements.

- a. Note 2.26 to the consolidated financial statements in connection with write off of assets/expenses/write back off liability/provision has been carried out in the books of accounts of the group and the balancing figure has been adjusted in the capital reserve as per the NCLT order dated 31st July 2019 approving the resolution plan. In this regard, we are of the opinion that the group should make these adjustments by crediting the balancing figure of Rs.138.53 crores to the profit and loss account in conformity with the Indian Accounting Standards. Had the group credited this amount to the profit and loss account the profit would have been increased by the said amount and capital reserve would have been decreased by the said amount.
- b. Note 2.40 to the consolidated financial statements in connection with trade receivables, security deposits, loans and advances, other financial and current assets aggregating to Rs. 15.63 crores. There is existence of material uncertainties over the realisability of these amounts due to various factors such as disputes, age of these assets etc. There is also non-availability of confirmation of various trade receivables etc. In absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable.

Other Matters:

- a. We draw attention to Note No.2.42 as regards to the management evaluation of COVID-19 impact on the future performance of the group. Our opinion is not modified in respect of this matter.
- b. Section 203 of the Companies Act, read with rule 8A of the companies (Appointment and remuneration of Managerial Personnel) Amendment rules, 2014, In respect of appointment of CFO, as per the said provisions the Board should fill the vacancy of CFO within 6 months from the date of such vacancy. However, in the present case such six months have already been elapsed from the date of such vacancy.
- c. We did not audit the financial statements of the subsidiary company M/s.MIC Electronics Inc. as at 31st March 2021. These financial statements have not been audited by any other auditor but prepared and furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub section 3 of section 143 of the act.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<p>Revenue Recognition :</p> <p>The Parent recognizes revenue from products based on the terms and conditions of transactions which varies with different customers.</p> <p>For sale transactions in a certain period of time around the Balance Sheet date, it is essential to ensure that the control of goods have transferred to the customers. As revenue recognition is subject to management's judgment on whether the control of the goods have been transferred, we consider cut-off of revenue as a key audit matter.</p>	<p>Principal audit procedures :</p> <p>We obtained an understanding of the revenue recognition process and tested the company's controls around the timely and accurate recording of sales transactions.</p> <p>We have obtained an understanding of a sample of customer contracts.</p> <p>We tested the access and change management controls of the relevant information technology system in which shipments are recorded.</p> <p>Our test of revenue samples focused on sales recorded immediately before the year – end, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents.</p>

Information other than the consolidated financial statements and Auditor's report there on:

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance and Business Responsibility Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare the financial statements of the subsidiary provided by the management to the extent it relates to these entities and in doing so, place reliance on the financials of subsidiary submitted by the management and consider whether the other information is materially inconsistent with the consolidated financial statement or our knowledge obtained during the course of our audit or otherwise appears to be material misstated. Other information so far it relates to the subsidiary is traced from the financial statements submitted by the management. However, the subsidiary's financial statements are not audited by any other auditor.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the consolidated financial statements:

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the parent and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a. Except for possible effects of the matters as described in the "Basis of qualified opinion" paragraph, we have sought and obtained the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Except for possible effects of the matters as described in the "Basis of qualified opinion" paragraph, in our opinion, proper books of account as required by law have been kept by the group so far as it appears from our examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d. Due to the matters as described in the "Basis of qualified opinion" paragraph, in our opinion, the aforesaid consolidated financial statements do not comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. The matter described in the "Basis of qualified opinion" may not have an adverse effect on the functioning of the group.
 - f. On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act;
 - g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the "Basis of qualified opinion" paragraph above;
 - h. With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a qualified opinion on the Group's internal financial controls over financial reporting.
 - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The group has disclosed the impact of pending litigations on its financial position to the extent ascertained, in its consolidated financial statements;
 - ii) Except for the possible effects of the matters described under "Basis of qualified opinion" paragraph, the group has made a provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The group did not have any derivative contracts.
 - iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group.

For PAVULURI & Co.

Chartered Accountants
Firm Reg. No:012194S

(CA N. RAJESH)

PARTNER

M.No : 223169

UDIN # 21223169AAAAEU4586

Place : Hyderabad
Date : 30.06.2021

"Annexure A" to the Consolidated Auditor's Report of even date on the Consolidated Financial Statements of MIC ELECTRONICS LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of MIC ELECTRONICS LIMITED ("the Parent") and its subsidiary (The Parent and its subsidiary together referred to as group), as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(CA N. RAJESH)
PARTNER
M.No : 223169
UDIN # 21223169AAAAEU4586

Place : Hyderabad
Date : 30.06.2021

CONSOLIDATED BALANCE SHEET FOR PERIOD ENDED 31ST MARCH 2021

(Amount in Rs.)

Particulars	Note.	As at 31.03.2021	As at 31.03.2020
I. ASSETS			
(1) Non-Current Assets			
Property, Plant & Equipment	2.01	462,956,380	745,453,193
Capital Work-in-Progress		-	18,255,480
Other Intangible Assets	2.02	301,306	649,892
Financial Assets			
(i) Loans	2.03	75,214,648	77,477,790
Other Non Current Assets	2.04	5,250,299	91,702,045
		543,722,633	933,538,400
(2) Current Assets			
Inventories	2.05	18,901,654	495,292,608
Financial Assets			
(i) Trade receivables	2.06	39,607,535	95,068,509
(ii) Cash & Cash Equivalents	2.07	1,040,099	526,196
(iii) Bank balances other than (ii) above	2.08	10,064,387	13,017,564
(iv) Other Financial Assets	2.09	6,874,242	8,005,923
Other Current Assets	2.10	29,309,683	60,615,261
		105,797,600	672,526,061
TOTAL ASSETS		649,520,233	1,606,064,461
II. EQUITY AND LIABILITIES			
(1) Equity			
Equity Share Capital	2.11	440,508,638	440,508,638
Other Equity		(390,438,957)	(1,719,397,359)
TOTAL EQUITY		50,069,681	(1,278,888,721)
(2) Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	2.12	260,816,000	-
Long Term Provisions	2.13	-	21,466,974
		260,816,000	21,466,974
Current liabilities			
Financial Liabilities			
(i) Borrowings	2.14	17,012,302	144,769,543
(ii) Trade Payables	2.15	15,906,665	603,302,610
(iii) Other Financial Liabilities	2.16	284,141,087	1,877,486,488
Other current liabilities	2.17	21,574,498	231,030,193
Income Tax Liabilities (Net)	2.18	-	6,897,374
		338,634,552	2,863,486,208
TOTAL EQUITY & LIABILITIES		649,520,233	1,606,064,461
See accompanying notes to financial statements 1-2.42			

As per our report of even date

For PAVULURI & CO.Chartered Accountants
Firm Reg. No. 012194S**CA.N.Rajesh**Partner
M.No. 223169Place : Hyderabad
Date : 30.06.2021**For MIC Electronics Limited****Vishnu Ravi**
Executive Director
Din No. 01144902**U.K. Gayathri**
Director
Din No. 07901195**M.S. Murali Krishnan**
Company Secretary
M.No. A7533

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31ST MARCH 2021

(Amount in Rs.)

