



26th

Annual Report

2006-2007

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ADVANCED MICRONIC DEVICES LTD.

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ADVANCED MICRONIC DEVICES LTD.

BOARD OF DIRECTORS	• Mr. Vinod Ramnani	Chairman and Managing Director
	• Mr. Bhaskar Valiveti	Whole-Time Director
	• Mrs. Usha Ramnani	Director
	• Mr. V. Bala Subramaniam	Independent Director
	• Dr. Anvay Mulay	Independent Director
	• Dr. Suleman Adam Merchant	Independent Director
	• Mr. Rajkumar Raisinghani	Independent Director

AUDITORS	• Anand Shenoy & Co.
	Chartered Accountants
	S-2, II Floor, Gem Plaza
	No. 66, Infantry Road
	Bangalore - 560 001

COMPANY SECRETARY	• Mrs. Rose Chintamani
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BANKERS	• State Bank of India
	Bangalore Commercial Branch
	Hudson Circle, Bangalore - 560 001

• State Bank of Travancore
Industrial Finance Branch
M.G. Road, Bangalore - 560 001

REGISTERED OFFICE AND INVESTOR'S SERVICE CELL	• A-306, II Floor, Block I, KSSIDC Building, Electronic City, Bangalore - 560 100.
	Tel : 080-28521634
	Fax : 080-41307586

ANNUAL GENERAL MEETING

Day & Date	: Tuesday, 25th September, 2007
Time	: 4.00 P.M.
Venue	: The Grand Ashok Kumara Krupa, High Grounds Bangalore - 560 001

BOARD OF DIRECTORS



Mr. VINOD RAMNANI

Chairman & Managing Director

A BE in Mechanical Engineering from Manipal Engineering College, Manipal, Karnataka. Till 1983, he was heading the Bangalore Branch of New Standard Engineering, Bombay. He later moved to Los Angeles, USA and joined United Detectors Technology, LA as plant manager. In 1987, Mr. Vinod Ramnani joined Opto Sensors (s) Pte. Ltd. Singapore as General Manager and established the manufacturing & marketing facilities for the Company.

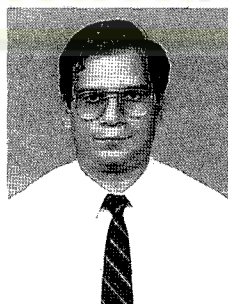
He returned to India and started Opto Circuits (I) Ltd., in 1992. In 2001, Opto Circuits acquired AMDL as its subsidiary. He has been the guiding force of AMDL since then.

Mr. BHASKAR VALIVETI

Whole Time Director

He is an Electronic Engineer with a diploma in Business Management. He was a banker for 12 years in India and Singapore. He has been an entrepreneur in the Electronics engineering field for the past 17 years.

His experience in Finance and Engineering including manufacturing, stands the Company in good stead.

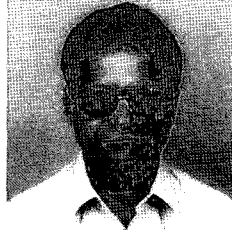


Mrs. USHA RAMNANI

Director

A Post graduate in commerce, Mrs. Usha Ramnani has two decades of experience in the field of administration.





Mr. RAJKUMAR RAISINGHANI

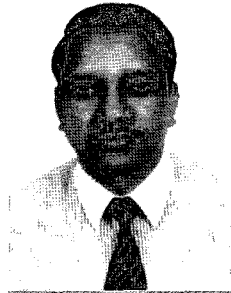
Independent Director

An industrialist with an electrical engineering background, Rajkumar has over two and a half decades of experience. He has vast manufacturing experience also. His knowledge and experience is of immense value to the Company.

Mr. V BALA SUBRAMANIAM

Independent Director

With over two and a half decades of global experience, Balasubramaniam is the founder - promoter of a software company. An MBA from Symbiosis Institute of Business Management, Pune, he is also a member of CPA & FCMA. He has rich operational and resource management skills.



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Dr. ANVAY MULAY

Independent Director

A cardiovascular thoracic surgeon MCH, Dr.Mulay has over a decade of medical experience and has also worked in the US & UK before settling in India. Dr.Mulay brings to the table his vast experience and medical expertise.

