



ANNUAL REPORT
1999-2000

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ADVANCED MICRONIC DEVICES LTD.



ADVANCED MICRONIC DEVICES LIMITED

BOARD OF DIRECTORS	<ul style="list-style-type: none"> ● K. Vijaya Raghavan B.S. Seshadri K. Ramadas S.N. Kumar 	Chairman & Managing Director Whole Time Director Whole Time Director Whole Time Director
COMPANY SECRETARY	<ul style="list-style-type: none"> ● Mrs. Rose Chintamani 	
AUDITORS	<ul style="list-style-type: none"> ● A.R. Viswanathan & Co. Chartered Accountants 1st Floor, No. 32/2, V Main Road, Chamarajapet, Bangalore - 560 018 	
BANKERS	<ul style="list-style-type: none"> ● State Bank of India Bangalore City Branch, J.C. Road, Bangalore - 560 002. ● State Bank of Travancore Residency Road Branch, Residency Road, Bangalore - 560 025. 	
REGISTERED OFFICE AND INVESTOR'S SERVICE CELL	<ul style="list-style-type: none"> ● "Micronics House" No. 101, 15th Cross, 2nd Block, Jayanagar, Bangalore - 560 011 Tel: 080 - 6653610, 6653611 Fax: 080 - 6654249 	

ANNUAL GENERAL MEETING

Day & Date	:	Saturday, 27th May 2000
Time	:	11:00 a.m.
Venue	:	Woodlands Hotel No. 5, Raja Rammohan Roy Road, Bangalore - 560 025



BUSINESS PROFILE

A. INFORMATION TECHNOLOGY

The IT services sector is now a viable investment opportunity. Additionally, the Internet is beginning to impact the business process and the ways hardware and software products are being deployed in the e-space. Internet is also now an important business and services channel for corporates and companies.

In addition to the traditional corporate and business transaction needs, the control of environment are becoming Internet enabled applications, popularly addressed as e-Control. In the business arena, the pressure of retention of customers for long-term profitability for organizations are becoming acute. The need to interact with clients and provide dependable services are essential. So also complete fulfillment of customer needs. This is creating opportunities for customers and enterprise relationship management solutions as part of the e-Business culture.

Wire less devices controlling remotely located buildings, home appliances are few examples.

The business potential for providing products and services in the above areas are truly significant. The company intends to pursue opportunities in these areas.

The company has established a tie up with M/s.Echelon Corporation to be their preferred provider of outsourced software development needs. The group has also forged strong ties with other companies working in the same e-Control area.

The Software group similarly is able to leverage a strategic investment made by the company in the area of Computer Telephony Integration (CTI) and Enterprise Relationship Management (eRM).

Further, through the branch office established in the US, your company has been able to provide on-site consultancy services in the areas of Embedded Systems and ASCI/VLSI design.

The company will continue to stay focused in its current areas of activities. Expansion plans for the coming year will be in the area of Embedded Systems, and CTI / eRM and e-Control.

Activities in the IT division are now synergised. All development, product marketing and support activities are consolidated in the same areas of technologies and opportunities.



B.HEALTHCARE

The Healthcare industry is one of the most crucial and growing market in India. The industry in India is growing at the rate of 15% - 20% per year. It has been estimated that the total industry is worth Rs.75,000 crores. This covers hospitals, healthcare service providers, pharmaceuticals, hardware and software, systems and devices. A modest but a very critical part of the above industry is medical equipment which is estimated to be about Rs.1800 crores. This figure covers the entire gamut of healthcare.

CARDIAC CARE

The cardiac care is generically divided into diagnostic, therapeutic, and rehabilitation categories. The company has chosen to be in these three areas by providing products and services which meet one or more important clinical needs.

DIAGNOSTICS

Stress/Holter Systems

Angiography

Fetal Monitors

Patient Monitors

THERAPEUTIC

Pacemakers

Defibrillators

Angioplasty Devices

Intra Aortic Balloon Pumps

Physiological Recorders

REHABILITATION

Stress & Exercise Systems

Ergometers etc.,

PROSPECTS FOR GROWTH

The potential for growth for products and services in Cardiology is growing @ 20-25% per year. The current market estimate is Rs.500 crores.

The business can also grow in the current areas by investing in larger levels of inventory and covering more hospitals with increased market reach.

Cardiology, in general, will provide ample opportunities for companies to sustain and grow their market share and business. Managed healthcare and health insurance are areas likely to be opened up. The scope to serve more patients and hospitals will grow. One also will witness the increasing capability of medium sized hospitals to manage cardiac care patients and hence enhancing further the potential for increased business.



