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**Advanced Micronic Devices Limited
34th Annual Report
2014-15**

Board of Directors

Mr. Chandrasekar. P.V
Mr. Vivek Kumar Malhotra
Dr. Suleman Adam Merchant
Dr. Anvay Mulay
Mr. Rajkumar Raisinghani
Ms. Suchitra Misra

Managing Director
Director
Director
Director
Director
Director

Auditors

M/s. Anand Amarnath & Associates
Chartered Accounts
S-2, II Floor, Gem Plaza,
No 66, Infantry Road,
Bengaluru 560 001.

Bankers

State Bank of India
Commercial Branch
Hudson Circle, Bengaluru - 560 001.

REGISTERED OFFICE AND INVESTOR'S SERVICE CELL

A-306, II Floor, Block I, KSSIDC Building,
Electronics City, Bangalore-560100. Karnataka
Tel: 080-22540500
Fax: 080-22540545
Email: investorsservices@amdcorp.com

Website: <http://www.amdcorp.com>

Annual General Meeting

Day & Date : Thursday, 31st December 2015
Time : 12.00 Noon
Venue : No. 83, Electronic City, Hosur Road,
Bengaluru - 560 100.

CHAIRMAN'S STATEMENT

Dear Fellow Shareholders,

The year passed had been a year of business consolidation resulted in right sizing across all business functions; to regroup then FOUR sub business units to TWO presently namely, Health Care Management System(HCMS) and Information System Engineering Services(ISES) the core businesses of the company. The derived benefits were substantial for a bright future ahead for all of us because we had become debt free with the banks.

The part of our Strategic Electronic Division business of delivery of High-End multi layer bare PCB's for Aerospace and Defence segments were added to ISES group.

This division is expected to grow well in the current year reflecting Government initiatives in Aerospace in and Defence sectors.

Our 2 Inch Thermal Printers with integrated Bluetooth and Biometric are well accepted in the Micro-Finance and Aadhar verification The Medical Devices market will continue to be import led, although the current drive to develop the local manufacturing industry is likely to result in increased competition from domestically produced devices in the longer term. On the social front, health and wellness awareness is increasing by the day and the next generation products aimed at harm reduction. The Consumer awareness likely to further increase for improving health standards, your Company is looking to strike a fine balance between the twin objectives of business growth and legal compliance.

India is a land full of opportunities for players in the Medical Devices industry. Besides, Indian medical service consumers have become more conscious towards their healthcare upkeep. Thanks to India's economic growth and a rise in penetration of medical insurance, the 400 Million plus middle class population of India can now afford almost any of its healthcare needs and that drives in need of more and better hospitals and clinics, which would require more medical devices Such a scenario presents immense opportunities for players in the medical devices business. The changing disease prevalence pattern (e.g. early onset of diabetes and heart diseases); growing awareness among the middle class to focus on early detection and disease prevention and Medical Insurance Companies working with equipment manufacturers to develop cost effective and reimbursable diagnostic packages are DIRECT MARKET DRIVERS. This also strengthens WHO recommendations in the Priority Medical Devices Project which suggests development of affordable health packages containing simple technologies for measuring blood pressure, blood glucose and cholesterol levels. Another interesting trend is observed in the realm of OPD reimbursements. The insurance companies are going to focus a lot on prevention and diagnostics in the coming years resulting in higher demand for medical electronics. The Device manufacturers will continue to face pricing pressure which will drive them to innovate and differentiate.

The report, "Indian Medical Device Market Outlook to 2017", predicts INDIA as one of the fastest growing medical devices markets as in the world". Our HCMS Division is interestingly poised to take this changing scenario as an opportunity to derive the maximum advantage with the basket of business offering of Devices, Implants and Disposables with additional demand from the Private Hospitals and clinics in tier II and III cities will help penetrate the Indian market better.

We continue our sustaining efforts to reinforce the TWO business segments which will take us in the value addition curve with our services and to look forward to achieving all shareholder objectives and advancing our standards, through the continued trust of our consumers, partners, shareholders, well-wishers and employees. I would like to express my gratitude to you all for your incessant support in all our endeavors. The continued support from all our stakeholders is our unbreakable strength; I would like to thank all for their valued support in these challenging times. It will be our pleasure to also thank the Board of Directors, the key management personnel and our employees who are focused and committed towards taking the company to walk in to a better future.