Particulars	Note	Year ending 31.03.2021	Year ending 31.03.2020
I INCOME :			
Revenue from operations	2.19	10,896,867	18,584,013
Other Income	2.20	31,426,656	9,951,116
Total Income		42,323,523	28,535,129
II EXPENDITURE :			
Cost of material consumed	2.21	1,922,627	4,073,203
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	2.22	5,169,624	1,859,475
Employee benefits expense	2.23	6,274,204	24,614,850
Finance Costs	2.24	892,001	2,009,287
Depreciation and amortization expense	2.01/2.02	68,235,780	75,293,946
Other expenses	2.25	13,994,058	160,192,306
Total expenses		96,488,294	268,043,067
III Profit/(Loss) before exceptional items and tax (I-II)		(54,164,771)	(239,507,938)
IV Exceptional Items		-	-
V Profit/(Loss) before tax (III+IV)		(54,164,771)	(239,507,938)
VI Tax expenses:			
Deffered tax (Liability)/Asset		-	-
VII Profit/(Loss) for the period from continuing operations (V - VI)		(54,164,771)	(239,507,938)
VIII Other comprehensive Income			
A (i) Items That May Not Be Reclassified to Profit or Loss		-	-
(ii) Income Tax Relating to Items That May Not Be Reclassified to Profit or Loss		-	-
B (i) Items That May Be Reclassified to Profit or Loss		-	-
(ii) Income Tax Relating to Items That May Be Reclassified to Profit or Loss		-	-
IX Total Comprehensive Income For The Period (VII+VIII) (Comprising Profit / (Loss) and Other Comprehensive Income For The Period)		(54,164,771)	(239,507,938)
X Earnings per equity share of par value Rs 2/- each			
Basic		(0.25)	(1.09)
Diluted		(0.25)	(1.09)
Notes forming part of financial statements	1-2.42		

As per our report of even date

For PAVULURI & CO.
Chartered Accountants
Firm Reg. No. 012194S

CA.N.Rajesh
Partner
M.No. 223169

Place : Hyderabad
Date : 30.06.2021

For MIC Electronics Limited

Vishnu Ravi
Executive Director
Din No. 01144902

U.K. Gayathri
Director
Din No. 07901195

M.S. Murali Krishnan
Company Secretary
M.No. A7533

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2021

(Amount in Rs.)

A. Movements in Equity Share Capital

	No. of Shares	Equity Share Capital (Rs)
As at 01.04.2019	220,254,319	440,508,638
Changes in equity share capital	-	-
As at 31.03.2020	220,254,319	440,508,638
Changes in equity share capital	-	-
As at 31.03.2021	220,254,319	440,508,638

B. Other Equity

Statement of Changes in Equity for the period ended 31st March 2021

Particulars	Reserves & Surplus							
	Capital Reserve	Securities Premium Reserve	Share warrants forfeited	Amalgamation Reserve	General Reserve	Retained Earnings	Money Received against Share Warrants	Total Other Equity
Balance as at 01.04.2019	267,000	1,884,309,212	396,331,045	18,000,000	180,000,000	(4,151,299,682)	187,550,300	(1,484,842,125)
Issue of Equity Shares on conversion of share warrants	-	-	-	-	-	-	-	-
Money received during the year	-	-	-	-	-	-	-	-
Share warrants forfeited during the year	-	-	187,550,300	-	-	(239,507,938)	(187,550,300)	(239,507,938)
Profit for the year	-	-	-	-	-	6,037,271	-	6,037,271
Effect of currency translation on consolidation	-	-	-	-	-	(1,084,567)	-	(1,084,567)
MIC Green energy solutions Pvt Ltd	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	(4,385,854,916)	-	(1,719,397,359)
Balance as at 31.03.2020	267,000	1,884,309,212	583,881,345	18,000,000	180,000,000	(54,164,771)	-	(54,164,771)
Profit for the year	-	-	-	-	-	(2,179,364)	-	(2,179,364)
Effect of currency translation on consolidation	-	-	-	-	-	-	-	-
Balances written off due to CIRP (Refer Note 2.26)	1,385,302,537	-	-	-	-	-	-	1,385,302,537
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-
Balance as at 31.03.2021	1,385,569,537	1,884,309,212	583,881,345	18,000,000	180,000,000	(4,442,199,051)	-	(390,438,957)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021

(Amount in Rs)

Particulars	Figures as at the end of 31st March 2021	Figures as at the end of 31st March 2020
Cash Flow from Operating Activities		
Profit/(Loss) before Income tax from		
Continued Operations	(54,164,771)	(239,507,938)
Decrease on account of cessation of MIC Green Energy Solutions P Ltd	-	(1,084,567)
Effect of currency translation on consolidation	(2,179,364)	6,037,271
Profit before Income tax	(56,344,135)	(234,555,234)
Adjustments for non cash/non operational expenses :		
Depreciation & amortisation expenses	68,235,780	75,293,946
Financial Charges	892,001	2,009,287
Interest received /Other Income	30,382,776	696,873
Operating Profit before Working Capital Changes	43,166,422	(156,555,128)
Adjustments for working capital changes		
(Increase)/Decrease in Trade Receivables	55,460,966	99,298,469
(Increase)/Decrease in Inventories	476,390,954	3,497,662
(Increase)/Decrease in Other financial assets	1,131,681	(17,053)
Increase/(Decrease) in Other Non Current Assets	86,451,746	3,156,068
(Increase)/Decrease in Other Current Assets	31,305,578	(3,866,860)
Increase/(Decrease) in Trade Payables	(587,395,945)	15,810,405
(Increase)/Decrease in Provisions	(21,466,974)	-
Increase/(Decrease) in borrowings	260,816,000	-
Increase/(Decrease) in Other financial liabilities	(1,593,345,393)	64,740,791
Increase/(Decrease) in Other Current Liabilities	(209,455,695)	(17,465,885)
Cash generated from Operations	(1,500,107,082)	165,153,597
Financial Charges paid	(892,001)	(2,009,287)
Direct Taxes paid	(6,897,374)	-
Net Cash Flow from operating activities	(1,464,730,035)	6,589,182
Cash Flow from Investing Activities		
Expenditure on acquisition of tangible and intangible assets (net of Sale proceeds)	214,609,619	(33,357)
(Increase) / Decrease of Capital Work-in-Progress	18,255,480	-
Purchase of Investments	2,263,142	(6,256,564)
Interest Received/Other Income	(30,382,776)	(696,873)
Net Cash Flow from Investing Activities	204,745,465	(6,986,794)
Cash Flow from Financing Activities		
Proceeds from borrowings	(127,757,241)	(3,860,772)
Deposits paid towards LCs & BGs	2,953,177	4,188,717
Increase/(Decrease) in capital reserve	1,385,302,537	-
Net Cash Flow from financing activities	1,260,498,473	327,945
Net Increase in Cash and Cash equivalents	513,903	(69,667)
Cash and Cash equivalents as at the beginning of the year	526,196	595,863
Cash and Cash equivalents as at the end of the year	1,040,099	526,196

