

LEaDing Innovation



24th Annual Report 2011- 12

LEaDing Innovation



Train No.	Train Name	Exp Time	AO	P.No.
8102	Mangalore Chennai	17:55	A	3
8027	West Coast Express	17:55	A	2
1229	Seabird Express	18:20	A	1
2012	Raptasagar Express	18:30	A	1
2063	Coimbatore JanShatabd	19:20	A	2
6382	Mumbai Jayanti Janata	20:00	A	1
2079	InterCity Express	20:15	A	2
2177	Yesvantpur Kochuvell	20:45	A	2



Train No.	Train Name	Exp Time	AO	P.No.
8104	Chennai - Mangalore E. Express	08:50	A	1
804	Chennai - Mangalore	10:15	A	2
1229	Seabird Express	10:20	A	2
2012	Raptasagar Express	11:00	A	2
2063	Coimbatore JanShatabd	11:52	A	2
6382	Mumbai Jayanti Janata	12:55	A	4

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Dr. M.V. Ramana Rao
Chairman and Managing Director

Dear Shareholders,

It gives me pleasure to present the 24th annual report for MIC Electronics Ltd. We have consolidated our operations around our core strengths of LED and Solar technologies. We continue to adopt best practices in finance and marketing by deploying products and personnel to take advantage of the emerging LED markets. The successes, achievements and recognitions have been instrumental in boosting the morale, motivation and momentum in your company's work culture maintaining a healthy environment conducive for innovative product development and production operations.

Your company has now streamlined its product portfolio into two major categories:

True Colour LED Displays

- Passenger Information Displays for Railways
- Variable Message Signs
- LED TV for Control rooms and Out-of-Home applications for 2D & 3D viewing
- Mobiles (Displays mounted on Trucks / Trailers)
- Perimeter Displays for Sports pavilions
- LED Billboards etc

and

LED Lighting solutions

- Rural solutions
 - Solar Portables - Lanterns and Mushroom Lights
 - Solar Street Lights and Home Lighting Solutions
 - Solar Home Gen-sets with combination of DC & AC loads.
- Grid based Street lights, High Mast lights, Flood Lighting and Tunnel Lighting for outdoor applications
- Grid based Indoor lights
 - Area lights, Tube lights, Down lights and Bulbs
- Railway Coach Lighting
- Railway Emergency Lights
- ESCO Business for Replacement of all existing conventional street lights with LED Luminaires in Municipalities with dimming, monitoring and control.

Further your company is committed to bringing out energy efficient lighting solutions deploying state-of-art technologies and latest generation components from industry giants like Nichia Corporation, Japan and Texas Instruments Inc, USA.

Low pitch (less than 3mm) Displays for high end Control Room / Security applications for Information Monitoring; SMD Chip LED based Outdoor Displays with optimized weight, cost and power consumption for bulk production; LED 3D TVs employing a MIC-proprietary ASIC for Out of Home applications and Intelligent lighting solutions for Indoor / Outdoor lighting applications are identified as main thrust areas for development in the coming years.

Channel Partners

Your company, having consolidated the product portfolio, has now moved to 'marketing' as the thrust area and is evolving strategies for strengthening the marketing function. In order to take advantage of the ground work done so far in selective market segments your company is actively considering the scheme of engaging 'Channel Partners' for marketing its products - both LED Displays and LED Lighting - to reduce the cost of sales. It is proposed to establish a Dealer - Distributor network to address the Indian as well as International markets.

Your company enjoys a brand identity in both displays and lighting markets. Despite the comfortable market environment, your company has been passing through a severe financial stress during the year due to global economic downtrend which has not spared MIC. Stricter financial regulations of lending institutions and delay in receiving the payments coupled with political disturbances hampered the regular operations very badly.

Markets - Displays

Your company has made several in-roads into the display markets, significant of which is the Train Passenger Information Systems (TPIS) for Railways. Supplies of around 70 systems have already been made to as many as 50 stations including Lucknow, Salem, Secunderabad, Sealdah, Hubli, Sonpur, Kolkata, Howrah, Mysore, Vijayawada, Delhi, Jabalpur and Rajkot railway stations and many more orders are in the pipeline.

The fact that your company is the only company as on date approved by RDSO for True Colour TPIS displays for Railways is a great opportunity not only to leverage repeat orders but also to establish as a tough competitor / entry barrier for the new and emerging competition.

The 3mm & 4mm resolutions achieved through SMD LEDs have enabled the development of 'LED TVs' for Out of Home applications. Your company has been very keen to bring out 3D LED TVs also for this market segment. In this direction, a proprietary LED chip has been designed and fabricated at a semiconductor company in Taiwan. This ASIC LED employs a proprietary color coding scheme which enables 3D viewing with more grace and colour contrast. As a default provision, the same content can be viewed in 2D also on the same display. This is expected to make a striking difference from the existing 3D TV technologies and hence a significant marketing edge. The prospective clients are Sports Stadiums, Recreation centers, Resorts, VIP lounges, Star hotels etc.

Exports: The trial markets serviced through the tie up with the US based Colorado Timing Systems (CTS) have proved successful and the products are found working satisfactorily in USA. Significant business is anticipated from this export opportunity. Similar attempts are already on in Australia, South Africa and few other countries.

Markets - Lighting

Your company has a wide range of products to offer in the LED Lighting category. These include Grid, Off-grid and Solar based applications.

Your company has already created a long list of clients for LED Lighting - Corporate Industries, Software parks, Malls etc. for Indoor lighting; Municipalities and local bodies for grid based street lighting; and Industrial complexes / Colonies, gated residential communities and Rural communities for solar based street lighting. In tune with the philosophy of the Government to encourage LED lighting, it is your company's

endeavour to bring in the needed awareness of the cost economies of LED lighting to more and more institutions and public at large to enable them appreciate the energy efficiency benefits and opportunities / incentives for the deployment of Alternate / Renewable energy sources like solar. More effort is being put in to spread this message to reduce the demand for grid power wherever possible, so that the power saved is made available to industry / some other priority sector.

Your company, once again, is the only company which has obtained RDSO approvals for 13 types of Railway Coach lighting products for use in air conditioned coaches of the Indian Railways. This has been accorded after two-year-long field trials in running trains. The Indian Railways has expressed their satisfaction on the performance of these lights and cleared these products for bulk production. The volume of business, including the presently running coaches and the coaches under manufacture at ICF and BEML, is estimated as more than thousand crores of rupees and is expected to fully engage the production lines for the coming few years.

Your company has dispatched more than 50,000 (Fifty Thousand) Emergency Lights to Indian Railways till date after 'RITES' inspection and clearance. This manufacturing line is continuously loaded to fulfill the requirements of Railways with a uniform and even distribution throughout the year, for many years.

Exports: A novel product - an All-in-One Integrated solar street light has been developed and a pilot lot of 50nos has been commissioned in Haiti for field trials. It is anticipated that this product will receive a sizable response from the market.

It may be heartening to note that your company has commenced the OEM supplies of solar lanterns to SHARP, Malaysia under an OEM supply agreement to their global subsidiaries. The initial trial lots have been shipped to Manila-Philippines and Dubai under SHARP's brand name.

Intellectual Property:

The strong R&D culture of your company is very particular in safeguarding the continuous developments and innovations taking place in the company by immediate registration with the Office of Controller of Patents & Designs in India and Abroad. In the year 2011-12, fresh applications have been made for 11 Patents, 4 Trade Marks and 5 Design registrations. Cumulatively the company has received 25 Trade Marks in India, 6 Trade Marks in USA, 28 Design registrations and 2 Copy Rights. As of now, applications are pending for 27 Patents, 44 Trade Marks in India, 3 Trade Marks in USA, 7

Design registrations and 4 Copy Rights.

Promise for the Future

True Colour LED displays including the Train Passenger Information Systems for Railways continue to enjoy the significant market share in conjunction with the rental segment of fixed or mobile displays. High resolution displays contemplated for LED TVs for 2D or 3D viewing in Out-of-Home applications are expected to catch up. It is also expected to productionise SMD outdoor displays and low pitch displays for control room / security applications.

The power position in the Country is still alarming and the demand - supply situation for grid power is of a great concern for the Governments. Your company is working on plans to alleviate the situation with a two fold methodology: to develop energy efficient lighting products to conserve grid power in urban areas on one hand; and develop Mini - Solar Power plants and associated home lighting utilities like Home Gen-sets on the other hand, to facilitate a transition from grid to solar wherever relevant. This move is especially aimed at helping the rural population to exploit the abundant solar energy in rural areas and reduce the pressures on the Government for generation and distribution of grid power to reach the remote and interior populace.

Your company has recently made a brief study tour to few Asian countries like China, Malaysia, and Singapore etc. to observe the trends in the LED lighting industry. These visits

became highly beneficial as it resulted in identifying few novel applications - DC based products/utilities for the rural house holds and also in establishing few supply chain relationships.

The vast experience gained in working with LEDs for the past 26years, coupled with adoption of latest international technological advances certainly enhanced the company's capabilities and placed the products of your company on par with those from developed world. Your company's products have already been evaluated by concerned agencies in US, Malaysia and Australia. Conscious efforts are in place to keep the product portfolio constantly updated with the latest technological inputs and regulatory requirements.

Your company is fully geared up to embark on a large scale operation so as to encash the existing and future demands without any loss of time and opportunities.

I thank all the shareholders and financial institutions for the confidence reposed in the company.

With Best Wishes.

Dr. M V Ramana Rao

NOTICE is hereby given that the 24th Annual General Meeting of the Members of the Company will be held on Saturday, the 29th December 2012 at 11.00 AM at the registered office of the Company situated at A-4/II, Electronic Complex, Kushaiguda, Hyderabad - 500062 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 30th September 2012 and Profit & Loss Account for the Period ended on that date along with Notes forming part of it and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Venkata Ram Atluri who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

"RESOLVED THAT M/s. Pavuluri & Co, Chartered Accountants, Hyderabad (Registration No.012194S) be and are hereby re-appointed as Statutory Auditors of the company, to hold office from the conclusion of this Annual General Meeting until conclusion of next Annual General Meeting of the company on such remuneration as shall be fixed by the Board of Directors."

Special Business:

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Articles of Association of the Company, the Consent of the Members of the Company be and is hereby accorded to the reappointment of Dr. M V Ramana Rao as Chairman and Managing Director of the Company for a period of 3 years with effect from 28th November 2012 to 29th November 2015 on the following Remuneration notwithstanding that the Company has made no profits or the profits are inadequate in any financial year of the Company during his tenure as Chairman and Managing Director:

Remuneration:

1. Basic Salary: Rs.2,00,000/- per month with an annual increment of 20,000/- .
2. Rent-free residential accommodation to be provided by the company expenditure incurred by the company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962, subject to a ceiling of 25% of Salary.

3. He shall be entitled to the following perquisites:

- a) Medical Reimbursement / Allowance for self & family total cost of which to the Company shall not exceed one month salary in a year or three months' salary over a period of three years.
- b) **Leave Encashment:** Earned leave with full pay and allowances as per rules of the company. Leaves accumulated but not availed of during his tenure will be allowed for encashment.
- c) Leave Travel Concession/Allowance for self and family once in a year either in India or abroad, as per the rules of the Company.
- d) Admission and Annual Club Membership Fees for two or more cosmopolitan clubs subject to a ceiling of Rs.8.25 Lakhs per annum.
- e) Personal accident and Health Insurance Premium not exceeding Rs.1,00,000/- per annum.
- f) Contribution to Provident Fund, Superannuation Fund or Annuity Fund are as per the rules of the company and to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- g) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- h) Free use of Company's car with driver.
- i) Free Communication facilities like Telephones, Mobiles and Fax at residence.
- j) Reimbursement of expenses actually incurred by him for the business of the Company.

RESOLVED FURTHER THAT the above mentioned remuneration shall be paid and allowed as a minimum remuneration during the currency of tenure of his office as the Chairman & Managing Director, notwithstanding the absence or inadequacy of profits in any accounting year as long as the minimum remuneration is within the prescribed limits under Section II of Part II of Schedule XIII of the Companies Act, 1956".

By order of the Board
For MIC Electronics Limited

Dr.M.V. Ramana Rao
(Chairman & Managing Director)

Place: Hyderabad

Date: 29-11-2012

NOTES:

- a) A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. The enclosed instrument of proxy in order to be effective, must be deposited at the registered office of the Company, duly completed and signed not less than 48 hours before the meeting.
- b) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf in the meeting.
- c) Members attending the meeting are requested to complete and bring the attendance slip enclosed with the Annual Report and hand over the attendance slip duly signed at the entrance of the meeting hall.
- d) The Register of Members and Share Transfer Books of the Company will remain closed from 24th December 2012 to 29th December 2012 (both days inclusive) for the Annual Meeting.
- e) The relevant Explanatory Statement in respect of the Special Business set out above, as required by Sec.173 (2) of the Companies Act, 1956 is annexed hereto.
- f) Documents referred to in the accompanying Notice and Explanatory Statement is available for inspection at the Registered Office of the Company during office hours between 9.30 a.m. and 6.00 p.m. on all working days prior to the date of the Annual General Meeting.
- g) Members may address their correspondence to Registrar and Share Transfer Agents of the Company M/s. Venture Capital and Corporate Investments Private Limited Unit: MIC Electronics Limited H.No:12-10-167, Bharatnagar, Hyderabad - 500018 or to the registered office of the company.
- h) The shareholders who have not en-cashed the dividend warrant(s) so far for the financial years 2006-07, 2007-08 & 2008-09 are requested to make their claim to the Company.
- i) Pursuant to provisions of Sec 205C of the Companies (Amendment) Act, 1956, the amount of dividend remaining unclaimed for the period of 7 years from the date that becomes due for payment are required to be transferred by the company to the Investor Education and Protection fund.

j) The details of Directors seeking re-appointment, in terms of Clause 49 of the listing agreement are annexed hereto and form part of this Notice.

k) The Company has designated an exclusive email id viz. investors@mic.co.in to enable the investors to post their grievances.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. -2 & 4

As per Section 269 read with schedule XIII of the Companies Act, 1956 approval of shareholders in the General Meeting is required for Re-appointment as Chairman & Managing Director and hence the resolution is placed before the Shareholders.

The board of directors of the company at their meeting held on 29th November 2012 re-appointed Dr. M V Ramana Rao as Chairman & Managing director of the Company as his tenure will end on 19th May 2013, for a period of three years effective from 29th November, 2012 on the terms of appointment and remuneration payable to Dr. M V Ramana Rao, Chairman & Managing Director of the company as specified in the above resolution, the same was placed subject to the approval of shareholders and other approvals, if any as may be necessary.

The principal terms of appointment and overall remuneration of Dr. M V Ramana Rao as specified in the above resolution by the way of salary, perquisites and allowances has been reduced from Rs.36.00 lacs to Rs.24.00 lacs considering the significant fall in turnover and operating profit.

None of directors are interested in the above resolution except Dr. M V Ramana Rao who has not participated while passing the above resolution.

By order of the Board
For MIC Electronics Limited

Sd/-
Dr.M.V. Ramana Rao
(Chairman & Managing Director)

Place: Hyderabad

Date: 29-11-2012

BRIEF PROFILES OF DIRECTORS SEEKING RE-APPOINTMENT**Item No. 2 & 4:**

Name of the Director	Dr. M V Ramana Rao
Date of Birth	04-02-1960
Date of Appointment	17-05-1988
Qualification	B.E (Electrical & Electronics Engineering), M.E (Applied Electronics), Ph.D (Electronics & Communication Engineering)
Relationship with other Directors	None:
Directorship in Other Companies	1. THINK SOLAR INDIA PRIVATE LIMITED
	2. MIC GREEN ENERGY SOLUTIONS PRIVATE LIMITED
	3. CHEMENER BATTERIES PRIVATE LIMITED
	4. MIC HOLDINGS LIMITED
	5. SMIC360 ENTERTAINMENT SOLUTIONS PRIVATE LIMITED
	6. MIC CANDILUX PRIVATE LIMITED

Name of the Director	Atluri Venkata Ram
Date of Birth	10-05-1962
Date of Appointment	22-08-2006
Qualification	Graduate Degree in Computer Architecture
Relationship with other Directors	None
Directorship in Other Companies	1. MIC GREEN ENERGY SOLUTIONS PRIVATE LIMITED

To
The Members,
MIC Electronics Limited

Dear Shareholders,

Your Directors have pleasure in presenting the 24th Annual Report on the business and operations of the Company along with the Audited Balance Sheet and Profit & Loss Account for the Period ended 30th September 2012 (15 months).

Financial Results

Financial Results of the Company for the period under review alongwith the figures for previous year are as follows.

(Rs. In Crores)

Particulars	2011-12 (15 Months)	2010-11 (12 Months)
Net Sales / Income from Operations	131.88	212.96
Other Income	7.94	17.52
Total income	139.82	230.48
Profit before interest, depreciation & tax	37.42	62.84
Less : Interest	25.44	16.33
Depreciation	7.64	6.17
Profit before Extra ordinary items & Tax	4.34	40.34
Less: Extra Ordinary items (obsolete stock written off)	(69.07)	0.00
Profit/(Loss) before Tax	(64.73)	40.34
Tax expenses:		
Current Tax	0.00	(8.04)
Taxes of earlier years written back	1.40	1.14
Deferred Tax Asset	0.20	0.76
Net Profit/(Loss) after Tax	(63.13)	34.20
Add : Balance Carried from Profit & Loss A/c	241.99	207.79
Profit available for appropriation	178.86	241.99
Dividends	0.00	0.00
Transfer to General Reserve	0.00	0.00
Balance Carried to the Balance Sheet	178.86	241.99
EPS - Basic	(6.16)	3.34
Diluted	(4.12)	2.92

REVIEW OF OPERATIONS

During the period under review the turnover is decreased by Rs. 81.08 Crores as compared to previous years turnover of Rs. 212.96 Crores due to slow off take from railways and general slow down and prevailing recessionary trend in the market. During the period the Company has registered a marginal operating profit of Rs. 4.34 crores as against Rs. 40.34 crores in the previous year. During the period your company has written off Obsolete Stock to the extent of Rs. 69.07 crores. After considering writing off of Obsolete Stock, the company incurred a net loss of Rs. 63.13 crores as against net profit of Rs. 34.20 crores in the previous year.

DIVIDEND

During the financial year 2011-12 the Board of Directors has not declared any Dividend.

TRANSFER TO RESERVES

The Company has not transferred any amount to the general reserve since the Company has incurred loss during the period.

CONSOLIDATED FINANCIAL STATEMENTS

The audited stand alone and Consolidated Financial Statements of the company which form part of the annual report have been prepared in accordance with the provisions of the Companies Act, 1956, the Listing Agreement, the Accounting Standards (AS-21) on Consolidated Financial Standard and the Accounting Standard (AS-23) on Accounting for Investments in Associates.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 205C of the Companies Act, 1956, there is no due for remittance to the Investor Education and Protection Fund established by the Central Government.

MARKETING AND EXPORT

Export prospects of the Company are encouraging during the year in the light of increased focus in the area of LED lighting division since overseas market is diverting from conventional lighting to LED lighting. Your directors are positive towards the future.