DIRECTOR'S REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their report on the business and operations of the company for the year ended 31st March 2000.

(Rs.in lakhs)

Financial Results	Year Ended 31.03.00	Year Ended 31.03.99
Profit before		
Depreciation	286.16	270.04
Less: Depreciation	42.28	41.90
Financial expenses	82.44	119.95
Provision for taxation	36.00	11.50
Profit for the year	125.44	96.69

APPROPRIATION

Proposed Dividend	42.25	31.69
Tax on Dividend	4.65	3.17

Balance carried to B/S	78.54	61.83
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OPERATIONS

It should be gratifying to note that your company has performed better than the previous year. It has been able to earn a profit before tax of Rs.161.44 lakhs as compared to Rs.108.19 lakhs during the previous year. This was due to the fact that the total income increased by Rs.1146.20 lakhs as compared to the previous year. The company was able to achieve a better turnover by judiciously combining its own working capital, suppliers credit and better collections.

DIVIDEND

In view of the better performance, the board is happy to recommend a dividend of 8% for the year under review.

FUTURE ACTIVITIES

The company as part of its future Business strategy intends to demerge the IT and Healthcare divisions

as individual entities. The company would like to subsidarise the health care division by setting up a separate company for healthcare activities.

INFORMATION TECHNOLOGY

In the IT area the company is focused in areas like E-Solutions and EDA. All activities covering product marketing, services and software development are synergised in the above two areas.

The company has taken a small stake in a start up company called Trivium Systems USA. The major stakeholders of this company are Intel corporation USA and W.R. Hambrecht who are a venture capital company in US.

HEALTHCARE

The division is predominantly focused in the cardiac care area. The company continues to develop relationship with renowned companies in providing products and services to its growing list of clients.

RESEARCH & DEVELOPMENT

The company continues to be recognised by the Department of Science and Technology, Government of India.

The division continues to be active in the EDA area especially in the PCB layout design application. The Division uses tools from Cadence to provide PCB layout design services both to Indian and export markets.

FOREIGN EXCHANGE EARNINGS & OUTGO

The Foreign Exchange earnings during the year under review was Rs.386.67 lacs. The total Foreign Exchange utilised by the company during the year was Rs. 2741.01 lacs

PARTICULARS OF EMPLOYEES

As required under the Provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employment) Rules, 1975, as amended, the names and the other particulars of employees are set out in the annexure included in this report.

**FIXED DEPOSITS**

The company has not accepted any deposits and as such no amount of principal or interest was outstanding on the date of the Balance Sheet.

DIRECTORS

The Directors Mr.C.S.Anandaram, Mr.B.Rama Rao and Mrs.V.Shantha have submitted their resignation from the directorship. The board places on record its appreciation to these directors for their contribution made to the Company.

In accordance with the Articles of Association, Mr. S.N. Kumar a Wholetime Director retires by rotation and being eligible offers himself for re-election.

PERSONNEL

The Employer-Employee relationship was cordial throughout the year under review. The Board wishes to express its appreciation to all the sections of employees for their contribution to the growth of the business during the year.

AUDITORS

M/s. A.R.Viswanathan & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

LISTING OF SECURITIES

The Company's securities are listed in Bangalore Stock Exchange and Mumbai Stock Exchange.

ACKNOWLEDGMENT

The Directors wish to place on record their thanks to its Principals, Customers, State Bank of India, State Bank of Travancore, K.S.F.C., Share Holders and its employees for their support and co-operation.

For and on behalf of the Board

K. VIJAYA RAGHAVAN

Chairman & Managing Director

Place: Bangalore

Date: 15th April 2000

ANNEXURE TO DIRECTOR'S REPORT

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's Report for the year ended 31st March 2000.

Sl. No.	Name	Age	Designation	Remuneration In Rs.	Qualification & Experience	Year of Commencement of employment	Last Employment Held
1	Bhandari R K	42	Vice President Health Care Divn.	6,34,458	B.Tech. 20 Years	1980	—
2	Kumar S N	57	Wholetime Director	7,57,600	BSC, MBA 33 Years	1980	Iran National Airlines
3	Prabhakar Koushik M	39	Vice President Software Divn.	6,98,600	MS Comp. Science 18 Years	1997	Baysoft Pvt. Ltd.
4	Seshadri B S	61	Wholetime Director	6,67,600	BSC, DMIT 36 Years	1984	Hindustan Brown Boveri Ltd.,
5	Vijaya Raghavan K	58	Chairman and Managing Director	7,57,600	BSC, BE, MS 35 Years	1980	Bluestar Ltd.,

Note : Remuneration comprises basic salary, Company's contribution to Provident Fund, allowances and taxable value of perquisites.