As per our report of even date

For PAVULURI & CO.Chartered Accountants
Firm Reg. No. 012194S**CA.N.Rajesh**Partner
M.No. 223169Place : Hyderabad
Date : 30.06.2021**For MIC Electronics Limited****Vishnu Ravi**
Executive Director
Din No. 01144902**U.K. Gayathri**
Director
Din No. 07901195**M.S. Murali Krishnan**
Company Secretary
M.No. A7533

1 Significant Accounting Policies and Notes on Accounts

1.1 Basis of Preparation

(a) Statement of Compliance

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

(b) Basis of measurement

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

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- ii. Defined benefit and other long-term employee benefits..

(c) Functional and presentation currency

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

(d) Use of estimates and judgement

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

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

(e) Principles of consolidation

The consolidated financial statements have been prepared on the following basis :

- i. The consolidated financial statements are prepared to the extent possible by using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except as otherwise stated.
- ii. the financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as specified in Indian Accounting Standard 110 - "Consolidated Financial Statements".
- iii. The difference between the cost of investment in the subsidiaries, the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- iv. Non controlling interest in net profit/loss of the subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the share holders of the company.
- v. Non controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's share holders.
- vi. The financial statements of MIC Electronics Inc., USA have been prepared on accrual basis and according to the historical cost basis assuming the Company is a going concern and converted in Indian Rupees considering as non-integral operation as per Indian Accounting Standard 21 - "the effects of changes in Foreign Exchange Rates" for the purpose of consolidated financial statements.

1.2 Summary of significant accounting policies

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Foreign currency transactions and balances

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

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

iii) Investment in subsidiaries

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

iv) Financial instruments

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

a) Non-derivative financial assets

Financial assets at amortized cost

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

b) Non-derivative financial liabilities

Financial liabilities at amortized cost

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

v) Property plant and equipment:

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

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

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

vi) Intangible assets

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

vii) Inventory

- a) Raw materials and Work in Progress are valued at cost. Finished goods are valued at cost or net realizable value which ever is less.
- b) The basis of determining the cost is

Raw materials	:	Weighted average cost
Stores and spares	:	Weighted average cost
Work in process and finished goods	:	Material cost plus appropriate share of labour, related overheads and levies
- c) In case of identified Obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

viii) Impairment

a) Financial assets

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

- i) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 36-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 36 months ECL.
- Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 36 months ECL is a portion of the lifetime ECL which results from default events that are possible within 36 months after the reporting date.
- ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:
- ii) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- iii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below: Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- b) Non-financial assets**
- The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.
- ix) Employee benefits**
- a) Gratuity & Provident Fund:**
- Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.
- b)** The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.
- c) Accrued Leave Salary:**
- Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.
- x) Provisions**
- All the provision are recognized as per Ind AS 37. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.
- xi) Research & Development (R&D)**
- Revenue expenditure on R & D is charged to revenue in the year in which it is incurred. Capital expenditure, if any, on R & D is added to fixed assets.
- xii) Revenue recognition:**
- Accounting Policies, change in Accounting estimates and errors (As per Ind-As 8) :
- 1. Review of accounting policies**

a. Revenue recognition :

Ind As 115 recognises revenue of transfer of the control of goods or services, either over a period of time or a point of time, at an amount that the entity expects to be entitled in exchange for those goods or services. In order to align with Ind As 115, the Accounting policy on revenue recognition was reviewed and revised.

The said revision has nil impact on the financials of the company as the company was recognising and accounting revenue in line with the Ind As 115.

b. Lease :

a. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.

b. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lessee.

c. the lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated over the lease term.

d. Low value leases upto Rs.6 lakhs p.a. per lease and short term leases of 12 months or less are fully charged to expense.

xiii) Finance income and expense

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

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

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

xiv) Income tax

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

a) Current income tax

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

b) Deferred income tax

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

xv) Earnings per share

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

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

xvi) Borrowing costs

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

xvii) Prepaid Expenses

Expenses are accounted under prepaid expenses by only when the amount relating to the unexpired period.

xviii) Restatement of earliest prior period financials on material error/omissions

The value of error and omissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income / expenses exceeds 1.00% of the previous year turnover of the company.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

(Amount in Rs.)

Note 2.01 : Property, Plant & Equipment

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2021 are as follows :

	GROSS CARRYING VALUE			ACCUMULATED DEPRECIATION			NET CARRYING VALUE		
	As at 01.04.2020	Additions	Disposals	As at 31.03.2021	As at 01.04.2020	Additions	Due to revaluation	As at 31.03.2021	As at 31.03.2020
Land & Land Development	221,079,000	-	-	221,079,000	-	-	(4,608,000)	216,471,000	221,079,000
Buildings	220,315,679	-	-	220,315,679	35,044,281	9,450,885	16,014,473	191,834,986	185,271,398
Plant & Machinery	964,811,168	-	-	964,811,168	635,358,335	57,948,269	(232,199,717)	39,304,847	329,452,833
Furniture & Fixtures	21,507,814	-	-	21,507,814	19,290,426	387,448	2,903,866	4,733,806	2,217,388
Office Equipment	3,178,334	-	-	3,178,334	2,885,994	29,695	353,966	616,611	292,340
Electrical Installations	13,129,859	-	-	13,129,859	12,370,082	107,776	2,593,511	3,245,512	759,777
D.G.Set	1,228,230	-	-	1,228,230	1,166,814	466,851	466,851	528,267	61,416
Transformer	1,109,125	-	-	1,109,125	1,053,670	421,579	421,579	477,034	55,455
Vehicles	16,756,208	-	-	16,756,208	15,822,244	211,347	3,792,883	4,515,500	933,964
Computers	34,823,251	91,985	-	34,915,236	34,347,143	25,617	639,730	1,182,206	476,108
Display Equipment not put to use	4,853,514	-	-	4,853,514	-	-	(4,806,903)	46,611	4,853,514
Total (Rs)	1,502,792,182	91,985	-	1,502,884,167	757,338,989	68,161,037	(214,427,761)	462,956,380	745,453,193

Note 2.02 : Intangible Assets

The changes in the carrying value of intangible assets for the year ended 31st March, 2021 are as follows :

	GROSS CARRYING VALUE			ACCUMULATED DEPRECIATION			NET CARRYING VALUE		
	As at 01.04.2020	Additions	Disposals	As at 31.03.2021	As at 01.04.2020	Additions	Deletions	As at 31.03.2021	As at 31.03.2020
Computer Software	15,277,444	-	-	15,277,444	14,627,552	74,743	(273,843)	301,306	649,892
Total (Rs)	15,277,444	-	-	15,277,444	14,627,552	74,743	(273,843)	301,306	649,892

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

(Amount in Rs.)