Dr. SULEMAN ADAM MERCHANT

Independent Director

A prominent radiologist, Dr.Suleman Adam Merchant is the Chairman of the Department of Radiology at Sion Hospital in Mumbai. A well known member of the National and International medical fraternity. Dr. Merchant brings to the table his vast experience and medical expertise.



ADVANCED MICRONIC DEVICES LIMITED

Regd Off: A-306, 2nd Floor, Block I, KSSIDC Building, Electronic City, Bangalore 560 100.

Notice

NOTICE is hereby given that the 26th Annual General Meeting of the Members of Advanced Micronic Devices Limited will be held on Tuesday, the 25th September, 2007 at 4.00 p m at The Grand Ashok, Kumara Krupa, High Grounds, Bangalore 560 001, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2007 and the Profit and Loss account for the year ended on that date and the Reports of Directors and Auditors there on.
2. To declare a Dividend.
3. To appoint a Director in place of Mrs. Usha Ramnani, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Dr. Suleman Adam Merchant who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Rajkumar Raisinghani, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint M/s. Anand Shenoy & Co. Chartered Accountants, retiring Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT in accordance with the provisions of Sections 269,309,198, Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, and subject to such approvals, as may be necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Vinod Ramnani, as the Managing Director of the Company for a period of five years, with effect from 1st January, 2007.

RESOLVED FURTHER THAT, the said appointment of Mr. Vinod Ramnani, as the Managing Director shall be without remuneration.

RESOLVED FURTHER THAT the terms and conditions of the re-appointment of Mr. Vinod Ramnani may be varied, altered, enhanced or widened from time to time by the Board of Directors of the Company as it may in its discretion deem fit within the limits laid down in Sections 198,269,309,310,311 and all other applicable provisions of the Companies Act, 1956 and the Rules framed thereunder read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary, and subject to the requisite approvals, if any being obtained.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

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

"RESOLVED THAT in accordance with the provisions of Sections 198,269,309,310,311 Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, and subject to such approvals, as may be necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Bhaskar Valiveti, as a Whole-Time Director of the Company for a period of three years, with effect from 1st January, 2007 on the following terms of remuneration.

A. SALARY

Rupees: Rs.1,75,000/- per month

B. PERQUISITES

Housing: Expenditure by the company on hiring furnished accommodation subject to a ceiling of Rs.45,000/- per month or in the alternative House Rent Allowance of Rs.45,000/- per month.

Contribution to Provident Fund: The Company shall Contribute 12% of the Salary towards Provident Fund.

Notice

Gratuity: 15 days Salary for every year of completed service.

Medical Expenses: For self and family not exceeding Rs.25,000/- per annum.

Company car with driver & telephone at residence for official purposes.

Total remuneration and perquisites/benefits contemplated as per A and B above payable to the Whole Time Director of the Company shall not exceed 5% of the profits of the Company calculated in accordance with Section 198 and Section 309 and other applicable provisions, if any of the Companies Act, 1956.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year, the remuneration payable to the whole Time Director by way of salary or perquisites shall not exceed the maximum limits prescribed under Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of any re-enactment or remodification of the Companies Act, 1956 or the Income Tax Act, 1961 or amendments thereto, this Special Resolution shall continue to remain in force with reference to various provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.

RESOLVED FURTHER THAT the terms and conditions of the re-appointment of and the remuneration payable to Mr. Bhaskar Valiveti may be varied, altered, increased, enhanced or widened from time to time by the Board of Directors of the Company as it may in its discretion deem fit within the limits laid down in Sections 198,269,309,310,311 and all other applicable provisions of the Companies Act, 1956 and the Rules framed thereunder read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary, and subject to the requisite approvals, if any being obtained.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT in accordance with the provisions of Sections 16,94 and all other applicable provisions if any, of the Companies Act, 1956, the existing Authorized Capital of the Company be and is hereby enhanced from Rs. 7,50,00,000/- (Rupees Seven Crores Fifty Lakhs only) divided into 75,00,000 equity shares of Rs.10/- each to Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 Equity Shares of Rs.10/- each by creation of 25,00,000 Equity Shares of Rs.10/- each ranking *pari passu* with the existing equity shares of the Company in all respects and consequently the relevant clauses of the Memorandum and Articles of Association of the Company be altered accordingly.

