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Limited Review Report Consolidated interim financial results

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

- a) We have reviewed the accompanying statement of unaudited financial results of **M/s. MIC ELECTRONICS LIMITED** ("the Holding company") and its subsidiaries (the Holding Company and the subsidiaries together referred to as "the Group") for the quarter ended **30th June, 2017** pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, read with circular No CIR/CFD/CMD/15/2015 dated 30th November 2015 and CIR/CFD/FAC/62/2016 dated 5th July 2016.
- b) The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim financial reporting (Ind AS 34) specified under section 133 of the Companies Act 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and SEBI circular No CIR/CFD/CMD/15/2015 dated 30th November 2015 and CIR/CFD/FAC/62/2016 dated 5th July 2016 is the responsibility of the Holding Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
- c) We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information performed by the independent Auditor of Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Holding company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- d) We did not review the interim financial results of the subsidiaries, included in the consolidated financial results. The unaudited financial information has been assessed by the management and provided to us and our conclusion on the statement to the extent they relate to these subsidiaries is based solely on such unaudited financial information furnished to us by the management.
- e) Reference is invited to note 5 of the unaudited financial results. The holding company has not provided interest on loans to the tune of Rs 0.29 crores for the quarter ended 30th June since the matter is in litigation. Under accounting principles generally accepted in India, the holding company should have made a provision for interest expense of Rs 0.29 crores. Had the company made a provision for the same, the profit for "the Group" would have been lower by the said amount.





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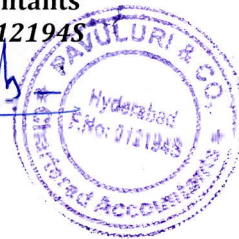
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- f) Reference is invited to note 6 of the unaudited financial results. The holding company has not provided interest on SBI loan of Rs 1.49 crores for the quarter ended 30th June due to OTS cancellation. The holding company has also not provided prior period interest raised due to such cancellation. Under accounting principles generally accepted in India, the holding company should have made a provision for these interests. Had the company made a provision for the same, the profit for "the Group" would have been lower by the said amount.
- g) The holding company has not used any provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix should be based on historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. As per Ind-AS provisions, the holding company should have made a provision for doubtful debts for the current quarter as well as previous financial year. Accordingly we are unable to determine the impact of no such provision on the financials of the holding company. Had the company made a provision for the same, the profit for the respective periods of "the Group" would have been lower by those amounts.
- h) Based on our review conducted as above and subject to point numbers 'e', 'f' and 'g' above nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results for the Quarter ended **30th June, 2017** prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim financial reporting (Ind AS 34) specified under section 133 of the Companies Act 2013 read with relevant rules issued thereafter and other recognized accounting practices and policies has disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, read with circular No CIR/CFD/CMD/15/2015 dated 30th November 2015 and CIR/CFD/FAC/62/2016 dated 5th July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

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



Place: Hyderabad
Date: 09.09.2017