Particulars	As at 31.03.2021	As at 31.03.2020
NOTE - 2.03		
Investments		
Investments carried at cost, Unquoted equity shares in subsidiaries		
Other Investments by MIC Electronics Inc, USA, Sports LED Media	75,214,648	77,477,790
	<u>75,214,648</u>	<u>77,477,790</u>
NOTE - 2.04		
Other Non Current Assets		
Unsecured, Considered Good :		
- Other Secured Deposits	5,250,299	88,502,045
Others		
- Share Application money pending allotment in other companies	-	-
	<u>5,250,299</u>	<u>88,502,045</u>
Unsecured, considered doubtful :		
Security Deposits		
- Other Secured Deposits	55,523,000	200,000
Others		
- Share Application money pending allotment in other companies	3,000,000	3,000,000
	<u>58,523,000</u>	<u>3,200,000</u>
Less : Provision for doubtful deposits/advances	<u>58,523,000</u>	-
	<u>5,250,299</u>	<u>91,702,045</u>

Particulars	As at 31.03.2021	As at 31.03.2020
NOTE- 2.05		
Inventories		
Raw Material	118,715,633	118,715,633
Less : Depletion in value of inventories	106,478,909	12,236,724
Material under customs clearance	54,924,197	54,924,197
Less : Depletion in value of inventories	54,924,197	-
Work-in-Progress	193,913,283	192,773,166
Less : Depletion in value of inventories	187,248,353	6,664,930
Finished Goods	121,436,000	127,745,741
Less : Depletion in value of inventories	121,436,000	-
Stores and Spares	1,133,871	1,133,871
Less : Depletion in value of inventories	1,133,871	-
	<u>18,901,654</u>	<u>495,292,608</u>

Raw Materials are valued at lower of cost and net realisable value. The company has identified depletion in value of inventories and accordingly made necessary adjustments to the value of inventories.

Particulars	As at 31.03.2021	As at 31.03.2020
NOTE- 2.06		
Trade Receivables		
Trade receivables outstanding for a period exceeding six months from the due date of payments	337,433,455	614,145,909
Other Trade receivables	33,372,362	3,564,001
	<u>370,805,817</u>	<u>617,709,910</u>
Less : Provision for bad and doubtful debts	<u>331,198,282</u>	<u>522,641,401</u>
	<u>39,607,535</u>	<u>95,068,509</u>
Break-up security details		
i) Secured, Considered good	-	-
ii) UnSecured, Considered good	39,607,535	95,068,509
iii) Doubtful	331,198,282	522,641,401

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

(Amount in Rs.)

Particulars	As at 31.03.2021	As at 31.03.2020
NOTE- 2.07		
Cash & Cash equivalents		
Balance with Banks :		
In Current Accounts	1,029,911	524,664
Cash in Hand	10,188	1,532
	1,040,099	526,196
NOTE- 2.08		
Bank balances other than 2.07 above		
In Margin Money Accounts	10,064,387	13,017,564
	10,064,387	13,017,564
NOTE- 2.09		
Other Financial Assets		
Advances to related parties	6,730,613	6,933,132
Advance for expenses	143,629	1,072,791
	6,874,242	8,005,923
NOTE- 2.10		
Other Current Assets		
Unsecured Considered Good		
Security Deposits		
- Deposit-Delhi Metro Rail Corpn	15,937,628	23,916,725
Other Advances		
(i) Prepaid Expenses	207,377	122,875
(ii) Balances with Govt Authorities		
TDS receivable	2,837,589	3,301,520
IGST Receivable	-	6,065
GST Input	7,596,308	14,064,346
(iii) Others		
Advance for Materials	2,367,729	13,074,785
Advance for Services	363,052	1,298,785
Other advances	-	4,830,160
	29,309,683	60,615,261
Unsecured Considered Doubtful		
(i) Balances with Govt Authorities		
TDS receivable	-	5,639,060
(ii) Other Advances		
Advance for Materials	-	40,791,488
Advance for Services	-	663,352
Other advances	1,503,000	18,133,229
	1,503,000	65,227,129
Less : Provision for bad and doubtful advances	1,503,000	65,227,129
	29,309,683	60,615,261

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

NOTE - 2.11

(Amount in Rs.)

Equity Share Capital

	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
I. Authorised:				
Equity shares of Rs 2/- each with voting rights	270,000,000	540,000,000	270,000,000	540,000,000
II. Issued, Subscribed and Paid up:				
Equity shares of Rs 2/- each with voting rights	220,254,319	440,508,638	220,254,319	440,508,638
	220,254,319	440,508,638	220,254,319	440,508,638

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

a) Details of Reconciliation of Share Capital

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Equity shares with voting rights:-				
Opening Balance	220,254,319	440,508,638	220,254,319	440,508,638
Fresh Issue	-	-		
Closing Balance	220,254,319	440,508,638	220,254,319	440,508,638

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

Class of shares / Name of shareholder	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Malaxmi Infraventures India Pvt Ltd	14,000,000	6.36%	14,000,000	6.36%

NOTE - 2.12

Borrowings

	Current Portion (*)	Non-Current Portion	Current Portion (*)	Non-Current Portion
Secured Loans				
Long Term Loans - From Banks				
UCO Bank	-	-	71,231,180	-
State Bank of India, SAM Branch	-	-	590,000,000	-
Long Term Loans - Others				
Technology Development Board	-	-	150,000,000	-
Srei Equipment Finance Ltd	50,674,405	-	93,818,258	-
Unsecured Loans				
Financial Contribution from EESL	-	-	111,897,973	-
Cosyn Consortium on account of resolution plan		260,816,000	184,710,000	
	50,674,405	260,816,000	1,201,657,411	-

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

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

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

b) Longterm Unsecured Loans

As per the Resolution plan the consortium members have brought in Rs.26.08 crores, will be converted to share capital by allotting shares during the financial year 2021-22.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

(Amount in Rs.)