RESOLVED FURTHER THAT existing Clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting in its place the following as the new clause V:

V. The Authorised Share Capital of the Company is Rs.10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 equity shares of Rs.10/- (Rupees Ten only) each."

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT in accordance with the provisions of Section 31 of the Companies Act, 1956 and all other applicable provisions, if any of the Companies Act, 1956 the existing Article 3 of the Articles of Association of the Company be and is hereby altered by deleting the same and substituting in its place the following new Article 3:

3. The Authorised Share Capital of the Company is Rs.10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 Equity Shares of Rs.10/- (Rupees Ten only) each".

By order of the Board
Place: Bangalore For Advanced Micronic Devices Ltd
Date: 25th August 2007

Rose Chintamani
Company Secretary

Notice

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY
2. PROXY IN ORDER TO BE EFFECTIVE MUST BE DULY COMPLETED AND STAMPED AND MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR THE COMMENCEMENT OF THE AFORESAID MEETING
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed to this Notice in respect of Special Business.
4. The register of Members and share transfer books of the Company will be closed from 20th September 2007 to 25th September 2007 (both days inclusive).
5. The dividend for the year ended 31st March, 2007 as recommended by the Board, if approved at the Meeting will be paid within the prescribed time limit, to those members whose names appear in the Company's Register of Members on 25th September, 2007. In respect of shares in electronic form the dividend will be payable on the basis of beneficial ownership as per the details furnished by the National Securities Depositories Limited and Central Depository Services of India for this purpose.
6. Members desiring information as regards accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.
7. Members are requested to notify changes if any in their addresses immediately to the Company/ Registrar (for shares held in physical form) and to Depository Participants (for shares held in dematerialized form).
8. Members are suggested to inform the details of the Bank Account Numbers, name and branch of the Bank to enable the same to be printed on Dividend Warrants as a measure of abundant caution to minimize loss due to Dividend Warrants falling into improper hands through forgery or fraud.
9. Members/proxies are requested to bring without fail the Attendance Slip sent herewith duly filled for attending the Meeting.
10. The proxy Form and Attendance Slip are attached to this Annual Report.
11. Members are requested to address their correspondence including share Transfer matters and change of address to KARVY COMPUTERSHARE PRIVATE LIMITED- No 17 to 24 Near Image Hospital, Vittal Rao Nagar Madhapur, Hyderabad- 500 081. E-Mail: mailmanager@karvy.com
- 12 Pursuant to the provisions of Section 205 A of the Companies Act, 1956, dividends, which remain unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205(C) of the Companies Act, 1956. The company has already transferred to the IEPF, the unclaimed dividend for the year ended upto 31st March 1999. Shareholders who have not so far encashed the dividends for the subsequent years are requested to get their dividend warrants revalidated or seek issue of duplicate dividend warrant(s) by writing to the Company's Registered office or its Registrar and Transfer Agents. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

Notice

13. Information pursuant to Clause 49 IV (G) of the Listing Agreements about the Directors to be re-appointed is as follows.

	Mrs. Usha Ramnani	Dr. Suleman Adam Merchant	Mr. Rajkumar Raisinghani
Brief Resume	Mrs. Usha Ramnani, aged about 50 years, is a M.Com Graduate and has worked with United India Insurance Company.	Dr. Suleman Adman Merchant, aged 51 years is a doctor by profession and prominent Radiologist, Dr. Suleman Adam Merchant is the Chairman of the Dept. of Radiology at Sion Hospital, Mumbai.	Mr. Rajkumar Raisinghani aged about 54 years with a diploma in Electrical Engineering is an industrialist.
Nature of Expertise	She has two decades of experience in the field of Administration. Having been with the Company since its inception she oversees the Administration, General Management and personnel functions.	A well Known member of the National and International Medical fraternity. He brings to the table his vast experience and medical expertise.	He owns a manufacturing unit since 25 years where Electrical goods are manufactured. He was working in a large manufacturing unit in Mumbai, prior to venturing out into his own business. He has vast experience in business.
Directorship in other Companies	1 Opto Circuits (India) Ltd.	1 Opto Circuits (India) Ltd.	1 Opto Circuits (India) Ltd
Committee Membership	2 (Shareholders/Investors Grievances Committee of Opto Circuits (India)Limited and Advanced Micronic Devices Limited	4 (Audit Committee and Shareholders / Investors Grievances Committees of Opto Circuits (India) Ltd & Advanced Micronic Devices Ltd.	4 (Audit Committee and Shareholders / Investors Grievances Committees of Opto Circuits (India) Ltd & Advanced Micronic Devices Ltd.
Shareholding in the Company	Nil	Nil	Nil