SUBSIDIARIES

Ministry of Corporate Affairs vide General Circular No: 2/2011, dated 08.02.2011 has granted approval about the requirement to attach various documents in respect of subsidiary companies, as set out in sub-section (l) of section 212 of the Companies Act, 1956, shall not apply to the Company. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said order, is disclosed in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company and its subsidiaries who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection by any investor at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

The company has four subsidiaries

1. MIC Electronics Inc (USA)
2. Maave Electronics Private Limited (India)
3. MIC Green Energy Solutions Private Limited (India)
4. MIC Candilux Private Limited (India)

RIGHTS ISSUES

During the year under review, the Company didn't make any Rights Issues.

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

Your Company has complied with all the applicable environmental laws and labour laws. The Company continues to be certified under ISO-14001 and ISO- 9001 for its environment management system. The Company has been complying with the relevant laws and has been taking all necessary measures to protect the environment and maximize worker protection and safety.

DETAILS ABOUT MIC ELECTRONICS LTD EMPLOYEES STOCK OPTIONS PLAN 2006 (MIC ESOP 2006)

The Company has established MIC Electronics Limited Employees Welfare Trust in 2005 to create Employee Stock Option Plan.

On 12th August 2006, the Shareholders approved that ESOP to issue 4500000 (Face Value Rs.2/-) stock options of the Company to its employees through the trust.

Pursuant to the provisions of Guideline 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee stock purchase Scheme), Guidelines, 1999, the details of stock options as on 30th November 2010 under the MIC Electronics Ltd Employees Stock Options Plan, 2006 are as under:

ESOP 2006 scheme was ended on 24-10-2009, however 7,49,100 shares were lying in the trust because of Non-exercise of the options due to heavy Fringe Benefit Tax disproportion to price of the scrip and few options because of resignation of employees in general.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 read with the Articles of Association of the Company, Shri

Venkata Ram Atluri Director of the company will retire by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

Changes in Directorate

The Board consists of executive and non-executive directors including Non-Independent & independent directors who have wide and varied experience in different disciplines of corporate functioning. During the period three directors have resigned from the Board and one Director has been appointed. The valuable services rendered by them were appreciated by the Board.

Details of Directors Resigned & Appointed are as follows.

S.No.	Name of the Director	Category
1	Shri Y Harish Chandra Prasad (Resigned with effect from 30 th December 2011)	Independent, Non Executive
2	Shri Anil Goyal (Resigned with effect from 11 th February 2012)	Independent, Non Executive
3	Shri Daggubati Venkateswara Rao (Resigned with effect from 2 nd January 2012)	Independent, Non Executive
4	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla (Appointed with effect from 27 th February 2012)	Independent, Non Executive

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, your Directors confirm to the best of their knowledge and belief that:

- I. In the preparation of annual accounts, the applicable accounting standards have been followed and there were no material departures;
- II. the accounting policies selected have been applied consistently, judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at 30th September 2012 and of the profit of the Company for the period ended 30th September 2012;

III. proper and sufficient care is taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. the annual accounts have been prepared for the period ended 30th September 2012 on a 'going concern' basis;

V. Necessary steps have been taken to regularize the qualifications mentioned by the Auditor in his report.

AUDITORS

The Company proposes to Re-appoint M/s. Pavuluri & Co. as Statutory Auditors of the company from the conclusion of 24th Annual General Meeting till the conclusion of next Annual General Meeting.

M/s Pavuluri & Co. Chartered Accountants have confirmed that their Re-appointment, if made, shall be in accordance with the provisions of Section 224(1)(b) of the Companies Act, 1956.

INSURANCE

The assets of the Company are adequately insured against the loss of fire, riot, earthquake, terrorism, and other risks which considered necessary by the management.

DEPOSITS

There are no Fixed Deposits accepted by the Company in the financial year 2011-12.

PERSONNEL

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended forms a part of this report. However, in pursuance to Section 219(1) (b) (iv) of the Companies Act, 1956, this report is being sent to all the Company shareholders, excluding the aforesaid information and the said particulars are made available at the Company's registered office. The members interested in obtaining information under Section 217(2A) may write to the Company Secretary at its registered office.

CORPORATE GOVERNANCE

Pursuant to the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, a report on Corporate Governance and Management Discussion and Analysis figures as a part of the Annual Report.

Your Company will continue to implement and adhere in letter and spirit to the policies of good Corporate Governance.

Your Company is committed to good Corporate Governance Practices and following the guidelines prescribed by the SEBI and Stock Exchanges from time to time. The Company has implemented all of its major stipulations as applicable to the Company. The Statutory Auditors Certificate dated 29th November, 2012 in accordance with Clause 49 of the Listing Agreement and report on Corporate Governance is annexed to and forming part of the Directors' Report.

CORPORATE SOCIAL RESPONSIBILITY VOLUNTARY GUIDELINES

The Ministry of Corporate Affairs has released a set of voluntary guidelines on Corporate Social Responsibility (CSR) in December 2010. The Company is proactively practicing the guidelines laid down. Some of the activities carried out by the Company as a part of its CSR initiatives are briefly described in the Annual Report the detailed Corporate Sustainability Report is also available on the Company's website.

MANAGEMENT DISCUSSION AND ANALYSIS

A Management discussion and Analysis as required under the Clause 49 of the Listing Agreement is annexed and forming part of the Directors' Report.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo,

as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is as given below and forms part of the Directors' Report.

Conservation of energy:

The operations of the Company are not energy intensive. However, adequate measures have been taken to conserve and reduce the energy consumption by using energy efficient hardware and other equipment. Air conditioners are used only when required and air-conditioned areas have been treated with heat resistant material like sun control film to reduce heat absorption. We believe that energy saved is energy produced.

Research and Development and technology absorption

Your company is an intrinsically R&D driven organization, will continue to focus in its R & D activities in energy efficient true color LED Display and LED Lighting solutions.

A strong Embedded Technology base was created in the company and several embedded products were developed, produced and delivered by the company.

Foreign exchange earnings and outgo :

Particulars	(Rs. in Crores)	
	2011-12 (15 months ended 30th September, 2012)	2010-11 (12 months ended 30th June, 2011)
Outgo	7.16	17.11
Earnings	6.57	4.11

LISTING AGREEMENT COMPLIANCE

The Company being listed on both NSE & BSE is complying with all the requirements of the Listing Agreement. The following are the compliance to the Stock Exchanges during the Financial Year.

- Cancellation of 50675000 convertible warrants which was approved by members at the Extraordinary General Meeting held on 26th March 2012.

- Issue of 50675000 preferential convertible share warrants approved by the members at the Extraordinary General Meeting held on 30th June 2012 and applied for in-principle approval to BSE and NSE.

The Company has paid Listing Fee for the Financial Year 2011-12 to each of the said stock exchanges and had currently complied with the conditions of the Listing Agreement.

ACKNOWLEDGMENT

The Directors take this opportunity to place on record their

sincere thanks to analysts, Banks and Financial Institutions, Insurance Companies, Central and State Governments, Departments and the Shareholders for their support and co-operation extended to the company from time to time.

Directors are pleased to record their appreciation for the sincere and dedicated services of the employees and workmen at all levels, during the year under review and look forward to their continued support over the foreseeable future.

For and on behalf of the Board

Place : Hyderabad
Date : 29-11-2012

Sd/-
Dr. M.V. Ramana Rao
Chairman & Managing Director

Sd/-
L.N. Malleswara Rao
Executive Director

LED technology has come to stay for a long time. Rapid developments are taking place towards improving the efficiency, features and specifications of LEDs; reducing the size/weight and optimising the power consumption. Improved understanding along with new technologies in thermal management, optics, power electronics and digital controls are helping deploy LED technologies faster and reliably.

The basic foundation of MIC Electronics Limited is on LED technology. It has kept pace with LED technology and has developed products on par with global players for the past 25 years and is poised for further growth in the years to come. Continual developments in the semiconductor technology are offering devices (LEDs) with better cost to performance ratios, which when used in end use products not only widen the horizons of these products but also make them future proof. The two thrust areas of MIC Electronics Limited, namely LED based True Colour Displays and LED based Lighting products will continue to evolve and bring the latest benefits of this technology to consumers.

LEDs play a vital role in the Displays and Lighting industry. The much acknowledged and highlighted advantages of LED technology which promise this future are essentially two fold. i.e., long life and low power consumption. These two are amply reflected in the product specifications / characteristics and make it a superior technology.

Having complete confidence on LED technology, MIC Electronics Ltd, in the course of the past 8-9 years, has consciously navigated its business scope to totally identify with LED technologies. Accordingly, the flagship product of True Colour Display line continues to evolve while development of LED lighting products got initiated five years ago. Today both these product lines have stabilised with adequate production capabilities and capacities. With the present product mix the company can comfortably address the total requirements of a major client like Railways for both Display and Lighting.

Ample published information is available on the revolutionising pattern of demand for LED lighting in the coming 10 years. It is expected that LED lights will penetrate into the existing conventional product market in a matter of 4 years and thenceforth it will be only LED lighting and no conventional lighting. Incandescent bulbs are being banned in the near future, at the same time incentives are also being offered for using energy efficient gadgets and solar power.

Products/Markets - Displays

MIC Electronics concentrated its R&D on expanding the application areas of True Colour Video displays originally conceived to work as an electronic bill board for commercial advertisements. These displays can accept Text, Animation, Video along with audio and can work in conjunction with Cable/Dish, CD/DVD or a video camera. These are networkable - several displays can be networked; and programmable - sharing common content. A proprietary Scan+ technology virtually doubles the pixel resolutions and enhances the picture quality.

The display is modular in structure and as such any size can be built as per an application requirement or a customer requirement. The applications so developed have become fully matured products today. Some of the application areas are: Displays for functions / events, Digital billboards, Passenger Information systems for transportation, Digital Posters, Ticker tapes, Perimeter displays at sports pavilions, Theatre backdrops for use in reality shows, LED TVs for 2D or 3D viewing, Mobile displays on wheels etc.

The products are selectively available for Indoor or Outdoor applications. In addition to fixed display screen, mobile displays are also developed to cater to special needs of user. The displays are mounted on trucks or trailers and can be moved to different places. Fixed or mobile displays are also offered as rentals for one time requirements.

True colour displays are MIC's unique strength. A proprietary colour processing scheme facilitates as many as 281 trillion colour combinations to be vividly displayed maintaining high picture quality. These are proven products with day light visibility. With this product mix, MIC has been able to capture a major share of the market. Some of the clientele of the true colour LED displays are:

- Great India Nautanki Company
- Indian Institute of Tropical Meteorology (IITM)
- Common Wealth Games 2010
- Tirumala Tirupati Devasthanams (TTD)
- Sports pavilions in South Africa / Ecuador
- Railway stations (TPIS-SIMRAN)
- Exports to USA, Australia, South Africa, Srilanka and Europe
- Commercial Advertising Space Providers
- Rentals - fixed or mobile displays for events / functions

MIC's RDSO approved one-of-its-kind True Color Displays for Indian Railways have been deployed in as many as 50 stations

with an installed base of 70 systems. The proprietary SIMRAN technology developed by IIT Kanpur has been integrated into these displays providing real time status of train timings. Also the status information is automatically announced in 3 languages namely English, Hindi and the local language. As many as 600 stations may benefit from this technology and the pipeline in this segment continues to be strong.

New Products: The new products under development, 102" 2D or 3D LED TV for Out-of-Home applications, is targeted for Entertainment / Movie theatres as well as for Education as Training Simulators for Medical and aerospace applications.

With the introduction of outdoor SMD LEDs we expect to set a new cost and performance benchmark for digital billboards and other outdoor applications. SMD LEDs lend themselves to automated production, increased reliability, better thermal management enabling fan-less designs to cut noise while providing excellent brightness and viewing angles. The reduced cost enables advertisers to realize a faster ROI. SMD LEDs also enable high resolution displays with pixel pitches as small as 1.6mm for TV and control room / security applications.

Products/Markets - Lighting

'Green Energy' or 'greener environment' or 'greener buildings' are the much used catch words today. Green signifies environment friendly or eco-friendly. Globally we produce 2Bn tonnes of CO₂ from power consumption mostly due to inefficiencies due to incandescent bulbs. Banning the use of incandescent bulb has become a global movement with many countries phasing these out by 2020. LEDs are considered the most energy efficient light source at present and offer energy savings of up to 90% . Thus LEDs help reduce the use of the grid power and to that extent the harmful emissions into the environment are contained. Hence they are eco friendly maintaining ecological balance.

Governments are on a 'Power save drive' to bring in awareness in public in the use of energy efficient utilities in their daily needs. Some electricity utility companies are offering incentives on reduced power bills to households as well as corporates. It is said that one unit of energy saved is equal to 2 units of energy produced. With the increasing demand for power from both domestic and industrial sectors, government is finding it difficult to balance the demand supply situation. Government is also encouraging the use of Non-conventional and Renewable energies like solar, wind etc.

It is in this context, the LED lighting products of MIC are very

much relevant and contribute significantly to the government's objective and drive for power saving. The products not only help in reducing the power consumption in the urban consumers but also provide alternate source of power to rural population which is deprived of power due to their remote / interior locational disadvantage and the huge costs involved in the generation and distribution.

MIC's lighting products are of 3 classes: Grid, Off-grid and Solar.

Grid based products are used in street lights, retrofit tube lights, area lights, down lights, bulbs, parking bay lights, high-bay lighting etc. Some of the major clients are Maruti Suzuki, ITC, Paradip Port, Dehradun Nagar Nigam, CWC, SAIL, IREDA, GVMC, TCS, Chennai Municipality etc.

Off-grid lighting products have been custom developed for Railway coach lighting. Ten types of lights used in the AC compartments have been awarded RDSO approval for bulk production after a successful 2-year long field trials on running trains. MIC is the only company to have got this clearance. Currently there are 50,000 running coaches which can benefit from this technology and additionally 6,000 new coaches per year can be fitted with LED lighting technology. The conversion offers energy savings of up to 70% and avoidance of maintenance for 20 years. In addition MIC continues to supply Emergency lights for railways every year.

Solar lighting

The Per Capita annual electricity consumption in India is 96 kWh in rural areas and 288 kWh in urban areas against world average of 2600 kWh. 300 million Indians spread over 85,000 villages have no routine access to electricity. Approximately 61 million households use kerosene as the main source for lighting, generating indoor pollution and causing health hazards. MIC has been working with various governmental bodies to promote Solar based LED lighting solutions. Globally it is estimated that 1.6 billion people don't have access to grid power.

MIC's Solar solutions include a range of products for rural households and communities - Portables like lanterns and petromax equivalents, Home lights for household use, Home gensets and street lights for community lighting. Few of the major customers of these products are IOCL, BHEL, ISRO, HAREDA, MES, KREDL, NEDCAP, NMDC etc.

MIC's NanoMoon- the integrated solar street lights have been exported to quake-hit Haiti and Solar Lanterns are being

supplied to Sharp Corporation, Malaysia for distribution to their subsidiaries in Dubai, Indonesia and Philippines.

Thrust on Marketing:

Having consolidated and stabilized the products for the various market segments, MIC is developing innovative marketing and sales Channel Partners to maximize the benefit of LED technologies to consumers. In addition MIC is also aggressively expanding the traditional channels of dealer and distributor networks.

Locus Standi:

MIC is very advantageously placed with respect to be in a position to take bulk orders and execute the deliveries promptly. Qualitatively MIC has the following strengths:

- MIC's R&D capabilities are spread over multiple disciplines - Electronics, Power Electronics, Embedded Systems, Mechanical, Optics, Networking, Software and Engineering.
- MIC's production lines are equipped with State-of-Art SMT facilities.
- MIC's ISO 9001: 2008 Certification has been upgraded to IMS (Integrated Management System) in Dec 2011.
- MIC's Solar lighting products are MNRE approved.
- MIC has been empaneled as an ESCO by EESL.
- MIC's Display and Coach lighting products for Railways have been RDSO approved.
- MIC's products have been evaluated by recognised test centers in India and Abroad.
- MIC's market spread covers Government, PSU, Municipalities, Corporate, OEM, ESCO, Rentals and Exports.
- MIC's proven track record of 25 years LED innovations for Displays and Lighting.
- MIC's rich IP portfolio - Applications filed (obtained) are : 27 Patents , 69 (25) Trademarks in India & 9 (6) in USA, 35 (28) Design registrations and 6 (2) copy rights.

Looking Ahead

MIC enjoys a brand identity; a loyal client base; an exhaustive product portfolio; and design and development teams to capitalize the emerging markets for LED lighting and displays.

- Towards this objective, MIC is taking necessary steps to
 - Aggressively build sales and marketing channel partners
 - Streamline bulk production and cost reduction
 - Improve cash flows
 - Focus on rural LED grid / off-grid market
 - Focus on enabling ESCO companies
 - Enabling Railway Coach lighting and increase the thrust in true colour passenger information displays
 - Production of true colour SMD displays for outdoor applications
 - Introduction of less than 3mm pitch Real LED TVs / Monitors for control room and security applications.

Building upon our strengths and feedback from national and international markets MIC has consolidated its strategy to focus on products that will contribute to maximize share holder value. MIC is committed to social, commercial and ecological bottomlines. With these initiatives, MIC is looking forward to a bright future.

By order of the Board
For MIC Electronics Limited

Sd/-

Place : Hyderabad
Date : 29-11-2012

Dr. M.V. Ramana Rao
Chairman & Managing Director

1) COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

MIC management continues to strive for excellence in Good Corporate Governance and Responsible Management Practices, benchmarking with best of global companies.

Your company believes that for a company to be successful it must maintain global standards of corporate conduct towards its stakeholders. The company believes that it is rewarding to be better managed and governed and to identify its activities with national interest. To that end, your company has always focused on good corporate governance which is the key driver of sustainable corporate growth and long term value creation.

Your company views corporate governance in its widest sense almost like a trusteeship, a philosophy to be progressed, a value to be imbibed and an ideology to be ingrained into the corporate culture.

It is not merely compliance and simply a matter of creating checks and balances; it is an ongoing measure of superior delivery of company's objectives with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to national need, shareholders benefit and employee growth, thereby delighting all its stakeholders, while minimizing the risks. The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness, fairness, accountability, propriety, equity, sustainable Value Creation, ethical practices and to develop capabilities and identify opportunities that best serve the goal of value creation, thereby creating an outperforming organization.

2) BOARD OF DIRECTORS

Composition and size of the Board:

The company's Board of Directors comprises Ten Directors including Three Executive Directors and Seven Non-executive Directors. The names and categories of the Directors on the Board and also the number of Directorship and committee memberships held by them in other Companies are given below.

According to Clause 49, if the Chairman is Executive Director, at least one half of the Board should consist of

non-executive, Independent Directors. As provided below shows this provision is met at MIC.

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors Presently, the Board of Directors comprises Six Directors out of which three of them are Executive Directors and the Three are Non-executive & Independent Directors. The Company has an Executive Chairman & Managing Director. The Board has no Institutional Nominee Directors.