Particulars	As at 31.03.2021	As at 31.03.2020
NOTE- 2.13		
Long Term Provisions		
Provision for employee benefits		
- Provision for gratuity	-	13,492,679
- Provision for leave encashment	-	7,974,295
	<u>-</u>	<u>21,466,974</u>
NOTE - 2.14		
Borrowings		
UnSecured Loans		
(i) Loans from related parties		
Loans from directors	-	3,954,062
(ii) Intercorporate Loans		
JBB Infrastructures Pvt Ltd	660,651	11,728,480
MIC Electronics Limited Employees welfare trust	-	6,270,534
Reliance Capital Ltd	13,908,580	29,385,727
Sri Kanakadurga Castings Pvt Ltd	223,992	4,907,942
Think Solar India Pvt Ltd	-	46,460,155
Kiran impex pvt ltd	-	39,843,564
(iii) Loans against corporate guarantees		
Andhra Bank	1,589,626	1,589,626
Axis Bank Ltd	629,453	629,453
Total Borrowings (i+ii)	<u>17,012,302</u>	<u>144,769,543</u>
NOTE - 2.15		
Trade Payables		
Payables for materials	9,650,065	590,872,801
Payables for services	6,256,600	12,429,809
	<u>15,906,665</u>	603,302,610
	<u>15,906,665</u>	<u>603,302,610</u>
NOTE - 2.16		
Other Financial Liabilities		
Current maturities of long term borrowings (Refer Note No : 2.12)	50,674,405	1,201,657,411
Interest accrued and due on borrowings		
Secured		
- Interest accrued and due on borrowings as per NCLT Order	222,019,595	519,949,372
Unsecured		
- Interest accrued and due on short term borrowings as per NCLT Order	2,820,831	18,382,802
- Interest accrued and due on others	-	4,929,100
Share Warrants Application Money refundable	2,308,315	71,360,176
Payables on purchase of fixed assets	-	3,531,957
Payables for expenses	6,317,941	57,675,670
	<u>284,141,087</u>	<u>1,877,486,488</u>
a) Interest on 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.		
b) Interest on Term Loan taken from State Bank of India is secured as follows:		
a) Primary Security: (i) Exclusive Charge on hypothecation of stock (ii) Exclusive charge on hypothecation of Receivables		

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

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

- 1) EM Land admeasuring 4444.44 sq.yards with industrial building comprising of Plot No.A 4/1 to A4/7 situated at Sy.Nos.321,321/5, 321/6 & 321/1A, Electronic Complex at Kushaiguda, RR District, Telangana state for Rs.15.42 cores as on 25.02.2016
- 2) EM on residential plot no.41, 42, 60 and 61 at Kowkooor, Alwal Municipality, Hyderabad, Telangana State admeasuring 820 Sq.Yards valued for Rs.0.32 Crores as on 19.02.2016.
- 3) EM on industrial site admeasuring 1455 sq.mts with building with 5035 sft builtup area at Plot No.47, Raipur Industrial Area, Bhagawanpur, Roorkee Tahsil, Haridwar District, Uttaranchal State valued at Rs.1.25 crores as on 18.02.2016
- 4) EM on industrail site at Khasra No.117 admeasuring 269.54 sq Mt (322.38 Sq.Yards) situated at Raipur Paragana, Roorkee Tehsil, Haridwar District valued for Rs.0.22 crores as on 18.02.2016
- 5) Second charge on EM of industrial plot no.192/B, Sy.No.274 admeasuring 5341 Sq.Yards situated at Phase II, IDA, Cherlapally Village, Ghatkesar Mandal, RR District, Telangana (First charge held of M/s.Srei Equipment Finance Pvt Ltd for term loan of Rs.24.00 crores) valued at Rs.20.51 crores
- 6) Charge on unencumbered Plant & Machinery of the company for Rs.9.15 crores as on 2016.

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

- (i) Paripassu first charge on the below mentioned fixed assets along with State Bank of India.
- 1) EM Land admeasuring 4444.44 sq.yards with industrial building comprising of Plot No.A 4/1 to A4/7 situated at Sy.Nos.321,321/5, 321/6 & 321/1A, Electronic Complex at Kushaiguda, RR District, Telangana state valued for Rs.15.42 cores as on 25.02.2016
 - 2) EM on residential plot no.41, 42, 60 and 61 at Kowkooor, Alwal Municipality, Hyderabad, Telangana State admeasuring 820 Sq.Yards valued for Rs.0.32 Crores as on 19.02.2016.
 - 3) EM on industrial site admeasuring 1455 sq.mts with building with 5035 sft builtup area at Plot No.47, Raipur Industrial Area, Bhagawanpur, Roorkee Tahsil, Haridwar District, Uttaranchal State valued at Rs.1.25 crores as on 18.02.2016
 - 4) EM on industrail site at Khasra No.117 admeasuring 269.54 sq Mt (322.38 Sq.Yards) situated at Raipur Paragana, Roorkee Tehsil, Haridwar District valued for Rs.0.22 crores as on 18.02.2016
- (Amount in Rs.)

Particulars	As at 31.03.2021	As at 31.03.2020
NOTE - 2.17		
Other Current Liabilities		
Statutory remittances	8,449,581	102,102,737
Salaries Payable	8,063,008	93,404,763
Directors remuneration Payable	1,553,359	4,115,646
Advance from customers	-	3,732,689
Others	3,508,550	27,674,358
	<u>21,574,498</u>	<u>231,030,193</u>
NOTE - 2.18		
Current Tax Liabilities (NET) :		
Income Tax	-	6,897,374
	-	<u>6,897,374</u>

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
NOTE- 2.19		
Revenue from Operations		
(A) Revenue from Sale of products		
Domestic	10,494,357	8,199,206
	<u>10,494,357</u>	<u>8,199,206</u>
	<u>10,494,357</u>	<u>8,199,206</u>
(B) Other operating revenues		
AMC Charges & Service Charges	402,510	10,384,807
	<u>402,510</u>	<u>10,384,807</u>
	<u>402,510</u>	<u>10,384,807</u>
Total Revenue from Operations (A+B)	<u>10,896,867</u>	<u>18,584,013</u>

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

(Amount in Rs.)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
NOTE- 2.20		
Other Incomes		
Interest Received on Deposit-Delhi Metro Rail Corpn	29,830,465	-
Interest Received from others	552,311	696,873
Credit Balances written back	-	6,017,624
Rents received	1,032,000	1,032,000
Prior period income	-	1,985,642
Miscellaneous Income	11,880	218,977
	<u>31,426,656</u>	<u>9,951,116</u>
NOTE- 2.21		
Cost of Materials Consumed		
A) Raw Material Consumed		
Opening Stock	118,715,633	119,336,090
Purchases	1,925,267	3,414,725
Less : Material consumed for R&D	<u>3,514</u>	<u>16,673</u>
	<u>1,921,753</u>	<u>3,398,052</u>
	<u>120,637,386</u>	<u>122,734,142</u>
Less : Closing Stock	<u>118,715,633</u>	<u>118,715,633</u>
Raw Material Consumed	<u>1,921,753</u>	<u>4,018,509</u>
B) Packing Materials and consumables		
Opening Stock	1,133,871	1,185,378
Purchase of packing material & consumables	874	3,187
Less : Depletion in value of stocks	<u>1,134,745</u>	<u>1,188,565</u>
Less : Closing Stock	<u>1,133,871</u>	<u>1,133,871</u>
Consumption	<u>874</u>	<u>54,694</u>
Total Cost of material consumed	<u>1,922,627</u>	<u>4,073,203</u>
NOTE- 2.22		
Changes in Inventory		
Closing Stock of :		
Work-in-Progress	193,913,283	192,773,166
Finished Goods / FG in transit	121,436,000	127,745,741
Total (A)	<u>315,349,283</u>	<u>320,518,907</u>
Opening Stock of :		
Work-in-Progress	192,773,166	194,525,254
Finished Goods	127,745,741	127,853,128
Total (B)	<u>320,518,907</u>	<u>322,378,382</u>
Increase/(Decrease) in Stock (A-B)	<u>(5,169,624)</u>	<u>(1,859,475)</u>
NOTE- 2.23		
Employee Benefit expense		
Salary, Wages, Allowances & other Benefits	5,997,965	22,226,973
Directors Remuneration	12	805,000
P. F. & ESI Contribution	268,186	1,427,633
Staff Welfare Expenses	8,041	155,244
	<u>6,274,204</u>	<u>24,614,850</u>
NOTE- 2.24		
Financial Cost		
Bank Charges	892,001	1,927,245
Interest on :		
Others - Interest on other loans/ICDs & Financial Charges	-	82,042
	<u>892,001</u>	<u>2,009,287</u>