Considering the working knowledge, qualification and experience it would be in the interest of the company to re-appoint Mrs. Usha Ramnani, Dr. Suleman Adam Merchant and Mr. Rajkumar Raisinghani as directors of the Company.

By order of the Board
For Advanced Micronic Devices Ltd

Date: 25th August 2007
Place: Bangalore

Rose Chintamani
Company Secretary

Notice

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956

Item No.7

The tenure of office of Mr. Vinod Ramnani was expiring on 31st December, 2006. Based on the recommendation of the Remuneration Committee, the Board of Directors at their meeting held on 11th November, 2006 re-appointed him as the Managing Director for a period of five years from 1st January, 2007.

Mr. Vinod Ramnani, aged about 51 years, is a BE in Mechanical Engineering. Till 1983, he was heading the Bangalore branch of New Standard Engineering, Bombay, as Branch Manager.

Mr. Vinod Ramnani, along with others established Opto Circuits India (P) limited in 1992, which is now the holding company of Advanced Micronic Devices Limited.

As the Chairman and Managing Director of the Company Mr. Vinod Ramnani has been the driving force behind the sustained growth of the Company.

Mr. Vinod Ramnani is the Chairman and Managing Director of Opto Circuits (India) Ltd. and draws remuneration from that company. Hence though he occupies the position of a Managing Director he will not be drawing remuneration from Advanced Micronic Devices Ltd.

This may be regarded as an abstract of terms and conditions of appointment of Managing Director and also as Memorandum of concern or interest pursuant to Section 302 of the Companies Act, 1956.

Mr. Vinod Ramnani, as the resolution relates to his re-appointment as the Managing Director and Mrs. Usha Ramnani, Director being his wife, may be regarded as concerned or interested in this resolution. Save and except as above none of the Directors of the Company is concerned or interested in the resolution.

The copies of the relevant resolution of the Board in respect of re-appointment are available for inspection by the members at the Registered Office of the Company during working hours on any working day till the date of this Annual General Meeting.

In terms of Section 269 of the Companies Act 1956 read with Schedule XIII to the said Act, the approval of shareholders is required for the re-appointment of Mr. Vinod Ramnani as Managing Director. The Board recommends the resolution for the shareholders approval.

Item No.8

Mr. Bhaskar Valiveti, was appointed as Whole Time Director with effect from 1st January, 2002 and his tenure was expiring on 31st December, 2006. As approved by the Remuneration Committee, the Board of Directors at their meeting held on 11th November, 2006 re-appointed him as Whole Time Director for a period of three years from 1st January, 2007.

Mr. Bhaskar Valiveti, aged about 51 years holds BE (Electronics) Degree and is also a Diploma in Business Administration.

He has over two and half decades of rich business experience, including as Manager of Indian Bank in India and Singapore, Project Manager of Rawmat Electronics(P) Limited Singapore, Wireforms (P) Limited Singapore and as Managing Director of Altron Industries Pvt. Limited, Bangalore. Also he has vast experience in electronic manufacturing and related industries.

The additional information as required by Schedule XIII to the Companies Act, 1956, is given below.

I General Information

(1) Nature of Industry.

The Company is in the business of manufacture and trading of Health Care Equipment, Electronics Business Devices and Providing of IT Services.

(2) Date or expected date of commencement of commercial production.

The Commercial production activity was started from 1st December, 1982.

(3) In case of new companies, expected date of commencement of activities, as per project approved by financial institutions appearing in the prospectus.

Not Applicable

(4) Financial performance based on given indicators as per audited financial results for the year ended 31st March, 2007.

Rs in lakhs	
Particulars	Amount
Turnover and other income	4982.67
Net profit as per profit and loss account (After tax)	167.09
Profit as computed under Section 309(5) read with Section 198 of the Companies Act, 1956	165.95
Net worth.	1808.84

(5) Export Performance and net foreign exchange collaborations.