S.No.	Name of the Director	Category
1	Dr. M V Ramana Rao	Promoter, Executive Chairman & Managing Director.
2	Shri Somendra Khosla	Independent, Non Executive Director
3	Shri N Sreenivasa Rao	Independent, Non Executive Director
4	Shri L N Malleswara Rao	Independent, Non-Executive Director
5	Shri Atluri Venkata Ram	Independent, Non-Executive Director
6	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla (Appointed with effect from 27th February 2012)	Independent, Non Executive Director
7	Shri Shrikant P Joshi (Resigned with effect from 8th November 2011)	Independent, Non Executive Director
8	Shri Y Harish Chandra Prasad (Resigned with effect from 30th December 2011)	Independent, Non Executive Director
9	Dr. Daggubati Venkateswara Rao (Resigned with effect from 2nd January 2012)	Independent, Non Executive Director
10	Shri Anil Goyal (Resigned with effect from 11th February 2012)	Independent, Non Executive Director

Meetings held and Attendance of Board Meetings:

During the period 10 Board Meetings were held from 1st July 2011 to 30th September 2012.

The Dates on which the Board Meetings were held are: 10-Aug-11, 12-Nov-11, 29-Nov-11, 12-Feb-12, 27-Feb-12, 1-May12,25 May-12, 5-Jun-12,2 Jul12, 11-Aug-12

Attendance of Directors in the above said meetings:

Sr. No	Director	Attendance Particulars	
		Board Meeting	LastAGM
1	Dr. M V Ramana Rao, Chairman & Managing Director	9(10)	Yes
2	Shri Somendra Khosla	0(10)	No
3	Shri N Sreenivasa Rao	10(10)	No
4	Shri L N Malleswara Rao	8(10)	Yes
5	Shri Atluri Venkata Ram	5(10)	Yes
6	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla (Appointment with effect from 27th February 2012)	6(6)	No
7	Shri Shrikant P Joshi (Resigned with effect from 8th November 2011)	0(2)	No
8	Shri Y Harish Chandra Prasad (Resigned with effect from 30th December 2011)	0(3)	No
9	Dr. Daggubati Venkateswara Rao (Resigned with effect from 2nd January 2012)	3(3)	No
10	Shri Anil Goyal(Resigned with effect from 11th February 2012)	4(4)	Yes

Gap between any two of the Board meetings was not more than four months.

The Information as required under clause 49 of the listing agreement is made available to the Board. The agenda and the related papers for consideration at the Board meeting are circulated sufficiently in advance of the Board Meetings.

Number of other Directorships and Committee Member / Chairmanships as on 30.09.2012:

Sr. No	Director	Category	Other Directorship	Committee Membership	Committee Chairmanship
1	Dr. M V Ramana Rao	Promoter, Executive Director	6	1	-
2	Shri Somendra Khosla	Independent, Non Executive	1	1	-
3	Shri N Sreenivasa Rao	Independent, Non Executive	1	2	1
4	Shri L N Malleswara Rao	Non-Independent, Executive	0	1	-
5	Shri Atluri Venkata Ram	Independent, Non-Executive	1	-	-
6	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla (Appointment with effect from 27th February 2012)	Independent, Non Executive	1	3	2
7	Shri Shrikant P Joshi (Resigned with effect from 8th November 2011)	Independent, Non Executive	5	-	-
8	Shri Y Harish Chandra Prasad (Resigned with effect from 30th December 2011)	Independent, Non Executive	24	2	1
9	Dr. Daggubati Venkateswara Rao (Resigned with effect from 2nd January 2012)	Independent, Non Executive	3	-	-
10	Shri Anil Goyal (Resigned with effect from 11th February 2012)	Independent, Non Executive	3	2	10

3) BOARD COMMITTEES

The Company has the following standing committees on the Board

A) Audit Committee

The terms of reference of the Audit Committee are in accordance with Section 292 of the Companies Act, 1956 and the guideline set out in Clause 49 of the Listing Agreement.

- Overseeing financial reporting processes and the disclosure of financial information, to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, audit fees payable to Statutory Auditors.
- Reviewing with management, the periodic financial statements/results before submission to the Board.
- Reviewing with the management, Statutory Auditors, Government Audit and Internal audit reports, adequacy of internal control systems and recommending improvements to the management;
- Reviewing the adequacy of internal audit function, approving internal audit plans and efficacy of the functions including the structure of the internal audit department, staffing, reporting structure, coverage and frequency of internal audits.
- Discussion with internal auditors any significant findings and follow-up thereon.

- g) Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- h) Discussion with the Statutory Auditors before the audit commences, the nature and scope of audit, as well as post-audit discussion including their observations to ascertain any area of concern.
- i) Reviewing the Company's financial and risk management policies.
- j) Reviewing Quarterly Compliance Report confirming adherence to all the applicable laws, rules, guidelines, instructions and internal instructions/manuals including on Corporate Governance principles.
- k) Matters relating to Corporate Governance including Ethics in business.
- l) Minutes of the meetings of the Audit Committee are approved by the Chairman of the Committee.

The Audit Committee comprises the following Directors.

Name of the Director	Designation	Nature of Directorship
Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla (Appointment with effect from 27th February 2012)	Chairman	Independent Non Executive Director
Shri Anil Goyal (Resigned with effect from 11th February 2012)	Chairman	Independent Non Executive Director
Shri Somendra Khosla	Member	Independent Non Executive Director
Dr. M V Ramana Rao	Member	Executive Chairman
Shri N Srinivasa Rao	Member	Independent Non Executive Director

The Audit Committee consists of Three Independent, Non-executive Directors and one Executive Director who are financially literate as required by Clause 49. Moreover, the Audit Committee has members who have accounting or related financial management expertise.

Audit Committee Meetings and Attendance:

During the Period 6 Audit Committee Meetings were held from 1st July 2011 to 30th September 2012.

The Dates on which the Audit Committee Meetings were held are: 10-Aug-11, 12-Nov-11, 29-Nov-11, 11-Feb-12, 11-May-12, 11-Aug-12

Sr. No	Director	No. of Meeting Attended
1.	Shri Veera Venkata SatyaSurya Chandra Bhima Sekhar Babu Alla	2(2)
2	Shri Anil Goyal(Resigned with effect from 11th February 2012)	4(4)
3.	Shri Somendra Khosla	0(6)
4.	Dr. M V Ramana Rao	5(6)
5.	Shri N Srinivasa Rao	6(6)

The maximum time gap between any of two of the Audit Committee meetings was not more than four months.

4) SUBSIDIARY COMPANIES:

1. MIC Electronics Inc (USA) in which Atluri Venkata Ram is Director.
2. Maave Electronics Private Limited (India)
3. MIC Green Energy Solutions Private Limited (India) in which Dr M V Ramana Rao and Atluri Venkata Ram are Directors.
4. MIC Candilux Private Limited (India) - (Incorporated on 5th May 2011) in which Dr M V Ramana Rao is a Director.

The Details of aforesaid Subsidiary Companies as required in accordance with Clause 49 of the Listing Agreement are provided in the Directors Report.

5) REMUNERATION COMMITTEE

The company's remuneration committee determines the company's policies on the remuneration package of the Executive directors and approves the payment of remuneration to the Managerial Personnel.

The Broad terms of reference of Remuneration Committee are to determine on behalf of the Board and on behalf of Shareholders with agreed terms of reference, the Company's policy on specific remuneration package for executive directors, administration of Employees Stock Option Scheme and administration of employee compensation & benefit plans

Composition of the committee:

Name of the Director	Designation	Nature of Directorship	Profession
Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla (Appointed with effect from 27th February 2012)	Chairman	Independent Director	Practicing Company Secretary
Shri Somendra Khosla	Member	Independent Director	Business
Shri N Srinivasa Rao	Member	Independent Director	Business
Shri Y. Harish Chandra Prasad (Resigned with effect from 30th December 2011)	Chairman	Independent Director	Business
Shri Anil Goyal (Resigned with effect from 11th February 2012)	Member	Independent Director	Business

Remuneration Committee Meetings and Attendance:

During the period no Remuneration Committee Meeting was held from 1st July 2011 to 30th September 2012.

Details of remuneration paid to the Executive Directors during the Period 2011-12 are given below:

Name of the Director	Relationship with other Directors	Business Relationship with company if any	Loans and advances from company	Total Remuneration (Rs.)
Dr. M V Ramana Rao	None	None	None	49,50,000
Shri L N Malleswara Rao	None	None	None	18,75,000

Non-Executive Directors Compensation:

As per the Provisions of Clause 49, the Company has not paid any compensation to non-executive Directors other than Sitting Fee for attending the Board Meeting. The Company has not issued any Stock Options to any Non-executive Directors, during the period under Review.

6) SHAREHOLDERS' TRANSFER & GRIEVANCE COMMITTEE:

Committee specifically looks into redressing of shareholders' and investors' complaints/grievances pertaining to share transfers, non receipt of annual reports, dividend payments, issue of duplicate certificates, transmission(with or without legal representation) of shares and other miscellaneous complaints. The Committee oversees and review performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of Company's Code of Conduct for Prevention of Insider Trading in the company securities.

Composition of the Committee:

Name of the Director	Designation	Nature of Directorship	Profession
Shri N. Srinivasa Rao	Chairman	Independent Director	Business
Shri L. N. Malleswara Rao	Member	Executive Director	Business
Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla (Appointed with effect from 27 th February 2012)	Member	Independent Director	Practicing Company Secretary
Shri Y. Harish Chandra Prasad Resigned with effect from 30 th December 2011)	Member	Independent Director	Business

Name & Designation of the Compliance officer: Vijay Kumar Naidu Ch. Company Secretary

Email id for Investor Grievances: investors@mic.co.in

Number of shareholders complaints received so far.

During the period, the Company has received 3 complaints and 2 complaints are pending as on 30th September 2012.

During the Period there is no Shareholders Transfer & Grievance Committee Meeting were held from 1st July 2011 to 30th September 2012.

The details of shares held by the Directors as on 30th September, 2012

Sr. No	Director	Category	No. of Shares	% of Holding
1	Dr. M V Ramana Rao	Promoter, Executive Director	5669902	5.53%
2	Shri Somendra Khosla	Independent, Non Executive	-	0.00%
3	Shri N Sreenivasa Rao	Independent, Non Executive	-	0.00%
4	Shri L N Malleswara Rao	Non-Independent, Executive Director	124234	0.12%
5	Shri Atluri Venkata Ram	Independent, Non Executive	1052255	1.03%
6	Shri Veera Venkata Satya Surya Chandra Bhima Sekhar Babu Alla	Independent, Non Executive	-	0.00%

7) DETAILS OF GENERAL BODY MEETINGS:

Location and time of the last three AGM's.

Financial Year	Date & Time	Venue	Nature of special resolutions, if any passed
2010-2011	27-12-2011 11.00.A.M	A-4/II, Electronic Complex, Kushaiguda, Hyderabad-62	Reduction of Price from Rs.6 to Rs. 4/- of Issue of shares to Subsidiary Company Employees through Employee Stock Option Plan - 2010.Remuneration of CEO Shri Atluri Venkata Ram
2009-2010	30-12-2010 11.00.A.M	A-4/II, Electronic Complex, Kushaiguda, Hyderabad-62	Inserting of Corporate Guarantee Clause in Articles of Association.Issue of shares to Employees through Employee Stock Option Plan- 2010. Issue of shares to Subsidiary Company Employees through Employee Stock Option Plan - 2010.
2008-2009	30-12-2009 10.00.A.M	A-4/II, Electronic Complex, Kushaiguda, Hyderabad-62	No special resolutions passed

None of the Resolutions were put through postal ballot in the last year.

8) DISCLOSURES

- Current Year Statement of Profit and Loss account consists of 15 months from July 2011 to September, 2012.
- Company's Balance Sheet has been drawn as on 30th September, 2012.
- Related party transactions:

None of the Transactions with any of the related parties was in conflict with the interest of the Company. Attention of the members is drawn to the disclosure of transactions with the related parties, as defined in Accounting Standard - 18 is set out in the notes of accounts of the Financial statements to this report

■ **Penalties:**

No penalties have been imposed on the company by the stock exchanges where the company's shares are listed or by SEBI or any other statutory authority on any matter.

■ Disclosure of Accounting Treatment:

The Company follows the accounting standards as specified in the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts of the Audited Financial Statements for the Period ended 30th September 2012.

■ Code of Conduct

The Board has laid down a Code of Conduct covering the Ethical requirements to be complied with covering all the Board members and senior management personnel of the Company an affirmation of compliance with the code is received from them on an annual basis, which has been posted on the website www.mic.in

■ CEO/CFO Certification

The Chief Executive Officer and the Chief Financial Officer of the Company give certification on financial reporting and internal controls to the Board as required under Clause 49(V) of the Listing Agreement.

■ Appointment of Directors

The Information required for appointment/re-appointment or regularization of Directors at the ensuing Annual General Meeting, is provided along with the AGM Notice, explanatory Statement.

■ Compliance Reports:

The Board has periodically reviewed the compliance reports of all laws applicable to the company, and there are no instances of Non-compliances.

■ Audit Qualifications:

There are qualifications in the Financial Statements of the Company for the Year 2011-12 mentioned by the Auditors regarding (i) delay in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues (ii) default in re-payment of dues to M/s L&T Finance Limited.

■ Whistle Blower Policy:

Though the Company does not have whistle Blower Policy, no person is denied access to the Audit Committee.

■ Risk Management

Business risk evaluation and management is an ongoing process within the organization. During the period under review, a detailed exercise on Business Risk Management (BRM) was initiated covering the entire gamut of business operations.

9) MEANS OF COMMUNICATION

■ **Quarterly/Annual Results:** The Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges, immediately as they are taken on record/ approved. These financial results are normally published in Business Standard (English), Andhra Prabha (Telugu) and displayed on the Company's website www.mic.in

■ **News Release, Presentation etc.:** The official news releases, detailed presentations made to media, institutional investors, financial analysis etc. are displayed on the Company's website www.mic.in

■ **Website:** The Company's website www.mic.in contains separate dedicated section 'Investor information' where the shareholders information is available. Full Annual Report, Quarterly Results, Press Releases, Products and Services etc. are also available on the web-site in a user-friendly manner.

■ **Ministry of Corporate Affairs** as a 'Green Initiative in the Corporate Governance' has issued a Circular no 17/2011 on 21 April 2011, permitting companies to service delivery of documents electronically on the registered members'/shareholders' email addresses under section 53 of the Companies Act, 1956. The company is accordingly proposing to send documents, such as Notice calling the general meeting, audited financial statements, directors'

report, auditors' report etc in electronic form on the email ids provided by the shareholders & made available by them to the company through the depositories. Shareholders desiring to receive the said documents in physical form will continue to get the same in physical form.

The company also files the following information, statements, reports on the website as specified by SEBI:

- Full version of the annual report including the balance sheet, profit and loss account, directors' report and auditors' report, cash flow statement, half-yearly financial statement and quarterly financial statements.
- Corporate governance report.
- Shareholding pattern.

10) GENERAL SHAREHOLDER INFORMATION

Date & Venue of AGM	29 th December 2012 at A-4/II, Electronic Complex, Kushaiguda, Hyderabad-500062 Andhra Pradesh
Financial Year	1st July 2011 to 30 th September 2012 (15 months)
Tentative Calendar of Events for the 2012-2013 (October- March)	1st Quarter ending 31 st December 2012 - before 14 th February FY 2013 2nd Quarter ending 31 st March 2013 - before 14 th June 2013
Book Closure for AGM (Both days Inclusive)	24 th December 2012 to 29 th December 2012
Dividend Payment Date (if declared & approved)	NIL
Listing on Stock Exchanges	National Stock Exchange Ltd (NSE) Stock Code - MIC Bombay Stock Exchange Ltd (BSE) Stock Code - 532850
Registrars & Transfer Agents (RTA)	Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharatnagar, Hyderabad-500018 Tel: 040-23868257/258
Share Transfer System	Physical share transfers are processed and share certificates are returned to the Shareholders with in a maximum Period of one month from the date of receipt, subject to the documents being valid and complete in all respects.
Dematerialization of shares	Company had provided demat facility through National Securities Depository Ltd & Central Depository Services Ltd ISIN: INE287C01029
CIN Number	L31909AP1988PLC008652
Outstanding GDRs / ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	In-principal approval to be received from NSE & BSE for issue of 50675000 convertible Share Warrants.
Address for Correspondence	Vijay Kumar Naidu Ch Company Secretary MIC Electronics Limited A-4/II, Electronic Complex, Kushaiguda, Hyderabad-500062 Andhra Pradesh cs@mic.co.in

■ Market Price data: High / Low during each month in the Period 2011-12 and performance in comparison to broad based indices such as BSE SENSEX, NSE Nifty.

MONTH & YEAR	NSE (IN RS.)		NIFTY		BSE (IN RS.)		SENSEX	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
11-Jul	14.25	12.00	5740.40	5453.95	14.3	11.99	19,131.70	18,131.86
11-Aug	14.30	11.00	5551.90	4720.00	14.36	11	18,440.07	15,765.53
11-Sep	12.80	11.10	5169.25	4758.85	12.99	11.19	17,211.80	15,801.01
11-Oct	11.70	8.80	5399.70	4728.30	11.75	8.9	17,908.13	15,745.43
11-Nov	9.50	6.50	5326.45	4639.10	9.68	6.8	17,702.26	15,478.69
11-Dec	7.65	5.45	5099.25	4531.15	8.85	5.55	17,003.71	15,135.86
12-Jan	8.85	5.85	5217.00	4588.05	8.79	5.9	17,258.97	15,358.02
12-Feb	13.25	6.90	5629.95	5159.00	13.18	7.05	18,523.78	17,061.55
12-Mar	10.90	8.10	5499.40	5135.95	10.51	8.24	18,040.69	16,920.61
12-Apr	9.25	6.65	5378.75	297.89	9.25	6.6	17,664.10	17,010.16
12-May	7.15	4.40	5279.60	4788.95	7.14	4.34	17,432.33	15,809.71
12-Jun	6.50	5.10	5286.25	4119.69	6.45	5.1	17,448.48	15,748.98
12-Jul	7.45	5.20	5348.55	5032.40	7.45	5.2	17,631.19	16,598.48
12-Aug	5.60	4.40	5448.6	5164.65	5.51	4.45	17,972.54	17,026.97
12-Sep	5.75	4.45	5735.15	5215.70	5.7	4.46	18,869.94	17,250.80

Shares	Holders		Shares	
	Number	% To Total	No of Shares	% To Total
Upto - 500	36316	69.93	6880496	6.71
501 - 1000	6778	13.05	5751889	5.61
1001 - 2000	3909	7.53	6186575	6.04
2001 - 3000	1539	2.96	4015062	3.92
3001 - 4000	723	1.39	2636737	2.57
4001 - 5000	674	1.3	3224032	3.15
5001 - 10000	1042	2.01	7811159	7.62
10001 and above	949	1.83	65992325	64.38
Total	51930	100	102498275	100

■ Share holding pattern as on 30th September 2012.

Category	Holding as on 29/9/2012	%
PROMOTER AND PROMOTER GROUP	9067277	8.85
BODIES CORPORATE	10865439	10.60
CLEARING MEMBER	0	0.00
CENTRAL/STATE GOVERNMENT(S)	0	0.00
FINANCIAL INSTITUTIONS/BANKS	0	0.00
FOREIGN BODIES CORPORATE	6772262	6.61
FOREIGN INSTITUTIONAL INVESTORS	0	0.00
INSURANCE COMPANIES	0	0.00
MUTUAL FUNDS/UTI	0	0.00
NON RESIDENTIAL INDIVIDUALS	761045	0.74
PUBLIC	72954939	71.18
TRUST	2077313	2.03
TOTAL	102498275	100.00

BY ORDER OF THE BOARD OF DIRECTORS
For MIC ELECTRONICS LIMITED

Sd/-

Dr.M.V.Ramana Rao

Chairman & Managing Director

Place : Hyderabad
Date : 29-11-2012

DECLARATION

As provide under clause 49 of the Listing Agreement with the Stock Exchange, the Board of Directors and the Senior Management personnel have confirmed compliance with the Code of Conduct and Ethics for the Period ended 30th September 2012.

