

MIC Electronics Limited

(Rs.in crore)

AUDITED FINANCIAL RESULTS FOR THE THIRD QUARTER AND YEAR ENDED ON 30TH JUNE, 2013

STAND-ALONE				PART - 1				CONSOLIDATED								
3 months ended	Previous 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended ( 9M)	Previous Accounting Year ended(15 Months)	SR. NO.	Particulars	3 months ended		Previous 3 months ended		Corresponding 3 months ended in the previous year		Year to date figures for current period ended ( 9M)		Previous Accounting Year ended (15 Months)	
							30.06.2013 Audited	31.03.2013 Unaudited	30.06.2012 Unaudited	30.06.2013 Audited	31.03.2013 Unaudited	30.06.2012 Unaudited	30.06.2013 Audited	30.09.2012 Audited		
29.41	20.68	22.56	70.20	131.88	1	a) Net Sales / Income from Operations (Excluding Branch Transfer) (Net of Excise Duty)	30.08	26.51	23.91	77.85	23.91	77.85	135.41			
0.31	0.81	0.15	1.32	3.41		b) Other Operating Income	0.45	0.81	0.15	1.46	0.15	1.46	3.43			
<b>29.72</b>	<b>21.49</b>	<b>22.71</b>	<b>71.52</b>	<b>135.29</b>	2	<b>Total Income from operations (net)</b>	<b>30.53</b>	<b>27.32</b>	<b>24.06</b>	<b>79.31</b>	<b>24.06</b>	<b>79.31</b>	<b>138.84</b>			
8.37	4.30	4.96	26.90	30.92		<b>Expenses</b>										
24.05	15.44	10.28	38.38	71.45		a. Cost of Material Consumed	9.14	5.07	5.03	32.65	5.03	32.65	32.47			
(5.38)	(10.26)	(4.66)	(16.79)	(35.07)		b. Purchase of traded goods	24.05	19.19	10.28	38.38	10.28	38.38	71.45			
1.28	1.28	2.18	4.00	10.84		c. (Increase)/Decrease in inventories	(6.07)	(10.27)	(4.21)	(17.57)	(4.21)	(17.57)	(36.88)			
1.49	1.48	1.50	4.48	7.64		d. Employee benefits expense	1.67	1.68	2.48	5.15	2.48	5.15	12.32			
6.34	5.85	3.01	14.98	24.27		e. Depreciation and Amortisation expense	1.68	1.50	1.52	4.71	1.52	4.71	7.88			
<b>36.15</b>	<b>18.09</b>	<b>17.27</b>	<b>71.95</b>	<b>110.05</b>		f. Other Expenses	6.14	6.26	3.31	15.33	3.31	15.33	25.45			
<b>(6.43)</b>	<b>3.40</b>	<b>5.44</b>	<b>(0.43)</b>	<b>25.24</b>	3	<b>Total Expenses</b>	<b>36.51</b>	<b>23.43</b>	<b>18.41</b>	<b>78.65</b>	<b>18.41</b>	<b>78.65</b>	<b>112.69</b>			
1.80	0.96	0.10	5.08	4.53	4	<b>Profit / (Loss) from Operations before other income, finance costs and exceptional items (1 - 2)</b>	<b>(6.08)</b>	<b>3.89</b>	<b>5.65</b>	<b>0.66</b>	<b>5.65</b>	<b>0.66</b>	<b>26.15</b>			
(4.63)	4.36	5.54	4.65	29.77	5	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 ± 4)</b>	<b>(4.27)</b>	<b>4.85</b>	<b>5.75</b>	<b>5.75</b>	<b>5.75</b>	<b>5.75</b>	<b>30.69</b>			