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

(Amount in Rs.)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
NOTE- 2.25		
Other Expenses		
Job-works, Installation charges & Maintenance Expenses	674,527	1,979,461
Power and Fuel	323,368	481,997
Insurance	102,523	281,070
Repairs & Maintenance	144,668	92,481
Printing & Stationary	85,896	348,628
Postage, Telephones & Internet	320,668	494,951
Rent	-	612,000
Interest, Rates & Taxes & Penalties	4,867,784	1,266,298
Professional Charges	3,377,931	3,501,299
Auditors Remuneration		
- As Statutory Auditors	413,000	413,000
- As Tax auditors	177,000	177,000
Auditors Expenses	1,754	3,371
General Expenses	827,957	1,403,558
Board Meeting Expenses	264,000	222,072
Corporate Insolvency Resolution Process Cost Expenses	-	1,309,294
Foreign exchange rate difference	40,888	35,100,150
Security Expenses	512,207	112,050
Travelling & Conveyance	148,585	1,922,273
Bad debts & debit balances written off	-	1,662,341
Provision for bad/doubtful debts/advances	-	103,912,499
Vehicle Maintenance	29,440	378,866
Selling & Distribution Expenses	115,046	538,318
R & D Expenses	1,566,816	3,979,329
	13,994,058	160,192,306

NOTE- 2.26

Pursuant to the order of NCLT dt.31.07.2019 approving the resolution plan, necessary write off of assets/ expenses / write back of liability / provision has been carried out in the books of accounts of the company. As per the order any debit or credit being the balancing figure shall be adjusted by the company in the capital reserve and the same shall be deemed to be in compliance with the applicable accounting standards. Below is the breakup of such adjustments passed to capital reserve.

Sl.No.	Particulars	As at 31st March, 2021
Income		
1	Extinguishment of operational creditors (including the Central Government, State Government or Local authority)	839,914,855
2	Write back of non-assignable loans of financial creditors	1,410,653,269
3	Extinguishment of other current and non-current liability	32,993,306
		2,283,561,430
Expenditure (Written off)		
1	Property, Plant & Equipment including capital work in progress	232,957,084
2	Inventories	471,221,330
3	Trade Receivables	75,218,797
4	Other Current and non current assets	118,861,682
		898,258,893
	Net	1,385,302,537

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

NOTE- 2.27

- (i) In the opinion of the management the Trade Receivables, Current Assets, Loans and Advances are expected to realise the amount at which they are stated and provision for all known liabilities have been adequately made in the accounts.
- (ii) The balances of trade receivables, trade payables, long term loans & advances, short term loans & advances, other current assets & other current liabilities are subject to confirmation from respective parties.

NOTE- 2.28

(Amount in Rs.)

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

Particulars	As at 31th March, 2021	As at 31th March, 2020
Counter guarantees given by the company to banks towards issue of B.Gs.	4,206,738	5,234,760

NOTE- 2.29

(Amount in Rs.)

Managerial Remuneration :

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Directors		
Remuneration	12	805,000
Total	12	805,000

NOTE- 2.30

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

NOTE- 2.31

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

NOTE : 2.32 : Disclosure Under Accounting Standards

2.33.1 Employee Benefits as per Ind-As 19

General Description of defined/contributory benefit plans

Plan	Description
Gratuity	Gratuity provision is made to all eligible employees based on the actuarial valuation. However, in view of ongoing CIRP Process, the company has not made any actuarial valuation for gratuity provision for the financial year 2020-21. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.
Provident Fund	The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.
Accrued Leave Salary	Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. However, in view of ongoing CIRP Process, the company has not made any actuarial valuation for Accrued Leave Salary for the financial year 2020-21. The company is making actual payments as and when crystalized.

Other Disclosures :

Other defined benefit plans :

(Amount in Rs.)

	Gratuity	Accrued Leave Salary
A. Changes in the present value of the obligation as on 31st March 2020		
Present value of obligation at the beginning of the year	13,892,714	13,892,714
Interest cost		
Current service cost		
Past service cost		
Benefits paid/payable		
Actuarial gain/loss on obligation		
Present value of obligation at the end of the period 31st March 2021	-	-

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

Present value of obligation at the beginning of the year	-	-
Interest cost	-	-
Current service cost	-	-
Past service cost	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on obligation	-	-
Present value of obligation at the end of the period	-	-
B. Changes in the fair value of the plan Assets as on 31st March 2020		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period 31st March 2021		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period		
C. Amounts recognised in the Balance sheet as on 31st March 2020		
Present value of the obligations at the end of the year	-	-
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet 31st March 2021	-	-
Present value of the obligations at the end of the year	-	-
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet	-	-
D. Amounts recognised in the Statement of P&L for the period ended		
Expenses recognised in Statement of Profit and Loss 31st March 2020		
Current service cost	-	-
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Net actuarial gain/loss recognised in the year	-	-
Expenses recognised in Statement of Profit and Loss 31st March 2021	-	-
Current service cost	-	-
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Net actuarial gain/loss recognised in the year	-	-
Expenses recognised in Statement of Profit and Loss	-	-

E. Principal Actuarial Assumptions:

	DESCRIPTION	2020-21	2019-20
i.	Discount Rate	-	-
ii.	Mortality Rate	-	-
iii.	Medical Cost Trend rates	-	-
iv.	Expected average remaining service	-	-
v.	Employee Attrition Rate (Past Service)	-	-

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

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

NOTE- 2.33

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

NOTE- 2.34

Related party disclosures :

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

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

SI No.	Name of the Related Party	Nature of Relationship
1	M/s.MIC Electronics Inc., USA	100% Subsidiary Company
2	Shri R.Vishnu, Executive Director	
3	Shri K.Siva Lakshmana Rao, Non Executive Director	
4	Shri M.Srinivas, Independent Director	Key Management Personnel
5	Ms.U.K.Gayathri, Independent Director	
6	Shri M.S.Muralikrishnan, Company Secretary	

b) Aggregated Related party transactions

i) Particulars of transactions during the year (Amount in Rs.)