Sd/-

Dr.M.V. Ramana Rao

Chairman & Managing Director

05 Certificate on Corporate Governance

To the Members of

MIC Electronics Limited

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the period ended 30th September 2012.

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

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreements.

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

For dvmgopal & associates
Company Secretaries

Sd/-
(D. V. M. Gopal)
Proprietor

Place: Hyderabad

Date : 29-11-2012

To

The Board of Directors

MIC Electronics Limited

We Dr M V Ramana Rao, Chairman & Managing Director and L N Malleswara Rao, Executive Director of MIC Electronics Limited, to the best of our knowledge and belief

We Certify that:

- a. We have reviewed financial statements and the cash flow statement for the period ended on 30th September, 2012 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements 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, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee that there are no
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

By Order of the Board

For MIC Electronics Limited

Place: Hyderabad

Date : 29-11-2012

Sd/-

Dr.M.V. Ramana Rao

Chairman & Managing Director

Sd/-

L.N. Malleswara Rao

Executive Director

To

The Share Holders of

M/s. MIC Electronics Limited

We have audited the attached Balance Sheet of M/s.MIC Electronics Limited, as at 30th September 2012 and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Company's (Auditors Report) Order, 2003 issued by the Department of Company Affairs, in terms of Section 227(4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in Paragraphs 4 and 5 of the said order.
2. Further to above, we report that :
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of accounts as required by law have been kept by the company so far, as appears from our examination of books.
 - iii. The Balance sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account.

- iv. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. Based on information and explanations given to us and representations received from the directors of the Company, as on 30th September 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th September 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 30th September, 2012 and
 - (b) In the case of the Statement of Profit and Loss, of the Loss for the period ended on that date.
- And
- (c) In the case of the cash flow statement, of the cash flows for the period ended on that date.

**for PAVULURI & CO.,
Chartered Accountants**

**(CA.PA RAMAIAH)
PARTNER
M.No. : 203300**

Place : Hyderabad
Dated : 29-11-2012

REFERRED TO IN PARAGRAPH (1) IN OUR REPORT OF EVEN DATE FOR THE PERIOD ENDED 30.09.2012.

- 1.(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. 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.
- (b) 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.157.98 lakhs and the year-end balance of loan granted to such party was Rs. 157.98 lakhs.
- (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, there are no overdue amounts.
- (e) As informed, the Company has taken unsecured loan 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.
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 our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.500,000/- or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.
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. As per the information given to us the Central Government has not prescribed maintenance of Cost records under Section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us, the company is not regular in depositing with appropriate

07 Annexure to Auditors' Report

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.

- (b) According to the information and explanations given to us, the following are the undisputed amounts of Income Tax, Service Tax, Provident Fund, Employees State Insurance and Professional tax outstanding as at 30th September, 2012 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	1,685,794/-
2.	Provident Fund	10,526,743/-
3.	Employee State Insurance	1,698,819/-
4.	Professional Tax	427,280/-
5.	TDS	6,007,888/-
6.	Income Tax	81,067,147/-

- (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 September, 2012.

Name of the Statute	Nature of the Dispute	Amount	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 : Rs. 2,896,982/-
Central Excise Act, 1944	Excise Duty	7,297,400/-	2008-2009	Commissioner (Appeals), Customs & Central Excise, Basheerbagh, Hyderabad vide appeal No.E/720/2001
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 : Rs. 840,705/-
The A.P.VAT Act, 2005	APVAT	545,677/-	2007-2008	Appellate Deputy Commissioner (CT), Secunderabad Division Amt. deposited : Rs. 545,677/-

Name of the Statute	Nature of the Dispute	Amount in Rs.	Period to which the amounts relate (F.Y)	Forum where the dispute is pending and amount deposited
The A.P.VAT Act, 2005	APVAT	1,809,145/-	2005-2006	WP No.14764/2009 filed with High Court, AP Amt. deposited : Rs.1,809,145/-
The A.P.VAT Act, 2005	APVAT	127,666/-	2007-2008	Appellate Deputy Commissioner (CT) vide Appeal No.S/101/10-11/V Amt.deposited : Rs. 127,666/-
The A.P.VAT Act, 2005	APVAT	483,509/-	2008-2009	Appellate Deputy Commissioner (CT) vide Appeal No.S/102/10-11/V Amt.deposited : Rs. 483,509/-
The A.P.VAT Act, 2005	APVAT	1,496,129/-	2009-2010	Appellate Deputy Commissioner (CT) vide Appeal No.S/103/10-11/V Amt.deposited : Rs. 1,496,129/-

10. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred any cash losses during the period covered by our audit and 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 M/s.L&T Finance Limited. The total overdue as on 30th September 2012 is Rs.36,400,318/-.
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.
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.

07 Annexure to Auditors' Report

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.

**for PAVULURI & CO.,
Chartered Accountants**

**(CA.PA RAMAIAH)
PARTNER
M.No. : 203300**

Place : Hyderabad
Dated : 29-11-2012

07 Balance Sheet As At 30th September'2012

(Amount in Rs.)

Particulars	Note.	As at 30.09.2012	As at 30.06.2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds:			
Share capital	3.01	204,996,550	204,996,550
Reserves and surplus	3.02	3,394,974,543	3,861,990,858
Money received against share warrants		46,638,340	165,416,000
		3,646,609,433	4,232,403,408
(2) Non-current liabilities			
Long-term borrowings	3.03	364,001,672	230,342,506
Long-term provisions	3.04	19,363,193	22,527,955
		383,364,865	252,870,461
(3) Current liabilities			
Short-term borrowings	3.05	863,381,347	831,679,250
Trade payables	3.06	529,671,010	314,344,182
Other current liabilities	3.07	454,766,851	459,354,786
Short-term provisions	3.08	81,067,147	99,011,131
TOTAL		5,958,860,653	6,189,663,218
II. ASSETS			
(1) Non-current assets			
Fixed assets	3.09		
(i) Tangible assets		1,443,916,959	1,543,365,464
(ii) Intangible assets		3,573,893	5,280,683
(iii) Capital Work in Progress		401,342,457	383,124,597
(iv) Intangible assets under development		89,840,672	89,840,672
Deferred Tax asset (Net)	3.10	99,330,331	97,294,058
Non current Investments	3.11	55,415,453	55,415,453
Long-term loans and advances	3.12	474,828,468	450,001,657
Other Non-current assets	3.13	13,377,243	20,266,982
		2,581,625,476	2,644,589,566

07 Balance Sheet As At 30th September'2012

Particulars	Note.	As at 30.09.2012		As at 30.06.2011	
(2) Current assets					
Inventories	3.14	1,587,980,732		1,812,394,900	
Trade receivables	3.15	1,035,451,654		1,005,132,474	
Cash and cash equivalents	3.16	34,031,403		47,629,069	
Short-term loans and advances	3.17	698,778,442		613,128,663	
Other current assets	3.18	20,992,946	3,377,235,177	66,788,546	3,545,073,652
TOTAL			<u>5,958,860,653</u>		<u>6,189,663,218</u>
Notes forming part of financial statements	1-3.40				

per our report of even date

For PAVULURI & CO

Chartered Accountants

Firm Reg. No: 012194S

For and on behalf of the Board of Directors

Sd/-

Dr.M.V. Ramana Rao

Managing Director

Sd/-

L.N. Malleswara Rao

Executive Director

Sd/-

CA.P.A. Ramaiah

Partner

M.No : 203300

Sd/-

Ch. Vijay Kumar Naidu

Company Secretary

Place : Hyderabad.

Date : 29-11-2012

Particulars	Note.	15 months ending 30.09.2012	12 months ending 30.06.2011
I INCOME :			
Revenue from operations	3.19	1,318,777,854	2,129,573,733
Other income	3.20	79,381,063	175,207,174
I Total Revenue		1,398,158,917	2,304,780,907
II EXPENDITURE :			
Cost of material consumed	3.21	309,172,598	989,685,111
Purchase of traded goods		714,493,455	1,102,443,803
(Increase)/ Decrease in Inventories	3.22	(350,679,444)	(1,075,553,336)
Employee benefits expense	3.23	108,351,693	111,570,704
Finance costs	3.24	254,448,532	163,262,402
Depreciation and amortizaion expense	3.09	76,390,752	61,654,342
Other expenses	3.25	242,621,846	548,365,475
Total expenses		1,354,799,432	1,901,428,501
III Profit before extra-ordinary items and tax (I - II)		43,359,485	403,352,406
IV Extraordinary Items-Obsolete Stock Written off		690,660,057	-
V Profit before tax (III-IV)		(647,300,572)	403,352,406
VI Tax expenses:			
Current tax		-	80,390,151
Taxes of earlier years written back		13,943,984	11,359,484
Deffered tax Asset		2,036,273	7,699,041
		(15,980,257)	61,331,626
VII Profit/(Loss) for the period (V - VI)		(631,320,315)	342,020,780
VIII Earnings per equity share of par value Rs 10/- each			
Basic		-6.16	3.34
Diluted		-4.12	2.92

Particulars	Note.	15 months ending 30.09.2012	12 months ending 30.06.2011
IX No.of shares used in computing earnings per share			
Basic		102,498,275	102,498,275
Diluted		153,173,275	117,138,275
Notes forming part of financial statements	1-3.40		

per our report of even date

For PAVULURI & CO

Chartered Accountants

Firm Reg. No: 012194S

For and on behalf of the Board of Directors

Sd/-

Dr.M.V. Ramana Rao

Managing Director

Sd/-

L.N. Malleswara Rao

Executive Director

Sd/-

CA.P.A. Ramaiah

Partner

M.No : 203300

Sd/-

Ch. Vijay Kumar Naidu

Company Secretary

Place : Hyderabad.

Date : 29-11-2012

1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous years.

2 Significant accounting policies

2.1 Disclosure of Accounting Policies:

Financial statements have been prepared under the historical costs convention and in accordance with applicable accounting standards and provisions of the Companies Act, 1956. All income and expenditure having a material bearing in the financial statements are prepared on accrual basis.

2.2 Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.3 Valuation of Inventories:

- Raw Materials and Work in Progress are valued at cost.
- Finished goods are valued at cost or net realisable value whichever is less.
- CENVAT & VAT on purchase of rawmaterial / components are deducted from cost of such materials.

2.4 Cash Flow Statements:

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the companies are segregated based on the available information.

2.5 Accounting for Fixed Assets

Fixed assets are capitalized at acquisition cost and other directly attributable cost of bringing the assets to its working condition. Cenvat & VAT claimed on capital goods are credited to plant & machinery account. Development / preoperative expenditure incurred, if any, in connection with new line of production will be capitalized to the respective project Assets.

2.6 Depreciation Accounting:

Fixed assets are valued at cost less depreciation provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. In respect of additions made during the year, depreciation is provided on pro rata basis.

2.7 Research & Development (R & D):

Revenue expenditure (including depreciation) 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.

2.8 Revenue Recognition

Sales & Services are inclusive of taxes and duties collected. Revenue from fixed price contracts are recognized as per the terms of the contract. Revenue from other income is based on accrual basis.

2.9 Accounting for effects in foreign exchange rates :

- All monetary items denominated in foreign currency are reflected at the rates prevailing on the Balance sheet date.
- Income and Expenditure items involving foreign exchange are translated at the exchange rate prevailing on the dates of transaction.
- Exchange differences, if any, arising on account of fluctuations in foreign exchange have been duly reflected in the Profit & Loss Account except in respect of acquisition of fixed assets.

2.10 Accounting for Investments :

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

2.11 Accounting for Retirement Benefits :

- a) The Company has a provident fund scheme for their employees. Contributions to the scheme are charged to the profit and loss account.
- b) Provision for gratuity has been made for all the employees in the rolls of the company at the closing of accounting year. The company is making actual gratuity payments as and when crystallized by debiting to the gratuity fund account.
- c) The Company extends benefit of Encashment of Leave to its employees while in service as well as on retirement. Leave encashment liability in respect of leave accumulated is accounted for on the basis of last drawn salary.

2.12 Borrowing Cost:

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized till the date of the assets put to use. All other borrowing costs are charged to revenue.

2.13 Segment Reporting :

The company has no segmentals hence no segmental reporting is made.

2.14 Related party Disclosure :

The company has entered into transactions with related parties and the said information is shown separately as per AS - 18.

2.15 Operating Leases :

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Where the Company is the lessee : Operating lease payments are recognised as an expense in the Statement of profit and loss on a straight-line basis over the lease term. Where the Company is the lessor : Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of profit and loss. Costs,

including depreciation are recognised as an expense in the Statement of profit and loss.

2.16 Earnings Per Share :

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.17 Consolidated Financial Statements :

The company has made consolidated financial statements as per AS - 21

2.18 Deferred Taxation :

Current Tax is determined as per the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets/liabilities, on timing differences, being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

2.19 Accounting for investments in associates :

Investment in associates is valued at cost of investment.

2.20 Contingencies and events occurring after the balance sheet date :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTE - 3.01**Share Capital**

	As at 30.09.2012		As at 30.06.2011	
	No.of Shares	Amount (Rs)	No.of Shares	Amount (Rs)
I. Authorised:				
Equity shares of Rs 2/- each with voting rights	150,000,000	300,000,000	150,000,000	300,000,000
II. Issued,Subscribed and Paid up:				
Equity shares of Rs 2/- each with voting rights	102,498,275	204,996,550	102,498,275	204,996,550
	102,498,275	204,996,550	102,498,275	204,996,550

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 Board of Directors 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 30.09.2012		As at 30.06.2011	
	No.of Shares	Amount (Rs)	No.of Shares	Amount (Rs)
Equity shares with voting rights:-				
Opening Balance	102,498,275	204,996,550	102,498,275	204,996,550
Fresh Issue	-	-	-	-
Closing Balance	102,498,275	204,996,550	102,498,275	204,996,550

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

Sr No	Class of shares / Name of shareholder	As at 30.09.2012		As at 30.06.2011	
		Number of shares held	% holding	Number of shares held	% holding
	Equity shares with voting rights				
1	Venkata Ramana Rao Maganti	5,669,902	5.53%	14,262,955	13.92%
2	Prabhakar Rao Mandava	7,704,398	7.52%	5,064,267	4.94%

(Amount in Rs.)

Particulars	As at 30.09.2012	As at 30.06.2011
NOTE - 3.02		
Reserves and Surplus		
Share Premium Account		
As at Commencement of the Year	1,030,555,610	1,030,555,610
Add : Received on further issue of shares	-	-
	1,030,555,610	1,030,555,610
Profit and Loss Account		
As at Commencement of the Year	2,419,891,203	2,077,870,423
Add : Transferred from Profit & Loss Account	(631,320,315)	342,020,780
	1,788,570,888	2,419,891,203
Share warrants forfeited		
As at Commencement of the Year	213,277,045	213,277,045
Add : Additions during the year	164,304,000	-
	377,581,045	213,277,045
Capital Reserve		
As at Commencement of the Year	267,000	267,000
Add : Additions during the year	-	-
	267,000	267,000
Amalgamation Reserve		
As at Commencement of the Year	18,000,000	18,000,000
Add : Additions during the year	-	-
	18,000,000	18,000,000
General Reserve		
As at Commencement of the Year	180,000,000	180,000,000
Add : Additions during the year	-	-
	180,000,000	180,000,000
	3,394,974,543	3,861,990,858

(Amount in Rs.)

	Current Portion (*)	Non-Current Portion	Current Portion (*)	Non-Current Portion
NOTE - 3.03				
Long Term Borrowings				
Secured Loans				
Long Term Loans - From Banks				
Industrial Development Bank of India	-	-	49,934,930	-
UCO Bank	15,733,098	64,984,075	94,607,310	-
Long Term Loans - Others				
Technology Development Board	-	95,000,000	-	50,000,000
L&T Finance Ltd	70,000,000	40,000,000	40,000,000	90,000,000
Srei Equipment Finance P Ltd	48,144,283	164,017,597	9,657,494	90,342,506
Loans Under hire purchase against vehicles	-	-	1,043,019	-
	133,877,381	364,001,672	195,242,753	230,342,506

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

a) 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. UCO Bank is further secured by personal guarantee of the Managing Director of the company. Term Loan is repayable in 20 quarterly instalments of Rs.40.62 Lakhs each at variable interest rate of 15.75% commencing from December 2012.

b) Term Loan taken from Technology Development Board of Rs.950 Lakhs (Sanction Limit of Rs.1500 Lakhs) is secured as follows:

(i) First charge on entire fixed assets, present and future, of the company by way of hypothecation and mortgage in favour of TDB ranking pari passu with other chargeholders (Banks/FIs). (ii) Personal guarantees of Managing Director & Executive Director of the Company. (iii) Pledge of 37.50 Lakh shares held by promoter. Term loan is repayable in 9 half yearly instalments at fixed interest rate of 5% p.a. - First instalment of Rs.160.00 lakhs & remaining 8 instalments @ Rs.167.50 lakhs each commencing from 01.01.2013.

c) Term Loan taken from L&T Finance Limited is secured as follows:

(i) Hypothecation of charge over 19 LED Display Boards, (ii) Personal Guarantee of Managing Director of the Company. Loan is repayable in 16 quarterly instalments at variable interest rate of 12.25% p.a. 1st instalment being Rs.5 crores and balance 15 instalments are @Rs.1 crore each commencing from October 2010.

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

(i) Hypothecation of equipments, fixtures etc. valued Rs.28.20 crore, (ii) Mortgage of Land & building situated at 192/B, Phase II, IDA Cherlapally belonging to company. (iii) Personal Guarantee of the Managing Director of the company. (iv) Term Loan - I of Rs.1000.00 lakhs is repayable in 18 quarterly EMIs of Rs.78.29 lakhs each (including interest) at a variable interest rate of 15.50% commencing from 15.01.2012. (v) Term Loan - II of Rs.1400.00 lakhs is repayable in 18 quarterly EMIs of Rs.109.60 lakhs each (including interest) at a variable interest rate of 15.50% commencing from 15.02.2012.

e) Loans taken against purchase of vehicles are secured by hypothecation of the respective vehicles.