2.80	4.70	5.13	12.12	25.44	6	<b>Finance Costs</b>	3.17	4.86	5.32	12.88	5.32	12.88	26.64			
<b>(7.43)</b>	<b>(0.34)</b>	<b>0.41</b>	<b>(7.47)</b>	<b>4.33</b>	7	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)</b>	<b>(7.44)</b>	<b>(0.01)</b>	<b>0.43</b>	<b>(7.13)</b>	<b>0.43</b>	<b>(7.13)</b>	<b>4.05</b>			
0.00	0.00	0.00	0.00	69.06	8	<b>Exceptional Items - Expenditure / (Income)</b>	0.00	0.00	0.00	0.00	0.00	0.00	69.06			
<b>(7.43)</b>	<b>(0.34)</b>	<b>0.41</b>	<b>(7.47)</b>	<b>(64.73)</b>	9	<b>Profit / (Loss) from Ordinary Activities before tax (7 ± 8)</b>	<b>(7.44)</b>	<b>(0.01)</b>	<b>0.43</b>	<b>(7.13)</b>	<b>0.43</b>	<b>(7.13)</b>	<b>(65.01)</b>			
7.39	(0.06)	0.08	7.39	(1.60)	10	<b>Tax Expense (current tax / deferred tax)</b>	7.43	(0.04)	0.08	7.45	0.08	7.45	(1.56)			
<b>(14.82)</b>	<b>(0.28)</b>	<b>0.33</b>	<b>(14.86)</b>	<b>(63.13)</b>	11	<b>Net Profit / (Loss) from Ordinary Activities after tax (9 ± 10)</b>	<b>(14.87)</b>	<b>0.03</b>	<b>0.35</b>	<b>(14.58)</b>	<b>0.35</b>	<b>(14.58)</b>	<b>(63.45)</b>			
0.00	0.00	0.00	0.00	0.00	12	<b>Extraordinary items (Net of Tax expense Rs Nil)</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
<b>(14.82)</b>	<b>(0.28)</b>	<b>0.33</b>	<b>(14.86)</b>	<b>(63.13)</b>	13	<b>Net Profit / (Loss) for the period (11 ± 12)</b>	<b>(14.87)</b>	<b>0.03</b>	<b>0.35</b>	<b>(14.58)</b>	<b>0.35</b>	<b>(14.58)</b>	<b>(63.45)</b>			
0	0.00	0.00	0.00	0.00	14	<b>Share of Profit / (loss) of associates</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
0	0.00	0.00	0.00	0.00	15	<b>Minority Interest</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
<b>(14.82)</b>	<b>(0.28)</b>	<b>0.33</b>	<b>(14.86)</b>	<b>(63.13)</b>	16	<b>Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 ± 14 ± 15)</b>	<b>(14.87)</b>	<b>0.03</b>	<b>0.35</b>	<b>(14.58)</b>	<b>0.35</b>	<b>(14.58)</b>	<b>(63.45)</b>			
20.50	20.50	20.50	20.50	20.50	17	<b>Paid-up Equity Share Capital (Face Value Rs. 2/- each)</b>	20.50	20.50	20.50	20.50	20.50	20.50	20.50			
0.00	0.00	0.00	324.63	339.50	18	<b>Reserves Excluding Revaluation Reserves as per Balance Sheet of previous accounting year</b>	0.00	0.00	0.00	323.89	0.00	323.89	338.47			
(1.45)	(0.03)	0.03	(1.45)	(6.16)	19	<b>Earning Per Share (face value of Rs 2/- each)</b>	(1.45)	0.00	0.03	(1.42)	0.03	(1.42)	(6.19)			
(1.45)	(0.03)	0.02	(1.45)	(4.12)		(a) Basic	(1.45)	0.00	0.02	(1.42)	0.02	(1.42)	(4.14)			
						(b) Diluted										