The company during the year 2006-07, earned Rs.524.75 lacs in foreign exchange. The Company has no foreign Collaborator.

(6) Foreign investments or collaborators, if any.

96,964 shares of the Company (1.83% of the paid up capital) are held by Foreign Financial Institutions and Non Resident Indians. The Company has no Foreign Collaborator.

II. Information about the appointee

(1) Back ground details.

The back ground details of Mr. Bhaskar Valiveti is provided in the explanatory statement of this Notice.

(2) Past Remuneration.

Remuneration paid to Mr. Bhaskar Valiveti during the year 2006-07 is Rs.23.97 lacs

(3) Recognitions and Awards : Nil

(4) Job Profile and suitability.

Mr. Bhaskar Valiveti is the Whole time Director of the Company since 1st January, 2002. He is mainly responsible for the operations and the affairs of the Company and looks after Production, Finance, Marketing and Overall Management of the Company. Taking into consideration his qualification and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors. His continued services is not only necessary but is also in the interest of the Company.

(5) Remuneration proposed.

The Remuneration proposed is as detailed in the Resolution.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

Taking into consideration the size and scale of operation of the Company, the profile of Mr. Bhaskar Valiveti, the responsibilities taken by him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration package paid to similar level counterparts in other companies.

(7) Pecuniary relationship directly or indirectly with the company or relationship with the Management personnel, if any.

Besides the remuneration paid to Mr. Bhaskar Valiveti, he does not have any other pecuniary relationship with the company or relationship with managerial personnel.

III. OTHER INFORMATION.

(1) Reason for loss or inadequacy of profits.

a) Low margins from certain lines of distribution of Health Care Equipments.

b) Slow takeoff in the marketing of Bank Card Terminals and Printers, due to delay in compatibility testing by prospective customers.

(2) Steps taken or proposed to be taken for improvements.

Some of the pilot testing in Bank Card Division have been successfully accepted by the customers. A few more modification in the software as requested by the customers is in progress.

(3) Expected increase in productivity and profits in measurable terms.

In view of the steps proposed to be taken as above, the top line and profitability is expected to increase steadily by about 30% p a . Bulk orders for Printers and Terminals from some of the leading Banks and Retailers are expected to be received.

IV. DISCLOSURES.

The information and Disclosures of the remuneration package of Bhaskar Valiveti have been disclosed in the Annual Report in the Corporate Governance Report Section under the heading "Remuneration Committee and Remuneration to Directors.

Mr. Bhaskar Valiveti, as the resolution relates to his re-appointment as the Whole Time Director may be regarded as concerned or interested in this resolution. Save and except as above none of the Directors of the Company is concerned or interested in the resolution.

This may be regarded as an abstract of terms and conditions of appointment of the said Whole Time Director and also as Memorandum of concern or interest pursuant to Section 302 of the Companies Act, 1956.

The copies of the relevant resolution of the Board in respect of re appointment are available for inspection by the members at the Registered Office of the Company during working hours on any working day till the date of this Annual General Meeting.

In terms of Section 269 of the Companies Act 1956 read with Schedule XIII to the said Act, the approval of shareholders is sought for the re appointment of Mr. Bhaskar Valiveti as Whole Time Director. The Board recommends the resolution for the shareholders approval.

Items No.9 and 10

The present authorized capital of the Company is Rs.7.5 Crores. In order to facilitate the issue of further capital through Public, Private, Preferential issue etc based on the expanding business needs of the Company, the Board considered it necessary to increase the authorized share capital of the Company to Rs.10.00 Crores. The increase in the authorized share capital and the consequent amendment to the Capital Clause in the Company's Memorandum and Articles of Association requires approval of members in the general meeting pursuant to the provisions of Sections 16,31 and 94 of the Companies Act, 1956. The Resolutions proposed in items 9 and 10 seek such approval.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the members of the Company at it's Registered Office during working hours on any working day of the Company.

None of the Directors of the Company are in any way concerned or interested in the Resolutions except to the extent of shareholding held by them.

The Directors recommend the Resolution for the approval of the members.

Date:25th August 2007
Place: Bangalore

By order of the Board
For Advanced Micronic Devices Ltd

Rose Chintamani
Company Secretary