Particulars	As at 30.09.2012	As at 30.06.2011
NOTE- 3.04		
Long Term Provisions		
Provision for employee benefits		
- Provision for gratuity	14,882,936	16,154,335
- Provision for leave encashment	4,480,257	6,373,620
	19,363,193	22,527,955
NOTE - 3.05		
Short Term Borrowings		
(A) Secured Loans		
Working capital loans - From Banks		
State Bank of India-Cash Credit	505,762,822	449,395,421
State Bank of India-Buyers Credit	13,468,290	-
Standard Chartered Bank	54,209,852	71,565,557
	573,440,964	520,960,978
(B) UnSecured Loans		
(i) Loans from Directors	3,554,929	20,556,271
(ii) Intercompany Deposits		
Malaxmi Infra Ventures (India) Pvt Ltd	180,385,454	182,662,001
Maitreya Electricals Pvt Ltd	-	1,500,000
Sriba Seabase Pvt Ltd	6,000,000	6,000,000
Arkay Energy (Rameswaram) Limited	100,000,000	100,000,000
	289,940,383	310,718,272
Total Short term Borrowings (A+B)	863,381,347	831,679,250

i) State Bank of India working capital limits including buyers credit are secured by :

- a) Primary Security: First Charge (hyp) on all current assets of the company.
- b) Collateral Security: (i) Pari-passu charge on entire fixed assets with TDB excluding fixed assets funded by UCO Bank and vehicle HP loans. (ii) Second charge on EM of industrial plot situated at phase II, IDA, Cherlapally village, Kapra Municipality, Ghatkesar Mandal, RR District & Second charge on fixed assets created out of term loan from UCO Bank.
- c) SBI is further secured by personal guarantees of Managing Director & Executive Director of the company.

ii) Standard Chartered Bank working capital limits are secured by :

- (i) First pari-passu charge on current assets of lighting business (ii) second pari-passu charge on fixed assets of company (iii) second pari-passu charge on current assets of company's display division (iv) Personal Guarantee of the Managing Director (v) EM of agricultural land of Ac.5.00 held in the name of the Managing Director of the company. Loan is repayable by September 2013.

iii) Andhra Bank working capital (non fund based) limits of Rs.4.66 Crores are secured by :

- (i) Exclusive charge on current assets of LED Lighting Division of the company (ii) 1st charge on fixed assets (excluding assets financed by UCO Bank & Srei Equipment Finance Pvt Ltd) of the company ranking pari-passu with SBI (iii) 2nd charge on fixed assets of proposed LED Lighting Division project ranking pari-passu with SBI (iv) Personal guarantees of Managing Director and Executive Director of the company.

Particulars	As at 30.09.2012	As at 30.06.2011
NOTE - 3.06		
Trade Payables		
Payables for materials	392,846,925	246,169,860
Payables for services	<u>136,824,085</u>	<u>68,174,322</u>
	529,671,010	314,344,182
	529,671,010	314,344,182
NOTE - 3.07		
Other Current Liabilities		
(i) Interest accrued and due on borrowings		
Interest accrued and due on long term borrowings	6,400,318	-
Interest accrued and due on short term borrowings	18,958,050	9,326,021
(ii) Interest accrued but not due on borrowings		
Interest accrued but not due on long term borrowings	11,765,168	5,867,332
(iii) Other payables		
Current maturities of long term borrowings (Refer Note No : 3.03)	133,877,381	195,242,753
Statutory remittances	38,132,019	39,703,766

Particulars	As at 30.09.2012	As at 30.06.2011
Payables on purchase of fixed assets	9,895,863	13,639,421
Payables for expenses	40,060,016	53,312,978
Salaries Payable	64,210,222	21,080,299
Directors remuneration Payable	2,224,976	1,911,045
Audit Fees Payable	2,312,920	1,807,300
Share Warrants Application Money refundable	81,385,331	63,173,331
Advances from related parties	34,694,406	39,677,200
Advance from customers & Others	10,850,181	14,613,340
	454,766,851	459,354,786
NOTE - 3.08		
Short Term Provisions :		
Provision for Income Tax	81,067,147	99,011,131
	81,067,147	99,011,131

NOTE- 3.09**Fixed Assets**

Fixed Assets		Rate	Gross Block				Accumulated Depreciation				Net Block		(Amount in Rs.)
Name of the Asset	Balance as at 1st July 2011		Additions	Deletions	Balance as at 30th Sep 2012	Balance as at 1st July 2011	Depreciation charge for the year	On Deletions	Balance as at 30th Sep 2012	Balance as 30th Sep 2012	Balance as at 30th June 2011		
A	Tangible Assets												
	Land & Land Development	0.00%	43,493,721	-	24,258,802	19,235,119	-	-	-	-	19,235,119	43,493,721	
	Buildings	3.34%	130,989,924	-	-	130,989,924	13,294,318	5,522,896	-	18,817,214	112,172,710	117,695,606	
	Plant & Machinery	5.38%	306,382,512	57,227	-	306,439,739	80,101,298	20,621,237	-	100,722,536	205,717,203	226,281,212	
	Plant and Machinery	4.75%	653,843,887	-	-	653,843,887	33,814,320	38,970,494	-	72,784,814	581,059,073	620,029,567	
	Furniture and Fixtures	6.33%	18,505,287	42,165	-	18,547,452	6,761,491	1,336,882	-	8,098,373	10,449,079	11,743,796	
	Office equipment	4.75%	3,015,617	17,986	-	3,033,603	892,043	174,637	-	1,066,680	1,966,923	2,123,574	
	Electrical Installations	6.33%	13,129,674	16,157	-	13,145,831	3,344,505	1,039,408	-	4,393,913	8,761,918	9,785,169	
	D.G.Set	6.33%	1,228,230	-	-	1,228,230	217,675	97,556	-	315,231	912,999	1,010,555	
	Transformer	6.33%	1,108,125	-	-	1,109,125	193,312	88,096	-	281,408	827,717	915,813	
	Furniture and Fixtures-Others	6.33%	1,201,571	-	-	1,201,571	935,978	56,993	-	982,971	208,600	265,593	
	Vehicles	9.50%	23,456,838	-	1,485,046	21,971,792	9,187,401	2,569,890	802,874	10,954,417	11,017,375	14,269,437	
	Computers	16.21%	37,348,053	30,790	-	37,378,843	26,947,988	4,193,968	-	31,141,956	6,236,887	10,400,065	
	Display Equipment (not put to use)	0.00%	485,351,356	-	-	485,351,356	-	-	-	-	485,351,356	485,351,356	
	SUB TOTAL (A)		1,719,055,795	164,325	25,743,848	1,693,476,472	175,690,330	74,672,057	802,874	249,559,513	1,443,916,959	1,543,366,464	
B	Intangible assets												
	Computer Software		12,645,372	11,905	-	12,657,277	7,364,689	1,718,695	-	9,083,384	3,573,893	5,280,683	
	SUB TOTAL (B)		12,645,372	11,906	-	12,657,277	7,364,689	1,718,695	-	9,083,384	3,573,893	5,280,683	
	Total [A + B] (Current Year)		1,731,701,167	176,230	25,743,848	1,706,133,749	183,055,019	76,390,752	802,874	258,642,897	1,447,490,852	1,548,646,147	
	(Previous Year)		1,112,899,781	618,801,386	-	1,731,701,167	122,531,946	80,523,072	-	183,055,019	1,548,646,147	990,367,835	

Particulars	As at 30.09.2012	As at 30.06.2011
NOTE - 3.10		
Deferred Tax Asset		
On Depreciation (Difference as per Books & as Per Income Tax Act)	(80,301,470)	(67,650,429)
On Accrued compensation to employees	7,609,207	7,726,269
On IT Disallowances	21,747,911	1,661,373
On Others	150,274,683	155,556,845
	99,330,331	97,294,058
NOTE - 3.11		
Non Current Investments		
UNQUOTED		
in subsidiaries:		
MIC Electronics Inc., USA		
(10,00,000 No of ordinary shares of \$0.10 each fully paid up purchased at a premium of \$0.40 each converted into Indian Rupees using the conversion rate of 45.3945)	22,697,250	22,697,250
Maave Electronics Pvt Ltd	12,826,659	12,826,659
(7,95,165 no. of equity shares of Rs. 10/- each at par fully paid up) 2,51,506 no. of equity shares of Rs. 10/- each purchased at Rs.19.38 each)		
MIC Green Energy Solutions Pvt. Ltd.	100,000	100,000
10,000 equity shares of Rs. 10/- each		
MIC Candilux Pvt Ltd	100,000	100,000
10,000 equity shares of Rs. 10/- each		
in other corporate bodies :		
Hyperion Green Energy India Pvt Ltd	19,691,544	19,691,544
(40,922 equity shares of Rs.100/- each with premium of Rs.252/- each 7,300 equity shares of Rs.100/- each purchased at Rs.532/- each 2,700 equity shares of Rs.100/- each purchased at Rs.519/- each)		
	55,415,453	55,415,453

Particulars	As at 30.09.2012	As at 30.06.2011
NOTE- 3.12		
Long-Term Loans and advances		
Unsecured, Considered Good :		
Capital advances	149,125,277	138,080,048
Deposit-Delhi Metro Rail Corpn	55,150,887	55,150,887
Retention Money-BSNL	112,418,655	107,524,778
Share Application money pending allotment in other companies	15,445,456	18,945,456
Loans & Advances to Subsidiaries	69,243,634	69,240,319
Other Secured Deposits	72,787,644	60,801,865
Other Loans and advances	656,915	258,304
	474,828,468	450,001,657
NOTE- 3.13		
Other Non Current Assets		
Deferred Revenue Expenditure to the extent not written off	9,028,667	15,918,406
Pre-operative expenses - Lighting expansion (IREDA) Project	4,348,576	4,348,576
	13,377,243	20,266,982
NOTE- 3.14		
Inventories		
Raw Material	160,832,447	203,731,267
Work-in-Progress	1,679,909,322	1,230,924,503
Less : Obsolete Stock written off	<u>532,086,587</u>	1,147,822,735
Finished Goods	276,734,883	375,040,258
Stores and Spares	2,590,667	2,698,872
	1,587,980,732	1,812,394,900
NOTE- 3.15		
Trade Receivables		
Unsecured Considered Good		
Debtors outstanding for a period exceeding six months	836,878,389	621,546,004
Other Debtors	198,573,265	383,586,470
	1,035,451,654	1,005,132,474

Note: Trade receivables include debts due from:

Particulars	As at 30.09.2012	As at 30.06.2011
MIC Electronics Inc, USA - 100% Subsidiary	21,670,830	3,881,508

Trade receivables include Rs.460,941,756/- which are long overdue and the recovery of which is doubtful. However, the management is of the opinion that no provision is necessary during the year as they are persuing with debtors and the amounts may be recovered.

Particulars	As at 30.09.2012	As at 30.06.2011
NOTE- 3.16		
Cash & Cash equivalents		
Cash in Hand	8,969,015	3,705,210
Balance with Banks :		
In Current Accounts	1,663,212	9,774,364
In Margin Money Accounts	<u>23,399,176</u>	<u>34,149,495</u>
	25,062,388	43,923,859
	34,031,403	47,629,069

NOTE- 3.17**Short-term Loans & Advances****Unsecured Advances - Considered good**

(i) Loans and advances to employees	20,173,062	9,500,782
(ii) Prepaid Expenses	3,220,111	3,327,297
(iii) Balances with Govt Authorities		
Cenvat Deposit	12,643,144	4,948,715
Deferred Cenvat Credit	89,610	89,610
Cenvat credit receivable	1,582,376	1,582,376
Service tax receivable	1,025,922	684,976
(iv) Others		
Advance for Materials	24,740,585	19,513,352
Advance for Services	2,849,412	6,210,266
Other advances	616,071,741	551,292,486
TDS receivable	12,738,451	7,440,898
Entry Tax & Octroi Deposit	605,940	5,499,817
VAT deposit refundable	2,279,032	2,279,032
Claims Receivable- VAT	759,056	759,056
	698,778,442	613,128,663

NOTE- 3.18**Other Current Assets**

Amounts receivable against sale of investments	15,854,400	61,650,000
Deferred Revenue Expenditure to the extent not written off	5,138,546	5,138,546
	20,992,946	66,788,546

Particulars	15 months ending As at 30.09.2012		12 months ending As at 30.06.2011	
NOTE- 3.19				
Revenue from Operations				
Exports	65,694,645		41,109,103	
Deemed Export	1,330,450		4,775,209	
Domestic	560,201,797		956,281,051	
Freight & Insurance recd. on Sales	87,110		222,086	
	627,314,002		1,002,387,449	
Less : Excise Duty	27,503,574	599,810,428	31,897,522	970,489,927
Traded Goods		718,967,426		1,159,083,806
		1,318,777,854		2,129,573,733
NOTE- 3.20				
Other Incomes				
(A) Other Operating Incomes				
Equipment Lease Rentals	19,287,940		124,446,926	
AMC Charges & Service Charges	9,566,743		9,393,591	
Installation Charges	5,236,977		3,247,848	
Job Work Receipts	-		2,727,802	
		34,091,660		139,816,167
		34,091,660		139,816,167
(B) Other Incomes				
Interest Received		4,022,708		2,770,560
Credit Balances written back		6,202,617		4,078,142
Profit on Sale of Investment		-		27,784,920
Profit on Sale of Asset		151,826		28,416
Rents received		1,305,208		79,584
Excess Provisions Written back		2,270,020		-
Foreign exchange gain		31,095,212		-
Miscellaneous Income		241,812		649,385
		45,289,403		35,391,007
Total Other Income (A+B)		79,381,063		175,207,174

Particulars	15 months ending As at 30.09.2012	12 months ending As at 30.06.2011
NOTE- 3.21		
Cost of Materials Consumed		
A) Raw Material Consumed		
Opening Stock	203,731,267	380,076,823
Purchases	422,298,487	1,242,497,003
Less : Outdated stock written off	158,573,470	
Less : Material consumed for R&D	1,121,290	5,159,366
Less : Capitalised during the year	-	429,879,237
	<u>262,603,727</u>	<u>807,458,400</u>
	466,334,994	1,187,535,223
Less : Closing Stock	160,832,447	203,731,267
Raw Material Consumed	305,502,547	983,803,956
B) Packing Materials and consumables		
Opening Stock	2,698,872	1,927,188
Purchase of packing material & consumables	3,406,453	6,486,478
Freight & Carriage Inwards	155,393	166,361
	<u>6,260,718</u>	<u>8,580,027</u>
Less : Closing Stock	2,590,667	2,698,872
Consumption	3,670,051	5,881,155
Total Cost of material consumed (A+B)	309,172,598	989,685,111
NOTE- 3.22		
Changes in Inventory		
Closing Stock of :		
Work-in-Progress	1,679,909,322	1,230,924,503
Finished Goods	276,734,883	375,040,258
Total (A)	1,956,644,205	1,605,964,761
Opening Stock of :		
Work-in-Progress	1,230,924,503	525,844,817
Finished Goods	375,040,258	4,566,608
Total (B)	1,605,964,761	530,411,425
Increase/(Decrease) in Stock (A-B)	350,679,444	1,075,553,336

(Amount in Rs.)

Particulars	15 months ending As at 30.09.2012		12 months ending As at 30.06.2011	
NOTE- 3.23				
Employee Benefit expense				
Salary, Wages, Allowances & other Benefits	95,553,022		96,692,117	
Directors Remuneration	6,375,000		4,050,000	
Gratuity	1,420,162		4,482,120	
Leave Salary	-		881,921	
P. F. & ESI Contribution	3,530,457		3,208,487	
Staff Welfare Expenses	1,473,052		2,256,059	
	108,351,693		111,570,704	
NOTE- 3.24				
Financial Cost				
Bank Charges	16,023,466		17,207,162	
Interest on :				
Term Loan	83,601,574		51,454,582	
Working Capital Loans	100,324,165		64,964,590	
Others - Interest on other loans/ICDs & Financial Charges	54,499,327	238,425,066	29,636,068	146,055,240
	254,448,532		163,262,402	
NOTE- 3.25				
Other Expenses				
Job-work Charges	6,915,357		16,373,476	
Power and Fuel	4,575,034		5,112,584	
Insurance	2,134,567		1,196,673	
Repairs & Maintenance	862,015		1,643,097	
Printing & Stationary	942,680		2,147,481	
Postage, Telegrams & Telephones	3,253,684		4,160,156	
Rent	2,328,031		5,642,535	
Rates & Taxes	10,734,824		28,054,293	
Lease rental Expenses	55,258,646		68,256,400	
Professional Charges	13,287,429		15,740,098	
Auditors Remuneration				
As Statutory Auditors	350,000		350,000	
As Tax Auditors	150,000	500,000	150,000	500,000
General Expenses	10,895,351		23,920,278	

Particulars	15 months ending As at 30.09.2012	12 months ending As at 30.06.2011
Security Expenses	1,468,434	1,484,781
Board Meeting Expenses	497,310	428,794
Exchange rate fluctuations	-	2,233,472
Travelling & Conveyance	22,015,506	32,900,483
Vehicle Maintenance	2,413,419	3,376,864
Sales Tax	61,412,897	84,283,451
Selling & Distribution Expenses	5,313,631	21,658,396
Bad Debts written off	837,063	178,006,326
Issue Expenses written off	-	10,230,941
Deferred Expenses written off	6,889,739	3,272,320
R & D Expenses	30,086,229	37,742,576
	242,621,846	548,365,475

NOTE- 3.26

- (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

NOTE- 3.27

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

Sl No.	Particulars	As at 30.09.2012	As at 30.06.2011
1	Counter guarantees given by the company to banks towards issue of B.Gs.	85,157,562	137,938,758
2	Counter guarantees given by the company to banks towards issue of B.Gs to Customs & Central Excise Dept.	7,096,982	4,200,000
3	Bonds executed to Customs & Central Excise Dept. (net of BGs)	82,300,000	82,300,000
4	Letter of credits issued by bankers	70,385,919	73,098,452
5	Corporate Guarantees given by the company to banks on behalf of subsidiaries & associates	65,000,000	127,000,000
6	Claims against the company, not acknowledged:	1,126,158,035	-

Sl No.	Particulars	As at 30.09.2012	As at 30.06.2011
TAX Matters in Appeals			
1	Excise Duty	11,194,382	32,417,443
2	Customs Duty	1,801,111	1,801,111
3	Service Tax	-	5,107,761
4	Sales Tax	5,302,831	5,302,831

NOTE- 3.28**Managerial Remuneration :**

Particulars	For 15 months ending As at 30.09.2012	For 12 months ending As at 30.06.2011
Managing Director		
Remuneration	4,500,000	3,000,000
Perquisite value of Rent	450,000	360,000
Director		
Remuneration	1,875,000	1,050,000
Total	6,825,000	4,410,000

NOTE- 3.29

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

NOTE- 3.30**Related party disclosures :**

In Accordance with the Accounting standard AS-18 " Related Party disclosures" 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	Subsidiary Companies
2	M/s.Maave Electronics Pvt Ltd	
3	M/s.MIC Green Energy Solutions Pvt Ltd	
4	M/s.MIC Candilux Pvt Ltd	
5	M/s.Hyperion Green Energy India Pvt Ltd	Associate Company
6	Dr.M.V.Ramana Rao, Managing Director	Directors- Key Management Personnel
7	Shri L.N.Malleswara Rao, Executive Director	
8	Shri Atluri Venkata Ram, Executive Director	

b) Aggregated Related party disclosures for the 15 months period from June'11 to September'12 :

i) Particulars of transactions during the year

SI No.	Nature of Transaction	As at 30.09.2012	As at 30.06.2011
1	Expenditure during the year:		
	• Remunerations to Management personnel	63,75,000	4,050,000
	• Rents paid towards accommodation provided to Management Personnel	450,000	360,000
	• Sitting Fee and other expenses reimbursed to Directors	459,731	428,794
2	Sales to Subsidiaries :		
	M/s.MIC Electronics Inc., USA	5,53,79,703	30,703,641
	M/s.Maave Electronics Pvt Ltd	7,401,701	2,929,400
3	Purchase from M/s.Maave Electronics Pvt Ltd (Subsidiary)		
	Raw Material	9,13,501	41,948,488
	Capital Equipment	-	2,048,908
4	Sales to Associates :		
	M/s. Hyperion Green Energy India Pvt Ltd	7,200	6,47,500

ii) Amounts due from/(due to) related parties at the year end

SI No.	Nature of Transaction	As at 30.09.2012	As at 30.06.2011
1	Advances to Subsidiaries :		
	M/s.MIC Green Energy Solutions Pvt Ltd	787,967	784,652
	M/s.Maave Electronics Pvt Ltd	15,798,017	15,798,017
	M/s.MIC Electronics Inc. USA	52,657,650	52,657,650
2	Advances to Associates :		
	M/s.Hyperion Green Energy India Pvt Ltd	412,321	412,321
3	Advances from Subsidiaries :		
	M/s.Maave Electronics Pvt Ltd	(6,121,906)	(10,450,000)
4	Advances from Associates (Towards Sales) :		
	M/s.Hyperion Green Energy India Pvt Ltd	(28,572,500)	(29,227,200)
5	Outstanding balances payable to Management Personnel		
	Unsecured Loan payable to Management personnel	3,554,929	20,556,271
	Remuneration payable to Management personnel	2,224,976	1,911,045

(Amount in Rs.)