SI.No.	Nature of Transaction	for the year ended 31st March, 2021	for the year ended 31st March, 2020
	Expenditure during the year		
1	Remuneration to Key Managerial personnel	786,893	3,242,413
2	Sitting fees to Directors	264,000	216,000

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

SI.No.	Nature of Transaction	As at 31st March, 2021	As at 31st March, 2020
1	Outstanding balances payable to Management Personnel	2,217,924	7,393,357
2	Sitting fee and other expenses payable to Directors	393,600	2,640,262

NOTE- 2.35 Calculation of earnings per share (Ind AS 33)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit attributable to Share Holders	(54,164,771)	(239,507,938)
No. of Equity Shares Outstanding	220,254,319	220,254,319
Weighted No. of Equity Shares	220,254,319	220,254,319
Convertible Share Warrants	-	-
No. of diluted equity shares	220,254,319	220,254,319
Nominal Value of Equity Share	2.00	2.00
Basic EPS	(0.25)	(1.09)
Diluted EPS	(0.25)	(1.09)

NOTE- 2.36

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

The Research & Development expenditure, charged to statement of profit & loss during the year is Rs.15.67 Lakhs (previous year Rs.39.79 Lakhs)

NOTE- 2.37

Provisions, Contingent Liabilities and Contingent Assets (Ind AS-37) : Necessary details in regard to provisions have been disclosed in notes 2.28

Note-2.38 : Others

2.38.1 Fair Value Measurement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

Financial instruments by category

(Amount in Rs.)

	As at March 21			As at March 20		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Investments			-			-
Trade receivables			39,607,535			95,068,509
Cash and cash equivalents			1,040,099			526,196
Other bank balances			10,064,387			13,017,564
Loans			-			-
Other financial assets			6,874,242			8,005,923
Total	-	-	57,586,263	-	-	116,618,192
Financial Liabilities						
Borrowings			17,012,302			144,769,543
Trade payables			15,906,665			603,302,610
Other financial liabilities			284,141,087			1,877,486,488
Total	-	-	317,060,054	-	-	2,625,558,641

- Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) as of 31 March 2021, and 31st March 2020, respectively, are not included.
- Other liabilities that are not financial liabilities (such as statutory dues payable, advances from customers and certain other accruals) as of 31 March 2021, and 31st March 2020, respectively, are not included.

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

2.38.2 Financial Risk Management

a) Risk Management Framework

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

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

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

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

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

A. Credit risk

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

Trade receivables

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

Pursuant to the order of NCLT dt.31.07.2019 approving the resolution plan, necessary write off of assets including trade and other receivables has been carried out in the books of accounts of the company. The management has made analysis of the Trade receivables and made necessary provisions for bad and doubtful debts in the books of accounts as on 31st March 2021. the same has been reflected at Note No.2.06. The provision for loss allowance based on historic losses has not been considered as it is deemed inappropriate for the current year due to unique circumstances of company going through CIRP process and subsequent write off of trade receivables.

B. Liquidity risk

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

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD ENDED 31st MARCH 2021

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

Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. (Amount in Rs.)

	Year ended 31 March 2021	Year ended 31 March 2020
	On demand	On demand
Borrowings	17,012,302	144,769,543
Trade payables	15,906,665	603,302,610
Other financial liabilities	284,141,087	1,877,486,488
Total	317,060,054	2,625,558,641

C. Market risk

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

Foreign Currency risk

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

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

Other Notes

2.39 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.

Pursuant to approval of the Resolution Plan, the same, inter alia, upon implementation shall result into the following :

- a) Payments to Stake Holders - The Resolution plan contemplates, inter alia, payments amounting to
 - i) upto an aggregate of Rs.5.80 Crores towards payment of CIRP Cost
 - ii) Rs.1.05 crores towards workmen, Employee dues and ex employees claims (Form D)
 - iii) Rs.0.08 crores towards government dues
 - iv) Rs.2.16 Crores to Certain Operational creditors
 - v) Rs.49.72 crores towards repayment of secured and unsecured financial creditors
- b) Infusion of funds - Infusion of need based working capital funds for an approximate amount of Rs.6 Crores and infusion of an amount of Rs.3 crores for capital expenditure.
- c) Reduction of existing share capital - The resolution plan proposes reduction of company's share capital without any payout to the share holders, by reducing the number of shares from 22,02,54,319 shares to 5,50,64,000 shares of face value Rs.2.00 each. Remaining 16,51,90,319 shares will be issued and allotted to new promoters, strategic investors and associates after the NCLT approval.
- d) The resolution applicant has made payment of Rs.26.08 Crores to creditors as on 31st March 2021 as per NCLT Order dated 31st July 2019. Subsequent to the date of balance sheet, the balance amount of Rs.29.88 Crores as on 04.05.2021 was paid as full and final payment to discharge the liabilities of all creditors. The company has therefore made necessary writeoffs / writebacks in the books as on 31st March 2021.

2.40 The company has certain trade receivables, security deposits, loans and advances, other financial and current assets aggregating to Rs.15.63 Crores. The management of the company is confident of recovery of the aforesaid dues. Confirmation of balances could not be obtained as at 31st March 2021 for various trade receivables. The management has already made provision for doubtful receivables / advances and believes that no material adjustments would be required in books of accounts upon receipt of these confirmations.

2.41 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 March 31, 2021 have not been considered.

2.42 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)



MIC ELECTRONICS LIMITED

(CIN: L31909TG1988PLC008652)

Registered Office: A4/II, Electronic Complex, Kushaiguda, Hyderabad, Telangana – 500062.