Sincerely

P.V.Chandrasekar

Managing Director.

DIRECTORS' REPORT

To
The Shareholders,

Your Board is pleased to present the Thirty Fourth Annual Report on the business and operations of the Company, together with the Audited Financial Statements and Auditors Report for the financial year ended 31st March 2015.

Financial Results

(₹) in Lakhs

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Turnover and Profitability		
Gross Sales	1247.85	2146.98
Total Expenditure	1308.84	2414.62
Profit before Depreciation and Financial Charges	(60.99)	(267.64)
Depreciation	377.84	196.31
Financial Charges	134.82	212.60
Profit before Tax	(573.65)	(676.55)
Provision for Taxation	-	(177.90)
Profit after Tax	(573.65)	(854.45)
Extraordinary item	(193.00)	-
Add Profit brought forward from previous year	(810.06)	44.38
Profit available for Appropriation from Operations	(1190.71)	(810.06)
Appropriations		
Proposed Dividend		
Provision for Tax on Proposed Dividend		
Balance in statement of Profit and Loss Account	(1190.71)	(810.06)

Results from Operations

The total income for your company for the financial year ending March 2015 was Rs.1247.85 Lakhs, against Rs.2146.98 Lakhs for the year ending March 2014 and decrease of 58.12% over the previous year.

During the year under review your Company has disposed of certain Assets identified as unproductive amounting to Rs.628.62 Lakhs, the proceeds of which has been utilized to pay off its debts and dues to State Bank of India and State Bank of Travancore. Presently the Company is debt free as regards to Bankers.

Turnover and Profitability

The gross sales and other income for the financial year under review was Rs.1247.85 lakhs. The profit before tax (after depreciation and Financial charges) was Rs.(573.65) Lakhs and Profit after Tax was Rs.(573.65) Lakhs.

Appropriations**Dividend**

Pursuant Section 134 (3) (k) of the Companies Act, 2013 and considering the performance of the Company, your Directors have not declared a Dividend

Capital Structure

During the financial year under review, the share capital of your company remained unaltered.

Disclosure regarding Issue of Equity Shares with Differential Rights

During the year under review, the Company has not issued Shares with Differential Rights.

Disclosure regarding issue of Employee Stock Options:

During the year under review, the Company has not issued Shares Employee Stock Options.

Disclosure regarding issue of Sweat Equity Shares:

During the year under review, the Company has not issued Sweat Equity Shares.

Management Discussion and Analysis Report:

The report, as required, is given as Annexure I and forms part of the Directors' Report.

Particulars of Research and Development, Conservation of energy, technology absorption and Foreign exchange earnings and Outgo etc.

In pursuance of the provisions of Section 134 of the Companies Act, 2013, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are furnished below:

1. **Conservation of Energy:** The operation of your Company is not energy intensive. Adequate measures have, however, been taken to reduce energy consumption by using Energy efficient computer terminals. Air conditioners are used when required, thereby enhancing energy efficiency.
2. **Research and Development:** No R&D projects were undertaken during the year.
3. **Technology Absorption:** The Technology used by the Company is commonly used by similar industries and the Company is constantly studying the opportunities for improving/up gradation of the technology.
4. **Foreign Exchange Earning and Outgo:** The Company earned Rs.2.18 lakhs in Foreign Exchange. The Foreign Exchange outgo was Rs.333.48 lakhs.

Particulars of Employees

Information as per Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, of the Companies Act, 2013, and forming part of the Directors Report for the year ended 31st March 2015.

I. Employed throughout the year – Nil

II. Employed for part of the year – Nil

III. There were no employees covered under the provisions of the Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, of the Companies Act, 2013.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the information on Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company and the same will be furnished on request.

Corporate Governance

The Company is committed to maintaining the highest standards of Corporate Governance and disclosure practices. The Company ensures compliance to law and adherence to ethical standards to enhance customer value.