NOTE- 3.31**Disclosure in respect of operating lease:**

- i) A general description of leasing arrangements:
Leasing arrangement for LED Display Systems
- ii) Total of Minimum lease payments:

Particulars	For 15 months ending As at 30.09.2012	For 12 months ending As at 30.06.2011
Due not later than one year	-	66,074,400
Due later than one year but not later than 5 years	-	170,692,200
Due later than 5 years	-	-
Total	-	236,766,600

- iii) Lease payment recognized in the statement of Profit & Loss Account for the year: Rs.55,258,646/- (Previous year- Rs.66,492,080/-)
- iv) lease amounts not recognised during the year : First Leasing Company of India Ltd transferred the lease rentals receivables from MIC Electronics Ltd to Reliance Capital Ltd. MIC Electronics Ltd received a notice from Reliance Capital Ltd on 20.01.2012 about the loan agreement termination for delay in payment of lease rentals. Subsequently First Leasing Company stopped billing lease rentals w.e.f 01.04.2012. Hence MIC Electronics Ltd stopped recognizing lease rentals in the books from 01.04.2012. The unrecognized lease rentals from Apr'12 to Sep'12 amount to Rs .31,464,000/-

NOTE- 3.32**Calculation of earnings per share :**

Particulars	For 15 months ending As at 30.09.2012	For 12 months ending As at 30.06.2011
Profit attributable to Share Holders	(631,320,315)	342,020,780
No. of Equity Shares Outstanding	102,498,275	102,498,275
Convertible Share Warrants	50,675,000	14,640,000
Weighted No. of Equity Shares	153,173,275	117,138,275
Nominal Value of Equity Share	2.00	2.00
Basic EPS	(6.16)	3.34
Diluted EPS	(4.12)	2.92

NOTE- 3.33

In accordance with the AS-22 'Accounting for taxes on Income issued by the Institute of Chartered Accountants of India , during the current year the company has accounted for the effect of deferred Tax against the income pertaining to current year and has accordingly provided for deferred tax asset of Rs.2,036,273/- on account of current year's deferred tax.

Particulars	15 months ending As at 30.09.2012	12 months ending As at 30.06.2011
Opening Balance Deferred tax asset	97,294,058	89,595,017
Add : Deferred tax asset	(2,036,273)	7,699,041
Closing Balance	95,257,785	97,294,058

NOTE- 3.34

- (i) The company has incurred one time expenditure of Rs.16,361,609/- during the Year 2009-10 towards leased assets which is being amortised over a period of 5 years. During the year an amount of Rs.4,090,400/- (Previous year Rs.3,272,320/-) has been amortised.
- (ii) The company has incurred one time expenditure of Rs.9,331,130/- during the Year 2010-11 towards DMRC project finance which is being amortised over a period of 5 years. During the period an amount of Rs.2,799,339/- (Previous year Rs.Nil) has been amortised.

NOTE- 3.35

Details of Prior Period items credited to Statement of Profit & Loss :

Sl No.	Particulars	As at 30.09.2012	As at 30.06.2011
1	Excess Provision of Income Tax written back	18,300,000	11,359,484
2	Income Tax for earlier years	(4,356,016)	-
	Total (a-b)	13,943,984	11,359,484

NOTE- 3.36

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" and relied upon by the Auditors. As per the records with the company, none of the enterprises have been identified as Micro, Small and Medium Enterprises.

NOTE- 3.37

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

Particulars	For 15 months ended 30th Sept'12		For 12 months ended 30th June'11	
	Value	%	Value	%
Imported	78,617,553	7.68%	151,679,346	7.25%
Indigenous (including purchases of traded goods)	945,048,500	92.32%	1,940,449,568	92.75%
Total	1,023,666,053	100.00%	2,092,128,914	100.00%

NOTE- 3.38**Foreign Currency / Exchange Transactions :**

Sl No.	Particulars	For 15 months ended As at 30.09.2012	For 12 months ended As at 30.06.2011
A)	Value of Imports on CIF Basis		
	Components	70,193,217	164,219,563
	Capital Equipment & Software	0	2,818,358
		70,193,217	167,037,921
B)	Expenditure		
	Travelling	734,391	2,058,733
	Others	661,616	2,023,169
		1,396,007	4,081,902
C)	Earnings in Foreign Exchange		
	FOB Value of Exports	65,694,645	41,109,103
	FOB Value of Plant & Machinery	-	-
		65,694,645	41,109,103

NOTE- 3.39

Rounding off :

Figures have been rounded off to nearest rupee.

NOTE- 3.40

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

per our report of even date

For PAVULURI & CO

Chartered Accountants

Firm Reg. No: 012194S

For and on behalf of the Board of Directors

Sd/-

Dr.M.V. Ramana Rao

Managing Director

Sd/-

L.N. Malleswara Rao

Executive Director

Sd/-

CA.P.A. Ramaiah

Partner

M.No : 203300

Sd/-

Ch. Vijay Kumar Naidu

Company Secretary

Place : Hyderabad.

Date : 29-11-2012

Particulars	For 15 months ending As at 30.09.2012	For 12 months ending As at 30.06.2011
Net Profit before tax and extraordinary items	43,359,485	403,352,406
Adjustments for:		
Depreciation	76,390,752	61,654,343
Financial Charges	254,448,532	163,262,402
Interest received /Other Income	4,022,708	2,770,560
Profit on sale of investments		(15,904,238)
Operating Profit before Working Capital Changes	378,221,477	615,135,473
(Increase)/Decrease in Trade Receivables	(30,319,180)	201,040,761
(Increase)/Decrease in Inventories	224,414,168	(899,979,464)
(increase)/Decrease in Long Term Loans & Advances	(24,826,811)	279,152,650
(increase)/Decrease in Short Term Loans & Advances	(85,649,779)	(4,278,607)
(increase)/Decrease in Other Current Assets	45,795,600	(55,993,630)
(increase)/Decrease in Other Non Current Assets	6,889,739	1,866,226
Increase/(Decrease) in Long Term Provisions	(3,164,762)	(5,108,551)
Increase/(Decrease) in Short Term Provisions	(17,943,984)	25,119,837
Increase/(Decrease) in Trade Payables	215,326,828	(10,546,470)
Increase/(Decrease) in Other Current Liabilities	(4,587,935)	37,623,637
Increase/(Decrease) in Deferred Tax Asset	(2,036,273)	(7,699,041)
Cash generated from Operations	323,897,611	(438,802,652)
Financial Charges paid	(254,448,532)	(163,262,402)
Extraordinary items	(690,660,057)	0
Direct Taxes paid	15,980,257	(69,030,667)
Net Cash provided/(Used) from operating activities	(227,009,244)	(55,960,248)
(Increase) / Decrease of Current Investments	0	162,908,346
(Increase) / Decrease of Non Current Investments	0	(34,161,325)
(Increase) / Decrease of Fixed Assets	24,764,543	(619,932,656)
(Increase) / Decrease of Capital Work-in-Progress	(18,217,860)	23,070,772
Interest Received/Other Income	(4,022,708)	(2,770,560)
Net Cash used in Investing Activities	2,523,975	(470,885,423)

Particulars	For 15 months ending As at 30.09.2012	For 12 months ending As at 30.06.2011
Proceeds from long term borrowings	133,659,166	417,326,227
Increase/(Decrease) in Short Term borrowings	31,702,097	115,690,453
Increase/(Decrease) in Share Capital	0	0
Increase/(Decrease) in forfeiture of Share warrants	164,304,000	0
Increase/(Decrease) in Share Warrants Application Money	(118,777,660)	0
Net Cash provided/(Used) from financing activities	210,887,603	533,016,680
Net Increase in Cash and Cash equivalents	(13,597,666)	6,171,009
Cash and Cash equivalents as at the commencement of the year	47,629,069	41,458,060
Cash and Cash equivalents as at the close of the year	34,031,403	47,629,069

per our report of even date

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

For and on behalf of the Board of Directors

Sd/-
Dr.M.V. Ramana Rao
Managing Director

Sd/-
L.N. Malleswara Rao
Executive Director

Sd/-
CA.P.A. Ramaiah
Partner
M.No : 203300

Sd/-
Ch. Vijay Kumar Naidu
Company Secretary

Place : Hyderabad.

Date : 29-11-2012

Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Company's Interest in Subsidiary Companies

SL No.	Particulars	Name of the Subsidiary Company			
		Maave Electronics Private Limited	MIC Electronics Inc., USA	MIC Green Energy Solutions Private Limited	MIC Candilux Private Limited
1	The financial year of the Subsidiary Company ended on	30.09.2012	30.09.2012	31.03.2012	31.03.2012
2	(a) Number of shares held by MIC Electronics Limited; with its nominees in the subsidiaries at the end of the financial year of the subsidiary companies	10,46,671 equity Shares of Rs.10/- each fully paid up	10,00,000 ordinary shares of \$ 0.10 each fully paid up	10,000 equity shares of Rs.10/- each fully paid up	10,000 equity Shares of Rs.10/- each fully paid up
3	(b) Extent of interest of holding company at the end of the financial year of the subsidiary companies	100%	100%	100%	100%
	The net aggregate amount of the subsidiary companies Profit/Loss so far as it concerns the members of the holding company:				
	(a) Not dealt in the holding companies accounts	-	-	-	-
	i) For the financial year 30th Sept., 2012				
	ii) For the previous financial years of the subsidiary company's since they became the holding company subsidiaries				
	(b) Dealt in the holding companies accounts				
	i) For the financial year 30th Sept. 2012 (net)	Rs. 853017/-	Rs. 49,91,162/-	-	-
	ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiaries.	Rs. 3900887/-	Rs. 19988207/-(loss)	-	-

Statement Pursuant To Exemption Received Under 212(8) Of The Companies Act, 1956, Relating To Subsidiary Companies

Sr. No.	Name of Subsidiary	Reporting Currency	Exchange Rate	Issued & Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed Dividend	Country
			Average	Closing										
1	MIC Electronics Inc. USA	USD	48.764	52.848	3,160,755	82,387,747	74,687,542	54,327,744	54,618,346	4,991,162	0	4,991,162	0	USA
2	Maave Elec. Pvt Ltd, India	INR	1.00	1.00	4,753,904	91,456,551	76,235,937	0	44,340,096	1,206,994	353,977	853,017	0	INDIA
3	MIC Green Energy Solutions Pvt Ltd., India	INR	1.00	1.00	0	915,739	815,739	0	0	0	0	0	0	INDIA
4	MIC Candilux Pvt Ltd., India	INR	1.00	1.00	0	107,500	7,500	0	0	0	0	0	0	INDIA

(Amount in Rs.)

To

The Shareholders of

M/s MIC Electronics Limited

We have audited the Consolidated Balance Sheet of MIC Electronics Limited as at September 30, 2012 and also the related Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the period ended on that date, annexed thereto. These consolidated financial statements are the responsibility of entity's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

We report that the consolidated financial statements have been prepared by the management of MIC Electronics Limited in accordance with the requirement of Accounting Standard (AS) - 21 issued by the Institute of Chartered Accountants of India.

We did not audit the financial statements of the subsidiary companies M/s. Maave Electronics Pvt Ltd for Eighteen months ended 30th September 2012, M/s.MIC Green Energy Solutions Pvt Ltd for year ended 31st March 2012 and

M/s.MIC Candilux Pvt Ltd for year ended 31st March 2012. These financial statements and financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

We have also relied on the unaudited financial statements of subsidiary M/s.MIC Electronics Inc., USA for Eighteen months ended 30th September 2012. These unaudited financial statements approved by the respective Board of Directors of these companies have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of this subsidiary company is based solely on such approved unaudited financial statements.

In our opinion and according to the best of our information and explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Consolidated Balance Sheet, of the state of affairs of MIC Electronics Limited, as at September 30, 2012
- b. In the case of the Consolidated Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c. In the case of Consolidated Cash Flow Statement, cash flows during the year ended on that date.

**for PAVULURI & CO.,
Chartered Accountants**

**(CA.PA RAMAIAH)
PARTNER
M.No. : 203300**

Place : Hyderabad
Dated : 29-11-2012

07 Balance Sheet As At 30th September'2012

(Amount in Rs.)

Particulars	Note.	As at 30.09.2012	As at 30.06.2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds:			
Share capital	3.01	204,996,550	204,996,550
Reserves and surplus	3.02	3,384,731,402	3,845,903,538
Money received against share warrants		46,638,340	165,416,000
		3,636,366,292	4,216,316,088
(2) Non-current liabilities			
Long-term borrowings	3.03	364,493,984	230,342,506
Long-term provisions	3.04	19,363,193	22,527,955
			252,870,461
(3) Current liabilities			
Short-term borrowings	3.05	917,619,978	885,938,996
Trade payables	3.06	533,558,519	322,832,383
Other current liabilities	3.07	449,997,296	452,032,590
Short-term provisions	3.08	81,335,717	99,342,783
TOTAL		6,002,734,979	6,229,333,301
II. ASSETS			
(1) Non-current assets			
Fixed assets	3.09		
(i) Tangible assets		1,462,568,908	1,563,609,905
(ii) Intangible assets		3,573,893	5,280,683
(iii) Capital Work in Progress		401,342,457	383,124,597
(iv) Intangible assets under development		89,840,672	89,840,672
Goodwill on consolidation and acquisitions		2,359,949	2,359,948
Deferred Tax asset (Net)	3.10	98,737,450	96,786,584
Non current Investments	3.11	74,019,288	65,622,471
Long-term loans and advances	3.12	406,488,100	381,624,549
Other Non-current assets	3.13	14,342,925	21,035,654
		2,553,273,642	2,609,285,063

Particulars	Note.	As at 30.09.2012		As at 30.06.2011	
(2) Current assets					
Inventories	3.14	1,639,722,843		1,848,587,779	
Trade receivables	3.15	1,046,358,733		1,038,798,764	
Cash and cash equivalents	3.16	34,945,704		51,868,968	
Short-term loans and advances	3.17	707,441,111		613,996,481	
Other current assets	3.18	20,992,946	3,449,461,337	66,796,246	3,620,048,238
TOTAL			6,002,734,979		6,229,333,301
Notes forming part of financial statements	1-3.38				

per our report of even date

For PAVULURI & CO

Chartered Accountants

Firm Reg. No: 012194S

For and on behalf of the Board of Directors

Sd/-

Dr.M.V. Ramana Rao

Managing Director

Sd/-

L.N. Malleswara Rao

Executive Director

Sd/-

CA.P.A. Ramaiah

Partner

M.No : 203300

Sd/-

Ch. Vijay Kumar Naidu

Company Secretary

Place : Hyderabad.

Date : 29-11-2012

Particulars	Note.	15 months ending 30.09.2012	12 months ending 30.06.2011
INCOME :			
Revenue from operations	3.19	1,354,041,391	2,158,366,813
Other income	3.20	79,856,804	175,483,661
I Total Revenue		1,433,898,195	2,333,850,474
II EXPENDITURE :			
Cost of material consumed	3.21	325,127,131	994,505,007
Purchase of traded goods		714,493,455	1,102,443,803
(Increase)/ Decrease in Inventories	3.22	(368,739,023)	(1,075,428,682)
Employee benefits expense	3.23	121,834,229	119,254,849
Finance costs	3.24	266,438,543	170,478,035
Depreciation and amortizaion expense	3.09	78,776,079	63,446,117
Other expenses	3.25	255,450,945	558,085,656
Total expenses		1,393,381,359	1,932,784,785
III Profit before extra-ordinary items and tax (I - II)		40,516,836	401,065,689
IV Extraordinary Items-Obsolete Stock Written off		690,660,057	-
V Profit before tax (III-IV)		(650,143,221)	401,065,689
VI Tax expenses:			
Current tax		268,570	80,721,803
Taxes of earlier years written back		13,943,984	11,352,312
Deffered tax Asset		1,950,866 (15,626,280)	7,517,091 61,852,400
VII Profit/(Loss) for the period (V - VI)		(634,516,941)	339,213,289

(Amount in Rs.)

Particulars	Note.	15 months ending 30.09.2012	12 months ending 30.06.2011
VIII Earnings per equity share of par value Rs 10/- each			
Basic		-6.19	3.31
Diluted		-4.14	2.90
IX No.of shares used in computing earnings per share			
Basic		102,498,275	102,498,275
Diluted		153,173,275	117,138,275
Notes forming part of financial statements	1-3.38		

per our report of even date
For PAVULURI & CO
Chartered Accountants
Firm Reg. No: 012194S

For and on behalf of the Board of Directors
Sd/- Sd/-
Dr.M.V. Ramana Rao **L.N. Malleswara Rao**
Managing Director Executive Director

Sd/-
CA.P.A. Ramaiah
Partner
M.No : 203300

Sd/-
Ch. Vijay Kumar Naidu
Company Secretary

Place : Hyderabad.

Date : 29-11-2012

1 Basis of Consolidation :

The Consolidated financial statements relate to the Company and its subsidiary Companies. The Consolidated financial statements have in accordance with the Accounting Standard – 21 ('AS-21') "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions.
- b. In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is disclosed as "Effect of Currency Translation on Conversion".
- c. Difference between the cost of investment in the subsidiaries, over the 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.
- d. Minority Interest's share of net profit of consolidated 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 shareholders of the Company.
- e. As far as possible, the consolidated financial statements are prepared using the 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.

The subsidiaries considered in the financial statements are :

Company Name	Proportionate Ownership Interest	
	As at 30-09-12	As at 30-06-11
MIC Electronics Inc.	100%	100%
Maave Electronics Pvt. Ltd	100%	100%
MIC Green Energy Solutions Pvt. Ltd.	100%	100%
MIC Candilux Pvt Ltd	100%	100%

The financial statements of the subsidiaries, considered in the consolidated accounts, are drawn upto 30th September, 2012 other than for M/s.MIC Green Energy Solutions Pvt. Ltd. and M/s.MIC Candilux Pvt Ltd where the last audited financial statement is as on 31st March, 2012.