**STATEMENT OF ASSETS & LIABILITIES**  
(STAND-ALONE)  
AS AT 30TH JUNE 2013

(Rs. in Crores)

Particulars	As At 30.06.2013 (Audited)	As at 30.09.2012 (Audited)
<b>À EQUITY AND LIABILITIES</b>		
<b>1. Shareholders Fund:</b>		
(a) Share Capital	20.50	20.50
(b) Reserves and Surplus	324.63	339.50
(c) Money received against Share Warrants	0.00	4.66
<b>Sub-total Shareholders Fund:</b>	<b>345.13</b>	<b>364.66</b>
<b>2. Non-current liabilities</b>		
(a) Long-term borrowings	34.10	36.40
(b) Long-term provisions	1.77	1.94
<b>Sub-total - Non-current liabilities</b>	<b>35.87</b>	<b>38.34</b>
<b>3. Current liabilities</b>		
(a) Short-term borrowings	91.42	86.34
(b) Trade payables	69.68	64.53
(c) Other current liabilities	56.12	44.81
(d) Short-term provisions	7.74	8.10
<b>Sub-total - Current liabilities</b>	<b>224.96</b>	<b>203.78</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>605.96</b>	<b>606.78</b>
<b>B ASSETS</b>		
<b>1. Non-current assets</b>		
(a) Fixed assets	189.51	193.87
(b) Non-current investments	5.54	5.54
(c) Deferred tax assets (net)	2.55	9.93
(d) Long-term loans and advances	47.90	46.96
(e) Other non-current assets	0.95	1.34
<b>Sub-total - Non-current assets</b>	<b>246.45</b>	<b>257.64</b>
<b>2 Current assets</b>		
(a) Inventories	174.73	158.80
(b) Trade receivables	111.79	115.11
(c) Cash and cash equivalents	2.18	3.40
(d) Short-term loans and advances	68.51	69.73
(e) Other current assets	2.30	2.10
<b>Sub-total - Current assets</b>	<b>359.51</b>	<b>349.14</b>
<b>Total -</b>		
<b>ASSETS</b>	<b>605.96</b>	<b>606.78</b>

*ASB*



PART - 2												
SR. NO.	Particulars	3 months ended	Previous 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for the previous year ended	Previous Accounting Year ended					
		30.06.2013	31.03.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2012	30.09.2012				
A	<b>PARTICULARS OF SHAREHOLDING</b>											
1	<b>Public Share Holding</b>											
	- Number of Shares	94255998	94255998	93430998	94255998	93430998	93430998	93430998				
	- Percentage of Shareholding	91.96	91.96	91.15	91.96	91.15	91.15	91.15				
2	<b>Promoter and Promoter Group Shareholding</b>											
	a) Pledged / Encumbered											
	- Number of Shares	4487000	4487000	3312000	4487000	3312000	3312000	3312000				
	- Percentage of Shareholding (as a % of the total shareholding of promoter and promoter group)	54.44	54.44	36.53	54.44	36.53	36.53	36.53				
	- Percentage of Shares (as a % of total share capital of the Company)	4.38	4.38	3.23	4.38	3.23	3.23	3.23				
	b) Non - Pledged / Encumbered											
	- Number of Shares	3755277	3755277	5755277	3755277	5755277	5755277	5755277				
	- Percentage of Shares (as a % of total shareholding of promoter and promoters group)	45.56	45.56	63.47	45.56	63.47	63.47	63.47				
	- Percentage of Shares (as a % of total share capital of the Company)	3.66	3.66	5.61	3.66	5.61	5.61	5.61				



PARTICULARS		3 MONTHS ENDED 30.06.2013
<b>B</b>	<b>INVESTOR COMPLAINTS</b>	
	PENDING AT THE BEGINNING OF THE QUARTER	2
1	RECEIVED DURING THE QUARTER	1
2	DISPOSED OF DURING THE QUARTER	1
3	REMAINING UNRESOLVED AT THE END OF THE QUARTER	
4	Remarks : Pending from Investors to respond	2

**Notes:**

- The above results have been reviewed by the Audit Committee at its meeting held on 27th August 2013 and approved by the Board of Directors of the Company at its meeting held on 27th August 2013.
- The consolidated financial results include the financial results of the wholly owned subsidiaries M/s MIC Electronics Inc USA, M/s Maave Electronics Pvt. Ltd., M/s MIC Green Energy Solutions Pvt Ltd, and M/s MIC Candlux Private Limited.
- Figures have been rearranged wherever necessary.
- The Company has only one segment i.e., LED Products.
- Tax expenses of Rs.7.39 crore during the quarter relates to deferred tax .
- The company has retrospectively reversed the interest provision on on some of the unsecured loans w.e.f. 1st Oct.,2012 for an amount of Rs.2.47 crores since the company is pursuing the matter for one time settlement. This has reduced the current quarter's loss by the said amount.
- The figures for quarter ended 30.06.13 are the balancing figures between 9 months audited financials and 6 months unaudited financials for period ended 31.03.13