A separate section on Corporate Governance, along with a certificate from the Auditors confirming the level of compliance, is annexed and forms a part of the Directors' Report.

Directors' Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

LISTING OF SECURITIES

Your Company's securities are listed on The Bombay Stock Exchange Limited (BSE).

Fixed Deposits

During the year under review, your Company has not accepted any deposits falling under section 73 (1) provided under Chapter V of the Companies Act, 2013. There are no overdue deposits, due for payment as at the close of the year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

INDUCTION.

On the recommendation of Nomination and Remuneration Committee, The Board appointed Mr. P.V. Chandrasekar (DIN:07073777), as Managing Director and Mr. Vivek Kumar Malhotra (DIN:07065198) as Whole time Director with effective from 13th February 2015 and Ms. Suchitra Misra (DIN 02254365) as Non Executive Director with effect from March 31, 2015. We seek your support in confirming the appointment of the above mentioned Directors, in the ensuing Annual General Meeting.

Reappointments

The Company had appointed Dr. Anvay Mulay (DIN: 01479415) as Non-Executive Director, liable to retire by rotation under the Companies Act, 1956. He is also Independent Directors pursuant to Clause 49 of the Listing Agreement.

In terms of provisions of Companies Act, 2013, Independent Directors are not liable to retire by rotation. It is proposed to appoint the aforementioned Director as Independent Director at the AGM for a period of three years with effect from the date of the AGM.

Appropriate resolutions and Brief resume of the Directors seeking appointment / re-appointment at the Annual General Meeting, as required under Clause 49 of the Listing Agreement and Companies Act 2013, forms part of the Notice convening the Annual General Meeting.

Resignations

During the period under review, Mr. Balasubramaniam. V (DIN 01177493) Independent Director resigned with effect from December 23, 2014, Mr. Vinod Ramnani (DIN 01580173) ceased to be a Director of the Company with effect from 30.04.2015 and Mr. Bhaskar Valiveti (DIN 00453173) ceased to be a Director of the Company with effect from 30.04.2015.

The Board places on record its appreciation for the services rendered by them during their tenure with the Company.

Declaration by Independent Directors.

The Company has received necessary declaration from Independent Directors that they meet the criteria of independence laid down in section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Training of Independent Directors.

To familiarize the new inductees with strategy operations and functions of our Company, senior managerial personnel make presentations on Company's strategy, Organization structure, Products, technology, quality, facilities. Further at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his or her role, function, duties and responsibilities as a Director.

POLICY ON DIRECTORS APPOINTMENT REMUNERATION AND EVALUATION.

The Nomination Remuneration and Evaluation Policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of director and other matters provided under Sub section (3) of Section 178 of the Companies Act, 2013 adopted by the Board, is appended as Annexure II to the Board's Report. The Policy also contains the evaluation framework as stipulated under the Clause 49 of the Listing Agreement which mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

MEETINGS OF THE BOARD

Seven Meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance on page no. 39 of this Annual Report.

COMMITTEES OF THE BOARD.

Currently, the Board has Four Committees: Audit and Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

A detailed note on the Composition and Scope of the Committees is provided under the Corporate Governance Section in this Annual Report.

Auditors

At the Annual General Meeting held on September 30, 2014 M/s. Anand Amarnath & Associates, Chartered Accountants, Bengaluru, were appointed as Statutory Auditors of the Company, hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of First proviso to Section 139 of Companies Act, 2013, the appointment of auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Anand Amarnath & Associates, Chartered Accountants as Statutory Auditors of the Company is placed for ratification of shareholders. The Company has received letter from the Statutory Auditors to the effect that their reappointment, if made, would be in accordance with provisions of Section 141 of the Companies Act, 2013.

SECRETARIAL AUDITOR

The Board has appointed Mr. Vijayakrishna K T, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed as III herewith marked to this Report.