2 Significant accounting policies

2.1 Disclosure of Accounting Policies:

Financial statements have been prepared under the historical costs convention and in accordance with applicable accounting standards and provisions of the Companies Act, 1956. All income and expenditure having a material bearing in the financial statements are prepared on accrual basis.

2.2 Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.3 Valuation of Inventories:

- a) Raw Materials and Work in Progress are valued at cost.
- b) Finished goods are valued at cost or net realisable value whichever is less.
- c) CENVAT & VAT on purchase of rawmaterial /components are deducted from cost of such materials."

2.4 Cash Flow Statements:

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the companies are segregated based on the available information.

2.5 Accounting for Fixed Assets

Fixed assets are capitalized at acquisition cost and other directly attributable cost of bringing the assets to its working condition. Cenvat & VAT claimed on capital goods are credited to plant & machinery account. Development / preoperative expenditure incurred , if any, in connection with new line of production will be capitalized to the respective project Assets.

2.6 Depreciation Accounting:

Fixed assets are valued at cost less depreciation provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. In respect of additions made during the year, depreciation is provided on pro rata basis.

2.7 Research & Development (R & D):

Revenue expenditure (including depreciation) 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.

2.8 Revenue Recognition

Sales & Services are inclusive of taxes and duties collected.

Revenue from fixed price contracts are recognized as per the terms of the contract.

Revenue from other income is based on accrual basis.

2.9 Accounting for effects in foreign exchange rates :

- a) All monetary items denominated in foreign currency are reflected at the rates prevailing on the Balance sheet date.
- b) Income and Expenditure items involving foreign exchange are translated at the exchange rate prevailing on the dates of transaction.
- c) Exchange differences, if any, arising on account of fluctuations in foreign exchange have been duly reflected in the Profit & Loss Account except in respect of acquisition of fixed assets.

2.10 Accounting for Investments :

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

2.11 Accounting for Retirement Benefits :

- a) The Company has a provident fund scheme for their employees. Contributions to the scheme are charged to the profit and loss account.

- b) Provision for gratuity has been made for all the employees in the rolls of the company at the closing of accounting year. The company is making actual gratuity payments as and when crystallized by debiting to the gratuity fund account.
- c) The Company extends benefit of Encashment of Leave to its employees while in service as well as on retirement. Leave encashment liability in respect of leave accumulated is accounted for on the basis of last drawn salary.

2.12 Borrowing Cost :

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized till the date of the assets put to use. All other borrowing costs are charged to revenue.

2.13 Related party Disclosure :

The company has entered into transactions with related parties and the said information is shown separately as per AS - 18.

2.14 Operating Leases :

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Where the Company is the lessee : Operating lease payments are recognised as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor : Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of profit and loss. Costs, including depreciation are recognised as an expense in the Statement of profit and loss.

2.15 Earnings Per Share :

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.16 Deferred Taxation :

Current Tax is determined as per the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets/liabilities, on timing differences, being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

2.17 Accounting for investments in associates :

Investment in associates is valued at cost of investment.

2.18 Contingencies and events occurring after the balance sheet date :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTE - 3.01**Share Capital**

	As at 30.09.2012		As at 30.06.2011	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
I. Authorised:				
Equity shares of Rs 2 each with voting rights	150,000,000	300,000,000	150,000,000	300,000,000
II. Issued, Subscribed and Paid up:				
Equity shares of Rs 2 each with voting rights	102,498,275	204,996,550	102,498,275	204,996,550
	102,498,275	204,996,550	102,498,275	204,996,550

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 Board of Directors 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 30th September, 2012		As at 30th June, 2011	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Equity shares with voting rights:-				
Opening Balance	102,498,275	204,996,550	102,498,275	204,996,550
Fresh Issue	-	-	-	-
Closing Balance	102,498,275	204,996,550	102,498,275	204,996,550

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

Sr No	Class of shares / Name of shareholder	As at 30th September, 2012		As at 30th June, 2011	
		Number of shares held	% holding	Number of shares held	% holding
	Equity shares with voting rights				
1	Venkata Ramana Rao Maganti	5,669,902	5.53%	14,262,955	13.92%
2	Prabhakar Rao Mandava	7,704,398	7.52%	5,064,267	4.94%

(Amount in Rs.)

Particulars	As at 30.09.2012	As at 30.06.2011
NOTE - 3.02		
Reserves and Surplus		
Share Premium Account		
As at Commencement of the Year	1,030,555,610	1,051,275,667
Less : Adjustment on account of disposal of subsidiary	-	2,127,417
Translation adjustment	-	18,592,640
	1,030,555,610	1,030,555,610
Profit and Loss Account		
As at Commencement of the Year	2,403,803,883	2,140,241,948
Less : Effect of currency translation on consolidation	(9,040,805)	575,491
Less : Adjustment on account of disposal of subsidiary	-	75,075,863
Add : Transferred from Profit & Loss Account	(634,516,941)	339,213,289
	1,778,327,747	2,403,803,883
Share warrants forfeited		
As at Commencement of the Year	213,277,045	213,277,045
Add : Additions during the year	164,304,000	-
	377,581,045	213,277,045
Capital Reserve		
As at Commencement of the Year	267,000	267,000
Add : Additions during the year	-	-
	267,000	267,000
Amalgamation Reserve		
As at Commencement of the Year	18,000,000	18,000,000
Add : Additions during the year	-	-
	18,000,000	18,000,000
General Reserve		
As at Commencement of the Year	180,000,000	180,000,000
Add : Additions during the year	-	-
	180,000,000	180,000,000
	3,384,731,402	3,845,903,538

NOTE - 3.03**Long Term Borrowings**

	(Amount in Rs.)			
	Current Portion (*)	Non-Current Portion	Current Portion (*)	Non-Current Portion
Secured Loans				
Long Term Loans - From Banks				
Industrial Development Bank of India	-	-	49,934,930	-
UCO Bank	15,733,098	64,984,075	94,607,310	-
Long Term Loans - Others				
Technology Development Board	-	95,000,000	-	50,000,000
L&T Finance Ltd	70,000,000	40,000,000	40,000,000	90,000,000
Srei Equipment Finance P Ltd	48,144,283	164,017,597	9,657,494	90,342,506
Loans Under hire purchase against vehicles	145,967	492,312	2,122,896	-
	134,023,348	364,493,984	196,322,630	230,342,506

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

a) 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. [The first charge will be with SBI]. UCO Bank is further secured by personal guarantee of the Managing Director of the company. Term Loan is repayable in 20 quarterly instalments of Rs.40.62 Lakhs each at variable interest rate of 15.75% commencing from December 2012.

b) Term Loan taken from Technology Development Board of Rs.950 Lakhs (Sanction Limit of Rs.1500 Lakhs) is secured as follows:

(i) First charge on entire fixed assets, present and future, of the company by way of hypothecation and mortgage in favour of TDB ranking pari passu with other charge- holders (Banks/FIs). (ii) Personal guarantees of Managing Director & Executive Director of the Company. (iii) Pledge of 50 Lakh shares held by promoter. Term loan is repayable in 9 half yearly instalments at fixed interest rate of 5% p.a. - First instalment of Rs.160.00 lakhs & remaining 8 instalments @ Rs.167.50 lakhs each commencing from 01.01.2013.

c) Term Loan taken from L&T Finance Limited is secured as follows:

(i) Hypothecation of charge over 19 LED Display Boards, (ii) Personal Guarantee of Managing Director of the Company. Loan is repayable in 16 quarterly instalments at variable interest rate of 12.25% p.a. 1st instalment being Rs.5 crores and balance 15 instalments are @Rs.1 crore each commencing from October 2010.

d) Term Loan taken from Srel Equipment Finance Pvt Ltd is secured as follows:

(i) Hypothecation of equipments, fixtures etc. valued Rs.28.20 crore (ii) Mortgage of Land & building situated at 192/B, Phase II, IDA Cherlapalli belonging to company. (iii) Personal Guarantee of the Managing Director of the company. (iv) Term Loan - I of Rs.1000.00 lakhs is repayable in 18 quarterly EMIs of Rs.78.29 lakhs each (including interest) at a variable interest rate of 15.50% commencing from 15.01.2012 (v) Term Loan - II of Rs.1400.00 lakhs is repayable in 18 quarterly EMIs of Rs.109.60 lakhs each (including interest) at a variable interest rate of 15.50% commencing from 15.02.2012

e) Loans taken against purchase of vehicles are secured by hypothecation of the respective vehicles.

(Amount in Rs.)

Particulars	As at 30.09.2012	As at 30.06.2011
NOTE- 3.04		
Long Term Provisions		
Provision for employee benefits		
- Provision for gratuity	14,882,936	16,154,335
- Provision for leave encashment	4,480,257	6,373,620
	19,363,193	22,527,955
NOTE - 3.05		
Short Term Borrowings		
(A) Secured Loans		
Working capital loans - From Banks		
State Bank of India-Cash Credit	505,762,822	449,395,421
State Bank of India -Buyers Credit	13,468,290	-
Standard Chartered Bank	54,209,852	71,565,557
Andhra Bank, Kapra, Sainikpuri	46,064,795	50,970,769
Loan against bill discounting (AB)	8,173,836	3,288,977
	627,679,595	575,220,724
(B) UnSecured Loans		
(i) Loans from Directors	3,554,929	20,556,271
(ii) Intercompany Deposits		
Malaxmi Infra Ventures (India) Pvt Ltd	180,385,454	182,662,001
Maitreya Electricals Pvt Ltd	-	1,500,000
Sriba Seabase Pvt Ltd	6,000,000	6,000,000
Arkay Energy (Rameswaram) Limited	100,000,000	100,000,000
	289,940,383	310,718,272
Total Shortterm Borrowings (A+B)	917,619,978	885,938,996

i) State Bank of India working capital limits including buyers credit are secured by :

- Primary Security: First Charge (hyp) on all current assets of the company.
- Collateral Security: (i) Pari-passu charge on entire fixed assets with TDB excluding fixed assets funded by UCO Bank and vehicle HP loans. (ii) Second charge on EM of industrial plot situated at phase II, IDA, Cherlapally village, Kapra Municipality, Ghatkesar Mandal, RR District & Second charge on fixed assets created out of term loan from UCO Bank.
- SBI is further secured by personal guarantees of Managing Director & Executive Director of the company.

II) Standard Chartered Bank working capital limits are secured by :

(i) First pari-passu charge on current assets of lighting business (ii) second pari-passu charge on fixed assets of company (iii) second pari-passu charge on current assets of company's display division (iv) Personal Guarantee of the Managing Director (v) EM of agricultural land of Ac.5.00 held in the name of the Managing Director of the company. Loan is repayable by September 2013.

iii) Andhra Bank working capital (non fund based) limits of Rs.4.66 Crores are secured by :

(i) Exclusive charge on current assets of LED Lighting Division of the company (ii) 1st charge on fixed assets (excluding assets financed by UCO Bank & Srei Equipment Finance Pvt Ltd) of the company ranking pari-passu with SBI (iii) 2nd charge on fixed assets of proposed LED Lighting Division project ranking pari-passu with SBI (iv) Personal guarantees of Managing Director and Executive Director of the company.

iv) Andhra Bank working capital limits relating to M/S Maave Electronics Pvt Ltd are secured by :

i) Primary Security :1st hypothecation of stock (Raw Material, Semi finished goods and Finished Goods) and Book Debts. ii) Collateral Security : (a) EMD of Ac 14.62 dry land situated at Kanchikacherla, Krishna Dt, AP (b) Personal Guarantee of Managing Director of MIC Electronics Ltd (c) Corporate Guarantee of MIC Electronics Limited for Rs. 410.97 crores

(Amount in Rs.)

Particulars	As at 30.09.2012	As at 30.06.2011
NOTE - 3.06		
Trade Payables		
Payables for materials	395,904,445	254,658,061
Payables for services	137,654,074	68,174,322
	533,558,519	322,832,383
	<u>533,558,519</u>	<u>322,832,383</u>
NOTE - 3.07		
Other Current Liabilities		
(i) Interest accrued and due on borrowings		
Interest accrued and due on long term borrowings	6,400,318	-
Interest accrued and due on short term borrowings	18,958,050	9,326,021
(ii) Interest accrued but not due on borrowings		
Interest accrued but not due on long term borrowings	11,765,168	5,867,332
(iii) Other payables		
Current maturities of long term borrowings (Refer Note No : 3.03)	134,023,348	196,322,630
Statutory remittances	38,509,881	39,703,766
Payables on purchase of fixed assets	9,895,863	13,639,421

Particulars	As at 30.09.2012	As at 30.06.2011
Payables for expenses	40,060,516	55,000,880
Salaries Payable	64,339,548	21,290,624
Directors remuneration Payable	2,527,541	2,043,245
Audit Fees Payable	2,380,420	1,824,800
Share Warrants Application Money refundable	81,385,331	63,173,331
Advances from related parties	28,572,500	29,227,200
Advance from customers & Others	11,178,812	14,613,340
	449,997,296	452,032,590
NOTE - 3.08		
Short Term Provisions :		
Provision for Income Tax	81,335,717	99,342,783
	81,335,717	99,342,783

NOTE- 3.09

Fixed Assets

(Amount in Rs.)

Name of the Asset	Rate	Gross Block			Accumulated Depreciation			Net Block		
		Balance as at 1st July 2011	Additions	Deletions	Balance as at 30th Sep 2012	Balance as at 1st July 2011	Depreciation charge for the year	On Deletions	Balance as at 30th Sep 2012	Balance as at 30th June 2011
A Tangible Assets	Land & Land Development	43,493,721		24,258,602	19,235,119	0	0		19,235,119	43,493,721
	Buildings	130,989,924			130,989,924	13,294,318	5,522,896		18,817,214	117,695,606
	Plant & Machinery	318,266,715	57,227		318,323,942	82,082,476	22,405,312		104,487,788	236,184,238
	Plant and Machinery	653,843,887	0		653,843,887	33,814,320	36,970,494		72,784,814	620,029,567
	Furniture and Fixtures	19,103,086	95,432		19,198,518	6,846,583	1,397,753		8,244,336	12,256,503
	Office equipment	3,015,617	17,966		3,033,603	892,043	174,637		1,066,680	2,123,574
	Electrical Installations	13,129,674	16,157		13,145,831	3,344,505	1,039,408		4,383,913	9,785,169
	D.G.Set	1,228,230	0		1,228,230	217,675	97,556		315,231	1,010,555
	Transformer	1,109,125	0		1,109,125	193,312	88,096		281,408	915,813
	Furniture and Fixtures-Others	1,201,571	0		1,201,571	935,978	56,993		992,971	265,593
	Vehicles	25,952,553	1,198,444	1,985,046	25,165,951	9,368,140	3,017,397	843,998	11,541,539	16,584,413
	Computers	37,728,970	30,790		37,759,760	27,065,173	4,286,842		31,352,015	10,663,797
	Display Equipment (not put to use)		0		485,351,356	0	0		0	485,351,356
Goodwill		7,250,000			7,250,000	0	0		7,250,000	
SUB TOTAL (A)		1,741,664,429	1,416,036	26,243,648	1,716,836,817	178,054,523	77,057,384	843,998	254,267,909	1,563,609,905
B Intangible assets	Computer Software	12,645,372	11,905		12,657,277	7,364,689	1,718,695	0	9,083,384	5,280,683
	SUB TOTAL (B)		11,905	0	12,657,277	7,364,689	1,718,695	0	9,083,384	5,280,683
Total [A + B] (Current Year)		1,754,309,801	1,427,941	26,243,648	1,729,494,094	185,419,212	78,776,079	843,998	263,351,293	1,568,890,588
(Previous Year)		1,132,906,473	621,401,328	0	1,754,309,801	124,302,607	61,116,404	0	185,419,212	1,067,555,402

Particulars	As at 30.09.2012	As at 30.06.2011
NOTE - 3.10		
Deferred Tax Asset		
On Depreciation (Difference as per Books & as Per Income Tax Act)	(80,894,351)	(67,650,429)
On Accrued compensation to employees	7,609,207	7,726,269
On IT Disallowances	21,747,911	1,661,373
On Others	150,274,683	155,049,371
	98,737,450	96,786,584
NOTE - 3.11		
Non Current Investments		
UNQUOTED		
in other corporate bodies :		
Hyperion Green Energy India Pvt Ltd (40,922 equity shares of Rs.100/- each with premium of Rs.252/- each 7,300 equity shares of Rs.100/- each purchased at Rs.532/- each 2,700 equity shares of Rs.100/- each purchased at Rs.519/- each)	19,691,544	19,691,544
Other Investments by MIC Electronics Inc, USA	54,327,744	45,930,927
	74,019,288	65,622,471
NOTE- 3.12		
Long-Term Loans and advances		
Unsecured, Considered Good :		
Capital advances	149,125,277	138,080,048
Deposit-Delhi Metro Rail Corpn	55,150,887	55,150,887
Retention Money-BSNL	112,418,655	107,524,778
Share Application money pending allotment in other companies	15,445,456	18,945,456
Other Secured Deposits	73,690,910	61,665,076
Other Loans and advances	656,915	258,304
	406,488,100	381,624,549
NOTE- 3.13		
Other Non Current Assets		
Deferred Revenue Expenditure to the extent not written off	9,028,667	15,918,406
Pre-operative expenses -Lighting expansion (IREDA) Project	4,348,576	4,348,576
Pre-operative expenses - MIC Green Energy Solutions Pvt Ltd	497,692	325,386
Preliminary Expenses to the extent not written off	467,990	443,286
	14,342,925	21,035,654

(Amount in Rs.)

Particulars	As at 30.09.2012	As at 30.06.2011
NOTE- 3.14		
Inventories		
Raw Material	190,739,633	236,148,800
Work-in-Progress	1,701,744,247	1,234,699,849
Less : Obsolete Stock written off	<u>532,086,587</u>	
Finished Goods	276,734,883	375,040,258
Stores and Spares	2,590,667	2,698,872
	1,639,722,843	1,848,587,779

NOTE- 3.15**Trade Receivables****Unsecured Considered Good**

Debtors outstanding for a period exceeding six months

836,916,789

628,078,966

Other Debtors

209,441,944

410,719,798

1,046,358,733**1,038,798,764**

Trade receivables include Rs.460,941,756/- which are long overdue and the recovery of which is doubtful. However, the management is of the opinion that no provision is necessary during the year as they are persuing with debtors and the amounts may be recovered.