Place : Hyderabad

Date : 27.08.2013



**Dr. M V Ramana Rao**

Chairman & Managing Director





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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements:

We have audited the accompanying financial statements of M/s. MIC Electronics Ltd, which comprise the Balance Sheet as at June 30, 2013, the Statement of Profit and Loss and Cash Flow Statement for the nine months period ended on that date and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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





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### *Basis for Qualified Opinion*

- (1) Reference is invited to Note 3.16 of the financial statements, the Company's Trade Receivables to the extent of Rs 63.26 crores are more than three years old and "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these receivables are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the loss for the period would have been higher by the said amount."
- (2) Reference is invited to Note 3.18 of the financial statements, the Company's Other Advances to the extent of Rs 6.02 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the loss for the period would have been higher by the said amount."
- (3) Reference is invited to Note 3.13 of the financial statements, the Company's Capital Advances to the extent of Rs 11.97 crores, "we are unable to ascertain whether such balances as at balance sheet date are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided provision for the same, the loss for the period would have been higher by the said amount."
- (4) Reference is invited to Note 3.07 of the financial statements, The Company has not provided the interest on unsecured loans for the nine months period ended 30<sup>th</sup> June 2013, for Rs 2.47 crores since the company is pursuing the matter for settlement. Had the Company provided provision for the same, the loss for the period would have been higher by the said amount."

### *Qualified Opinion*

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2013;
- b) In the case of the Statement of Profit and Loss, of the loss for the nine months period ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the nine months period ended on that date.







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### Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (1A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

### 2. As required by section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. Except for the effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act.
- e. On the basis of written representations received from the directors as on June 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has neither issued any notification as to the rate at which the cess is to be paid under Section 441A of the Act nor has it issued any Rules under the said Section prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place: Hyderabad  
Date: 27.08.2013

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

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





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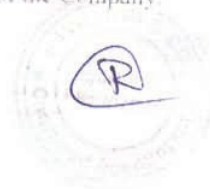
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### ANNEXURE TO AUDITORS' REPORT

REFERRED TO IN PARAGRAPH (1) IN OUR REPORT OF EVEN DATE FOR THE PERIOD ENDED 30.06.2013.

- 1.(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As informed to us, most of the fixed assets have been physically verified by the management. There is annual verification of fixed assets, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed on such verification.
  - (c) During the year, the company has not disposed off substantial part of the assets. According to the information and explanations given to us, we are of the opinion that no transactions are made involving disposal of assets so as to affect going concern status of the company.
- 2.(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.
  - (b) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The company is maintaining proper records of inventory. The discrepancies noted on physical verification between the physical stocks and book records were not material.
- 3.(a) The Company has granted unsecured loan to one of its subsidiary covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount outstanding during the year was Rs.22,827,597/- and the year-end balance of loan granted to such party was Rs. 22,827,597/-.
  - (b) In our opinion and according to the information and explanations given to us, the terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
  - (c) As the terms of repayment have not been stipulated in respect of loans given as above, we are not in a position to make any specific comment regarding the repayment of principal and also interest.
  - (d) In respect of the said loan, we are not in a position to make any specific comment regarding any overdue amount.
  - (e) As informed, the Company has taken unsecured loan of Rs.4,683,573/- from the party covered in the register maintained under section 301 of the companies Act, 1956. In our opinion and according to the information and explanations given to us, the terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.