The Board of Directors of the Company hereby furnish following explanations and clarifications with respect the observations made by the Secretarial Auditors in their report dated November 18th 2015 under the heading observations in points (a) to (e):

- (a) The Company will take necessary steps to appoint one External Person as member of the sexual harassment committee.
- (b) The Company will take necessary steps to comply the appointment of Internal Auditor.
- (c) Due to technical issues in making the requisite returns, digitally signing the same and uploading, delays occurred in filings of certain returns. Extreme levels of care and caution will be exercised to ensure that such delays do not occur again.
- (d) The Company will henceforth ensure to publish notices within the prescribed time.
- (e) The Company is in the process of recruiting suitable candidates, for the post of CFO/CS. Returns with refer to appointment of Managing Director and Whole time Director were delayed due to technical issue. Extreme levels of care and caution will be exercised to ensure that such delays do not occur again.

RISK MANAGEMENT

The Company has laid down risk assessment and minimization procedures which are in line with the best practices in the industry and as per its experience and objectives. The risk management system is reviewed periodically and updated.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.amdlcorp.com/pdf/AMD-L-Policy on Related Party Transactions>.

Your Directors draw attention of the members to Note 7A to the financial statement which sets out related party disclosures.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are Nil.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee (CSR Committee appointed by the Board) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link <http://www.amdcorp.com/AMD-CSRPolicy.pdf>

In terms of Section 134 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual Report on Corporate Social Responsibility activities of the Company is given in Annexure IV to this report.

This being the first year of implementation of the Companies Act, 2013, owing to the operational challenges and accumulated losses, your Company was unable to undertake CSR activities for the financial year 2014 -15.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a vigil mechanism and Whistle Blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct to Chief Vigilance Officer and Audit & Risk Management Committee of the Board. The Company further confirms that no personal have been denied access to the Audit & Risk Management Committee.

The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: <http://www.amdcorp.com/AMD- Whistle Blower Policy.pdf>

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as Annexure V to this Report.

SIGNIFICANT AND MATERIAL ORDERS.

No order was passed by any court or regulator or tribunal during the year under review which impacts going concern status of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

A policy on Prevention of Sexual Harassment at Workplace has been released by the Company. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. Three member Internal Complaints Committee (ICC) was set up from the senior management with women employees constituting majority. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

No complaints pertaining to sexual harassment was reported during the year.

Auditors Observations:

The Board of Directors of the company would like to give the following explanations and clarifications with respect to the qualifications/ observations made by the Auditors in their Report dated 1st December, 2015, for the Financial Statements under the heading Basis for Qualified Opinion in points 1 to 5;

Stock Value of Rs.18.40 Crores on Terminal and Multipara Patient Monitors : The company had initiated a series of marketing efforts, but could not succeed in the promotion of payment terminals due to terminal lagging the technical feature of PCI/PED Certificate. We are continuously making efforts to upgrade and sell the terminals.

The Monitors are low on Technical features and prices in comparison to the present models available now. We are working on upgrading the monitor for sale to smaller hospitals and nursing homes in TIER III/IV cities that require entry level monitors.

Receivable of Rs.17.79 Crores : We are continuing our efforts to collect the receivables or get the material back.

Auditing in USA Operations : Auditing is not mandatory in the U.S. and hence was not done.

Show Cause Notice, VCES Scheme – Delhi : It is by sheer oversight in taking CENVAT credit in the VCES Scheme and we have gone on appeal. We are confident of a positive result.

Stopped Business Operations: We have not completely stopped Business Operations but we have right sized the operation and focus will be on our core business of Healthcare Management, Equipments Services to become one among the Top Ten players which would allow us to go forward with subsistence and growth in the chosen market segments. Further in order to serve new customers and existing customers, new products are continuously being identified and launched, making sure that we continue giving them good after sales support, as we have done in the past.

Payment of Statutory Dues : We will start paying the statutory dues and would work towards zero tolerance on delayed payment of statutory dues in future.

Acknowledgements

Your Directors would like to place on record their gratitude for all the guidance and cooperation received from all its clients, vendors, bankers, financial institutions, business associates, advisors, regulatory and government authorities.

Your Directors also take this opportunity to thank all its investors and stakeholders for their continued support and all employees for their valuable contribution and dedicated service.

For and on behalf of the Board of Directors

Place: Bengaluru
Date : 3rd December 2015

P V CHANDRASEKAR
Managing Director

VIVEK MALHOTRA
Whole-time Director