NOTE- 3.16**Cash & Cash equivalents**

Cash in Hand

9,092,191

5,431,884

Balance with Banks :

In Current Accounts

2,378,256

9,875,089

In Margin Money Accounts

23,475,25736,561,995

25,853,513

46,437,084

34,945,704**51,868,968****NOTE- 3.17****Short-term Loans & Advances****Unsecured Advances - Considered good**

Loans and advances to employees

26,037,519

15,022,948

Prepaid Expenses

3,275,099

3,327,297

Balances with Govt Authorities

Cenvat Deposit

14,294,563

7,005,377

Deferred Cenvat Credit

89,610

89,610

Cenvat credit receivable

1,582,376

1,582,376

Service tax receivable

1,025,922

684,976

Others

Advance for Materials

25,733,292

19,681,338

Advance for Services

2,849,412

6,210,266

Particulars	As at 30.09.2012	As at 30.06.2011
Other advances	616,071,741	544,413,490
TDS receivable	12,837,549	7,440,898
Entry Tax & Octroi Deposit	605,940	5,499,817
VAT deposit refundable	2,279,032	2,279,032
Claims Receivable- VAT	759,056	759,056
	707,441,111	613,996,481

NOTE- 3.18**Other Current Assets**

Amounts receivable against sale of investments	15,854,400	61,650,000
Deferred Revenue Expenditure to the extent not written off	5,138,546	5,138,546
Preliminary Expenses to the extent not written off	-	7,700
	20,992,946	66,796,246

Particulars	15 months ending 30.09.2012	12 months ending 30.06.2011
NOTE- 3.19		
Revenue from Operations		
Exports	10,314,942	53,571,587
Deemed Export	1,330,450	4,775,209
Domestic	653,064,347	975,741,763
Freight & Insurance recd. on Sales	145,332	222,086
	664,855,071	1,034,310,645
Less : Excise Duty	29,781,106	635,073,965
Traded Goods	718,967,426	35,027,638
	1,354,041,391	999,283,007
		1,159,083,806
		2,158,366,813

NOTE- 3.20**Other Incomes****(A) Other Operating Incomes**

Equipment Lease Rentals	19,287,940	124,446,926
AMC Charges & Service Charges	9,566,743	9,393,591
Installation Charges	5,236,977	3,247,848
Job Work Receipts	-	2,727,802
	34,091,660	139,816,167
	34,091,660	139,816,167

(B) Other Incomes

Interest Received	4,092,646	2,857,014
Credit Balances written back	6,361,022	4,133,846
Profit on Sale of Investment	-	27,784,920

Particulars	15 months ending 30.09.2012	12 months ending 30.06.2011
Profit on Sale of Asset	151,826	28,416
Rents received	1,305,208	79,584
Excess Provisions Written back	2,270,020	-
Foreign exchange gain	31,095,212	-
Miscellaneous Income	489,210	783,714
	45,765,144	35,667,494
Total Other Income (A+B)	79,856,804	175,483,661

NOTE- 3.21**Cost of Materials Consumed****A) Raw Material Consumed**

Opening Stock	236,148,800	408,791,788
Purchase	435,282,490	1,249,629,289
Less : Outdated stock written off	158,573,470	-
Less : Material consumed for R&D	1,121,290	5,159,366
Less : Capitalised during the year	-	429,879,237
	275,587,730	814,590,686
	511,736,530	1,223,382,474
Less : Closing Stock	190,739,633	236,148,800
Raw Material Consumed	320,996,897	987,233,674

B) Packing Materials and consumables

Opening Stock	2,698,872	1,927,188
Purchase of packing material & consumables	3,866,636	7,876,656
Freight & Carriage Inwards	155,393	166,361
	6,720,901	9,970,205
Less : Closing Stock	2,590,667	2,698,872
Consumption	4,130,234	7,271,333
Total Cost of material consumed (A+B)	325,127,131	994,505,007

NOTE- 3.22**Changes in Inventory****Closing Stock of :**

Work-in-Progress	1,701,744,247	1,234,699,849
Finished Goods	276,734,883	375,040,258
	1,978,479,130	1,609,740,107

Opening Stock of :

Work-in-Progress	1,234,699,849	529,744,817
Finished Goods	375,040,258	4,566,608
	1,609,740,107	534,311,425

Increase/(Decrease) in Stock (A-B)	368,739,023	1,075,428,682
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Particulars	15 months ending 30.09.2012	12 months ending 30.06.2011
NOTE- 3.23		
Employee Benefit expense		
Salary, Wages, Allowances & other Benefits	105,971,073	104,142,571
Directors Remuneration	9,075,000	4,050,000
Gratuity	1,420,162	4,482,120
Leave Salary	-	881,921
P. F. & ESI Contribution	3,817,564	3,400,059
Staff Welfare Expenses	1,550,430	2,298,178
	121,834,229	119,254,849
NOTE- 3.24		
Financial Cost		
Bank Charges	16,840,042	18,119,424
Interest on :		
Term Loan	83,861,607	51,454,582
Working Capital Loans	111,237,567	71,267,961
Others - Interest on other loans/ICDs & Financial Charges	<u>54,499,327</u>	<u>29,636,068</u>
	249,598,501	152,358,611
	266,438,543	170,478,035
NOTE- 3.25		
Other Expenses		
Job-work Charges	7,818,930	16,979,008
Power and Fuel	5,089,845	5,240,763
Insurance	2,570,111	1,350,891
Repairs & Maintenance	883,666	1,669,477
Printing & Stationary	1,026,257	2,215,507
Postage, Telegrams & Telephones	3,408,288	4,274,658
Rent	3,362,031	6,536,035
Rates & Taxes	10,831,056	28,268,186
Lease rental Expenses	55,307,187	68,256,400
Professional Charges	14,266,017	15,776,098
Auditors Remuneration	-	-
As Statutory Auditors	603,820	599,261
As Tax Auditors	<u>157,500</u>	<u>157,500</u>
General Expenses	11,265,069	13,197,423
Security Expenses	1,468,434	1,484,781
Board Meeting Expenses	497,310	428,794
Exchange rate fluctuations	117,821	2,233,472
Travelling & Conveyance	23,995,157	35,713,116
Vehicle Maintenance	2,644,379	3,507,784

Particulars	15 months ending 30.09.2012	12 months ending 30.06.2011
Sales Tax	63,814,511	86,886,131
Selling & Distribution Expenses	8,176,546	22,169,826
Bad Debts written off	1,031,466	178,006,326
Loss on sale of Investment	-	11,880,682
Loss on sale of vehicle	131,876	-
Issue Expenses written off	-	10,230,941
Deferred Expenses written off	6,889,739	3,272,320
Preliminary Expenses Written off	7,700	7,700
R & D Expenses	30,086,229	37,742,576
	255,450,945	558,085,656

NOTE- 3.26

In the opinion of the management the Trade Receivables, Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

NOTE- 3.27**Contingent Liabilities :**

The following contingent liabilities are not provided for.

Sl No.	Particulars	As at 30.09.2012	As at 30.06.2011
1	Counter guarantees given by the company to banks towards issue of B.Gs.	85,157,562	137,938,758
2	Counter guarantees given by the company to banks towards issue of B.Gs to Customs & Central Excise Dept.	7,096,982	4,200,000
3	Bonds executed to Customs & Central Excise Dept. (net of BGs)	82,300,000	82,300,000
4	Letter of credits issued by bankers	70,385,919	73,098,452
5	Corporate Guarantees given by the parent company to banks on behalf of subsidiaries & associates	65,000,000	127,000,000
6	Claims against the company , not acknowledged:	1,126,158,035	-
TAX Matters in Appeals			
1	Excise Duty	11,194,382	32,417,443
2	Customs Duty	1,801,111	1,801,111
3	Service Tax	-	5,107,761
4	Sales Tax	5,302,831.00	5,302,831

NOTE- 3.28**Managerial Remuneration :**

SI No.	Particulars	For 15 months ended 30.09.2012	For 12 months ended 30.06.2011
Managing Director			
	Remuneration	4,500,000	3,000,000
	Perquisite value of Rent	450,000	360,000
Director			
	Remuneration	4,575,000	2,850,000
	Total	9,525,000	6,210,000

NOTE- 3.29

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

NOTE- 3.30**Related party disclosures :**

In Accordance with the Accounting standard AS-18 " Related Party disclosures" Issued by the ICAI, the transactions with related parties are given below:

a. List of Related Parties with whom transactions have taken place and relationship :

SI No.	Name of the Related Party	Relationship
1	M/s.Hyperion Green Energy India Pvt Ltd	Associate Companies
2	Dr.M.V.Ramana Rao, Managing Director	Key Management Personnel- Parent Company
3	Shri L.N.Malleswara Rao, Executive Director	
4	Shri Atluri Venkata Ram, Executive Director	
5	Shri Golla Venkateswara Rao, Director	Key Management Personnel- M/s.Maave Electronics Pvt Ltd
6	Shri P Venkateswara Rao, Director	

b) Aggregated Related party disclosures for the 15 months period from June'11 to September'12 :

i) Particulars of transactions during the year

SI No.	Nature of Transaction	As at 30.9.2012	As at 30.06. 2011
1	Expenditure during the year:		
	■ Remunerations to Management personnel ⁹⁰ ,	75,000	5,850,000
	■ Rents paid towards accommodation provided to Management Personnel	450,000	360,000
	■ Sitting Fee and other expenses reimbursed to Directors	459,731	428,794
2	Sales to Associates :		
	M/s. Hyperion Green Energy India Pvt Ltd	7,200	6,47,500

ii) Amounts due from /(due to) related parties at the year end

(Amount in Rs.)

Sl No.	Nature of Transaction	As at 30.9.2012	As at 30.06. 2011
1	Investments in Associates : M/s. Hyperion Green Energy India Pvt Ltd	19,691,544	19,691,544
2	Share Application Money pending allotment in Associates : M/s. Hyperion Green Energy India Pvt Ltd	1,595,456	1,595,456
3	Advances to Associates : M/s.Hyperion Green Energy India Pvt Ltd	412,321	412,321
4	Advances from Associates (Towards Sales) : M/s.Hyperion Green Energy India Pvt Ltd	(28,572,500)	(29,227,200)
5	Outstanding balances payable to Management Personnel Unsecured Loan payable to Management personnel Remuneration payable to Management personnel	35,54,929 2,527,541	20,556,271 2,043,245

NOTE- 3.31

Disclosure in respect of operating lease:

- A general description of leasing arrangements:
Leasing arrangement for LED Display Systems"
- Total of Minimum lease payments:

Particulars	15 months ended 30.09.2012	12 months ended 30.06.2011
Due not later than one year	-	66,074,400
Due later than one year but not later than 5 years	-	170,692,200
Due later than 5 years	-	-
Total	-	236,766,600

- Lease payment recognized in the statement of Profit & Loss Account for the year: Rs. 55,258,646/- (Previous year- Rs.66,492,080/-)
- Lease amounts not recognised during the year : First Leasing Company of India Ltd transferred the lease rentals receivables from MIC Electronics Ltd to Reliance Capital Ltd. MIC Electronics Ltd received a notice from Reliance Capital Ltd on 20.01.2012 about the loan agreement termination for delay in payment of lease rentals. Subsequently First Leasing Company stopped billing lease rentals w.e.f 01.04.2012. Hence MIC Electronics Ltd stopped recognizing lease rentals in the books from 01.04.2012. The unrecognized lease rentals from Apr'12 to Sep'12 amount to Rs.31,464,000/-

NOTE- 3.32**Calculation of earnings per share :**

Particulars	For 15 months ended 30.09.2012	For 12 months ending 30.06.2011
Profit attributable to Share Holders	(634,516,941)	339,213,289
No. of Equity Shares Outstanding	102,498,275	102,498,275
Convertible Share Warrants	50,675,000	14,640,000
Weighted No. of Equity Shares	153,173,275	117,138,275
Nominal Value of Equity Share	2.00	2.00
Basic EPS	(6.19)	3.31
Diluted EPS	(4.14)	2.90

NOTE- 3.33

In accordance with the AS-22 'Accounting for taxes on Income issued by the Institute of Chartered Accountants of India , during the current year the company has accounted for the effect of deferred Tax against the income pertaining to current year and has accordingly provided for deferred tax asset of Rs.2,036,273/- on account of current year's deferred tax.

Particulars	For 15 months ended 30.09.2012	For 12 months ended 30.06.2011
Opening Balance Deferred tax asset	96,786,584	89,269,493
Add : Deferred tax asset	1,950,866	7,517,091
Closing Balance	98,737,450	96,786,584

NOTE- 3.34

The parent company has incurred one time expenditure of Rs. 16,361,609/- during the Year 2009-10 towards leased assets which is being amortised over a period of 5 years. During the year an amount of Rs.4,090,400/- (Previous year Rs.3,272,320/-) has been amortised.

The parent company has incurred one time expenditure of Rs. 9,331,130/- during the Year 2010-11 towards DMRC project finance which is being amortised over a period of 5 years . During the period an amount of Rs. 2,799,339/- (Previous year Rs.Nil) has been amortised.

NOTE- 3.35**Details of Prior Period items credited to Statement of Profit & Loss :**

Sl No.	Particulars	As at 30.09.2012	As at 30.06.2011
1	Excess Provision of Income Tax written back	18,300,000	11,359,484
2	Income Tax for earlier years	(4,356,016)	(7,172)
	Total (a-b)	13,943,984	11,352,312

NOTE- 3.36

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" and relied upon by the Auditors. As per the records with the company, none of the enterprises have been identified as Micro, Small and Medium Enterprises.

NOTE- 3.37**Rounding off :**

Figures have been rounded off to nearest rupee.

NOTE- 3.38

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

per our report of even date

For PAVULURI & CO

Chartered Accountants

Firm Reg. No: 012194S

For and on behalf of the Board of Directors

Sd/-

Dr.M.V. Ramana Rao

Managing Director

Sd/-

L.N. Malleswara Rao

Executive Director

Sd/-

CA.P.A. Ramaiah

Partner

M.No : 203300

Sd/-

Ch. Vijay Kumar Naidu

Company Secretary

Place : Hyderabad.

Date : 29-11-2012

07 Cash Flow Statement for the year ended 30.09.2012

(Amount In Rs.)

Particulars	For 15 months ended 30.09.2012	For 12 months ended 30.06.2011
Net Profit before tax and extraordinary items	40,516,836	401,065,689
Adjustments for:		
Depreciation	78,776,079	63,446,118
Financial Charges	266,438,543	170,478,035
Interest received /Other Income	4,092,646	2,857,014
Effect of currency translation on consolidation	9,040,805	(575,491)
Operating Profit before Working Capital Changes	398,864,909	637,271,365
(Increase)/Decrease in Trade Receivables	(7,559,969)	234,081,738
(Increase)/Decrease in Inventories	208,864,936	(895,341,476)
(increase)/Decrease in Long Term Loans & Advances	(24,863,551)	284,764,504
(increase)/Decrease in Short Term Loans & Advances	(93,444,630)	17,173,622
(increase)/Decrease in Other Current Assets	45,803,300	(55,993,630)
(increase)/Decrease in Other Non Current Assets	6,692,729	2,024,099
Increase/(Decrease) in Long Term Provisions	(3,164,762)	(5,108,551)
Increase/(Decrease) in Short Term Provisions	(18,007,066)	21,003,744
Increase/(Decrease) in Trade Payables	210,726,136	(6,994,368)
Increase/(Decrease) in Other Current Liabilities	(2,035,294)	(22,786,878)
Increase/(Decrease) in Deferred Tax Asset	(1,950,866)	(56,204,801)
Cash generated from Operations	321,060,963	(483,381,997)
Financial Charges paid	(266,438,543)	(170,478,035)
Extraordinary items	(690,660,057)	0
Direct Taxes paid	15,626,280	(61,852,400)
Net Cash provided/(Used) from operating activities	(221,546,448)	(78,441,067)
(Increase) / Decrease of Current Investments	0	(30,416,881)
(Increase) / Decrease of Non Current Investments	(8,396,817)	(34,161,325)
(Increase) / Decrease of Fixed Assets	23,971,707	(467,600,871)
(Increase) / Decrease of Capital Work-in-Progress	(18,217,860)	23,070,772
Interest Received/Other Income	(4,092,646)	(2,857,014)
Goodwill on consolidation and purchase	0	240,967,811
Net Cash used in Investing Activities	(6,735,616)	(270,997,508)

Particulars	15 months ending 30.09.2012	12 months ending 30.06.2011
Proceeds from long term borrowings	134,151,478	361,016,577
Increase/(Decrease) in Short Term borrowings	31,680,982	126,000,795
Increase/(Decrease) in Share Capital	0	(20,720,059)
Increase/(Decrease) in forfeiture of Share warrants	164,304,000	0
Increase/(Decrease) in Share Warrants Application Money	(118,777,660)	0
Adjustment on account of cessation of subsidiary	0	(75,075,863)
Minority Interest	0	(37,102,376)
Net Cash provided/(Used) from financing activities	211,358,800	354,119,072
Net Increase in Cash and Cash equivalents	(16,923,264)	4,680,497
Cash and Cash equivalents as at the commencement of the year	51,868,968	47,188,471
Cash and Cash equivalents as at the close of the year	34,945,704	51,868,968

per our report of even date

For PAVULURI & CO

Chartered Accountants

Firm Reg. No: 012194S

For and on behalf of the Board of Directors

Sd/-

Dr.M.V. Ramana Rao

Managing Director

Sd/-

L.N. Malleswara Rao

Executive Director

Sd/-

CA.P.A. Ramaiah

Partner

M.No : 203300

Sd/-

Ch. Vijay Kumar Naidu

Company Secretary

Place : Hyderabad.

Date : 29-11-2012

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MIC Electronics Limited

Regd. Office: A-4/II, Electronic Complex, Kushaiguda, Hyderabad-500062



ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company being held on 29th December, 2012 at 11.00 A.M at registered office of the company.

Name of the Shareholder:

Name of Proxy:

Signature of Member / Proxy:

Regd. Folio No. / *Client id:

Applicable for members holding shares in Electronic Form.

Note: PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

MIC Electronics Limited

Regd. Office: A-4/II, Electronic Complex, Kushaiguda, Hyderabad-500062



PROXY FORM

Regd. Folio No/ No. of Shares held

Client ID:

I/We.....of

..... in the district of being

a member(s) of the above named company hereby appoint of

.....or failing him..... of

..... as my/our proxy to vote for me/us on y/our behalf at the Annual General Meeting of the

Company to be held on 29th December, 2012 at 11.00 A.M at the registered office of the Company or at any adjournment

thereof.

Signed this day of2012

Signature

Note: The proxy form duly completed should be deposited at the Registered Office of the Company not less than Forty Eight Hours before the time fixed for holding the meeting.

Note

Note

Corporate Information

Annual General Meeting

Date : 29th December 2012
Day : Saturday
Time : 11.00 AM
Place : Registered Office
A-4/II, Electronic Complex
Kushaiguda
Hyderabad-500062

Registrar and Transfer Agents

Venture Capital and Corporate
Investments Private Limited
#12-10-167, Bharat Nagar,
Hyderabad-500018
Tel: 040-23818475/476
Fax: 040-23868024
Email: info@vccilindia.com
Website: www.vccilindia.com

Board of Directors

Dr. M V Ramana Rao
Shri Somendra Khosla
Shri N Srinivasa Rao
Shri L N Malleswara Rao
Shri Atluri Venkata Ram
Shri A V V S S C B S Babu

Company Secretary

Vijay Kumar Naidu Ch

Bankers

State Bank of India
Overseas Branch, Hyderabad
UCO Bank
MG Road Branch, Hyderabad
Andhra Bank
Kapra Sainikpuri Branch, Hyderabad

Auditors

M/s. Pavuluri & Co.,
Chartered Accountants, Hyderabad

Registered Office

A-4/II, Electronic Complex
Kushaiguda
Hyderabad 500062
Andhra Pradesh, INDIA



MIC Electronics Limited

A4, Electronic Complex, Kusaiguda, Hyderabad- 500 062, India.
Tel: +91-40-2712 2222, Fax: +91-40-2713 3333, Email: info@mic.in
www.mic.in