Email: cs@mic.co.in, website: www.mic.co.in

Form MGT-11 Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Regd. Folio No :	DPID :
No of Shares Held :	Client ID :

I, _____ being the member of MIC Electronics Limited holding _____ equity shares of the above named company, hereby appoint

Name & Address :

Email ID :

and whose signature(s) appended below as my proxy to attend and vote, in case of a poll, for me and on my behalf at the 33rd Annual General Meeting of the Company, to be held on Monday, the December 27, 2021 at 10.30 AM at the registered office of the Company situated at A4/II, Electronic Complex, Kushaiguda, Hyderabad, Telangana – 500062 and at any adjournment thereof in respect of resolutions indicated below:

Sl. No	Resolution (s)	Vote	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2021 including Audited Balance Sheet as at March 31, 2021, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon. (Ordinary Resolution)		
2	To appoint a director in place of Mr Siva Lakshmanarao Kakarala (DIN: 03641564), who retires by rotation and being eligible offers himself for reappointment. (Ordinary Resolution)		
3	To appoint M/s. Bhavani & Co., Chartered Accountants as Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the thirty eighth Annual General Meeting and to fix their remuneration. (Ordinary Resolution)		
Special Business			
4	To appoint Mr. Kaushik Yalamanchili (DIN : 07334243) as a Director (Ordinary Resolution)		
5	To approve the appointment of Mr. Kaushik Yalamanchili as a Managing Director (Special Resolution)		
6	To appoint Mr. Manideep Katepalli (DIN: 07840019) as a Director (Ordinary Resolution)		
7	To appoint Mr. Manideep Katepalli (DIN: 07840019) as Independent Director (Ordinary Resolution)		
8	To increase the limits for borrowings (Special Resolution)		
9	To make investments, give loans, guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013 (Special Resolution)		
10	To amend the Main Objects Clause of the Memorandum of Association of the Company (Special Resolution)		
11	To increase Authorised Share Capital of the Company (Ordinary Resolution)		
12	To alter the Capital Clause of Memorandum of Association (Special Resolution)		
13	To adopt new Memorandum of Association as per the provisions of the Companies Act, 2013 (Special Resolution)		
14	To adopt new set of Articles of Association as per the provisions of the Companies Act, 2013 (Special Resolution)		

Signed this _____ day of December, 2021

Signature of shareholder: _____

Signature of Proxy holder: _____

Affix
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.
- The proxy need not be a member of the company.



MIC ELECTRONICS LIMITED

(CIN: L31909TG1988PLC008652)

Registered Office: A4/II, Electronic Complex, Kushaiguda, Hyderabad, Telangana – 500062.

Email: cs@mic.co.in, website: www.mic.co.in

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Full name of the member attending _____

Member's Folio No/ Client ID: _____

No. of shares held: _____

Name of Proxy _____ (To be filled in, if the Proxy attends instead of the member)

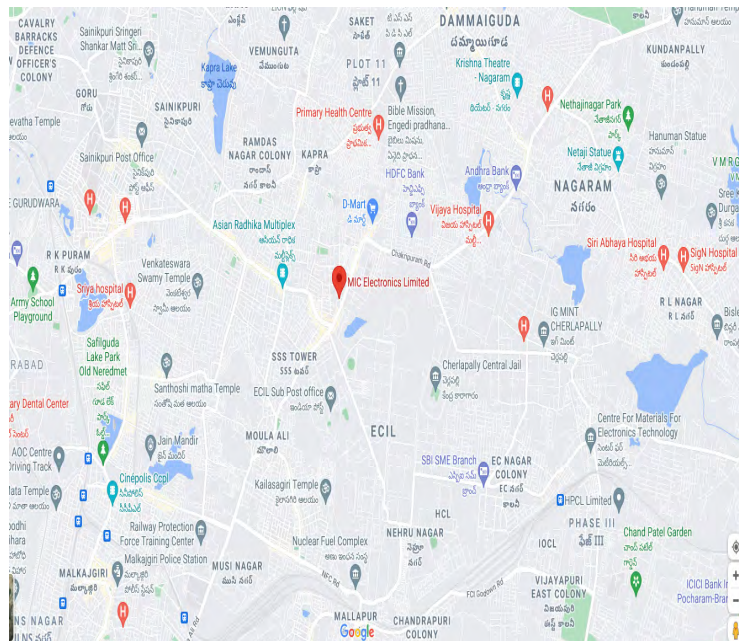
I hereby record my presence at the 33rd Annual General Meeting of the MIC Electronics Ltd., to be held on Monday, the December 27, 2021 at 10.30 AM at the registered office of the Company situated at A4/II, Electronic Complex, Kushaiguda, Hyderabad, Telangana – 500062.

.....
Member's / Proxy's Signature

Note:

- Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- A Proxy need not be a member of the Company.
- In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
- In terms of the Requirements of the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; route map for the location of the venue of the 33rd Annual General Meeting is given below :

ROUTE MAP FOR 33rd AGM VENUE





MIC ELECTRONICS LIMITED

(CIN: L31909TG1988PLC008652)

Registered Office: A4/II, Electronic Complex, Kushaiguda, Hyderabad, Telangana – 500062.

Email: cs@mic.co.in, website: www.mic.co.in

Form No.MGT-12

POLLING PAPER

(Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)I of the Companies (Management and Administration Rules, 2014)

CIN	L31909TG1988PLC008652		
Name of the Company	MIC ELECTRONICS LIMITED		
Registered Office	A4/II, Electronic Complex, Kushaiguda, Hyderabad, Telangana – 500062.		
Name of the member(s)			
Registered Address			
E-mail Id			
Folio No./Client ID		DP ID	
Number of Equity shares held			

In respect of 33rd Annual General Meeting of the Company, I hereby exercise my vote in respect of Ordinary/ Special Resolution enumerated below by recording my assent or dissent to the said Resolution in the following manner:

Sl. No	Resolution (s)	Vote	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2021 including Audited Balance Sheet as at March 31, 2021, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon. (Ordinary Resolution)		
2	To appoint a director in place of Mr Siva Lakshmanarao Kakarala (DIN: 03641564), who retires by rotation and being eligible offers himself for reappointment. (Ordinary Resolution)		
3	To appoint M/s. Bhavani & Co., Chartered Accountants as Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the thirty eighth Annual General Meeting and to fix their remuneration. (Ordinary Resolution)		
Special Business			
4	To appoint Mr. Kaushik Yalamanchili (DIN : 07334243) as a Director (Ordinary Resolution)		
5	To approve the appointment of Mr. Kaushik Yalamanchili as a Managing Director (Special Resolution)		
6	To appoint Mr. Manideep Katepalli (DIN: 07840019) as a Director (Ordinary Resolution)		
7	To appoint Mr. Manideep Katepalli (DIN: 07840019) as Independent Director (Ordinary Resolution)		
8	To increase the limits for borrowings (Special Resolution)		
9	To make investments, give loans, guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013 (Special Resolution)		
10	To amend the Main Objects Clause of the Memorandum of Association of the Company (Special Resolution)		
11	To increase Authorised Share Capital of the Company (Ordinary Resolution)		
12	To alter the Capital Clause of Memorandum of Association (Special Resolution)		
13	To adopt new Memorandum of Association as per the provisions of the Companies Act, 2013 (Special Resolution)		
14	To adopt news set of Articles of Association as per the provisions of the Companies Act, 2013 (Special Resolution)		

Place:

Date:

(Signature of the Shareholder / Proxy)

If undelivered please return to :

MIC Electronics Limited

Registered Office: A4/II, Electronic Complex
Kushaiguda, Hyderabad, Telangana – 500 062, INDIA
Tel: +91-40-271 22222, Fax: +91-40-2713 3333
Email: cs@mic.co.in