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4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of the stores, raw materials including components, plants and machinery, equipment and other assets and with regard to the sale of goods.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
  - (a) According to the information and explanation given to us we are of the opinion, that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the 9 months period to `5,00,000/- or more in respect of any party have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the provisions of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, do not apply to this Company, as it has not accepted deposits from the public other than corporate bodies and directors of the company.
7. The Company has an adequate internal Audit system commensurate with the size and nature of the business.
8. We have broadly reviewed the Books of Account maintained by the Company as prescribed by the Central Government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the accounts and records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us, the company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.





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- (b) According to the information and explanations given to us, the following are the undisputed amounts of Income Tax, Wealth Tax, Customs Duty, Sales Tax, Excise Duty, Provident Fund, Employees State Insurance and Professional tax outstanding as at 30<sup>th</sup> June, 2013 for a period of more than 6 months from the date they became payable.

Sl.No	Nature of the dues	Amount (Rs)
1.	Service Tax	1,929,383/-
2.	Excise Duty	5,847,910/-
3.	Provident Fund	9,156,369/-
4.	Employee State Insurance	2,398,706/-
5.	Professional Tax	695,790/-
6.	FDS	15,666,531/-
7.	Income Tax	77,430,737/-

- (c) According to the information and explanations given to us following are the disputed dues relating to Customs Duty, Sales Tax and Excise Duty as on 30th June, 2013.

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







## PAVULURI & Co.

CHARTERED ACCOUNTANTS

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The A.P.VAT Act, 2005	APVAT	1,809,145/-	2005-2006	WP No.14764/2009 filed with High Court, AP Amt. deposited : 1,809,145/-
The A.P.VAT Act, 2005	APVAT	127,666/-	2007-2008	Appellate Deputy Commissioner (C.T.) vide Appeal No.S/101/10-11/V Amt.deposited : 127,666/-
The A.P.VAT Act, 2005	APVAT	483,509/-	2008-2009	Appellate Deputy Commissioner (C.T.) vide Appeal No.S/102/10-11/V Amt.deposited : 483,509/-
The A.P.VAT Act, 2005	APVAT	1,496,129/-	2009-2010	Appellate Deputy Commissioner (C.T.) vide Appeal No.S/103/10-11/V Amt.deposited : 1,496,129/-

10. The Company has no accumulated losses as at the end of the 9 months period. The Company has incurred cash losses during the period covered by our audit but has not incurred cash losses in the immediately preceding financial year.
11. As per the records of the Company and according to the information and explanations given to us, the company has defaulted in repayment of dues to the following as on 30<sup>th</sup> June 2013.

S.No.	Name of the bank/institution	Amount (Rs.)	Due since
1.	UCO Bank	6,249,565/-	Since April 2013
2.	Technology Development Board	16,000,000/-	Since January 2013
3.	L&T Finance Ltd	68,599,693/-	Since January 2012
4.	State Bank of India	46,520,180/-	Since April 2013
5.	Standard Chartered Bank	56,160,774/-	Since September 2012

12. The company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi /mutual benefit fund/ society. Accordingly the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The company is not dealing in or trading in shares, securities, and debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion, the terms and conditions on which the company has given guarantees for loans taken by the subsidiaries/associates from banks or financial institutions are not prejudicial to the interest of the company.






**PAVULURI & Co.**  
**CHARTERED ACCOUNTANTS**  
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16. In our opinion, the term loans taken by the company were applied for the purpose for which they were taken.
17. According to the information and explanations given to us and on an overall examination of statements and records of the company, that the funds raised on short-term basis have, prima facie, not been used during the year for long-term investment. No long term funds have been used to finance short term assets except permanent working capital.
18. The company has not made preferential allotment of shares/warrants during the year to parties covered in the register maintained under section 301 of the Companies Act, 1956.
19. During the year, the Company has not issued any debentures, therefore the question of creating security or charge in respect thereof does not arise.
20. During the year, the Company has not made any public issue and therefore the question of disclosing the end use of money raised by public issue does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

Place: Hyderabad  
Date : 27.08.2013

For PAVULURI & Co.  
Chartered Accountants  
Firm Reg. No. 012194S  
  
(CA N. RAJESH)  
PARTNER  
M.No : 225169