

## LED Ecosystem towards Energy Efficiency



25<sup>th</sup> Annual Report 2012-13



SOLAR STREET LIGHT



LED STREET LIGHT

## SOLAR LED HOME LIGHTING SYSTEM

### Home Light Package



Solar Panel



DC LED Lights



Control Box



Lead Acid Tubular Battery



DC Fan



Angel LED Light



Cell Phone Charger



LED Lantern

01

Pg-01

Chairman Statement

02

Pg-03

Notice

03

Pg-17

Director's Report

04

Pg-24

Management Discussion  
and Analysis Report

05

Pg-26

Report on Corporate  
Governance

06

Pg-39

Managing Director  
and CFO Certification

07

Pg-40

Financial Section



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

## Dear Shareholders,

I am happy to share with you, through this 25th Annual Report of your company, developments that have taken place, which I strongly believe will aid the growth of the company both in the short and long term periods. These developments relate to important additions to customer list, acceptance of your company's products in the market place and certain policy initiatives of the Government of India which are designed to encourage indigenous development and manufacture of Electronics Hardware and investments on infrastructure for the manufacture of state-of-the-art Electronic Hardware.

As I have mentioned in my earlier statement, we are trying to consolidate on the products already developed and increase our market shares through proven products in carefully selected market segments with an intense focus.

## LED Lighting Products

Your company succeeded in obtaining a fairly large order for the supply and maintenance of street lights in one of the Districts of the Maharashtra State. Your company also succeeded in forging an alliance with Energy Efficiency Services Limited (EESL) for joint execution of the project. EESL is an organization promoted by a few Government of India Enterprises for promoting energy efficient appliances and deployment of Non-conventional sources of energy. Their areas of interest include Illumination applications and Conservation of Energy. It is expected that successful execution of this mega order not only will improve the top and bottom lines of your company but also will lead to obtaining similar business opportunities in other parts of the country.

ESCO Models have come to stay in the execution of large capital intensive projects which offer sustainable energy savings in the lighting segment. Your company's success in obtaining the prestigious order from the State of Maharashtra, therefore assumes a Very happy Significance. This will certainly be a niche segment of focus for your company.

You will be gratified to note High Technology Business Houses like software Industries, which almost work on 24x7, 365 day basis, have fully realized the energy saving potential of LED luminaires. Your company succeeded in enlisting the biggest software company of the country in the Customer list.

It is expected that this beginning will augur well in obtaining repeat orders from similar industries. Retrofits of existing luminaires aimed at energy savings are expected to take off in a big way-in addition to total adoption of LED Lighting technology for all new campuses.

Products developed for Rural applications like "Nano-Moon" and Solar Home Gen Sets for handling both AC and DC loads have been received very well by the prospective customers. This is a very encouraging sign because though these products are primarily designed for the rural segments of India, they will play a significant role even in semi-urban and urban parts of the country because of the severe shortages of power that are expected to be experienced by the Nation for several years to come.

Another niche area, which was expected to be a major market segment for your company is Coach lighting for Indian Railways. RDSO approval for the products was obtained as early as in the year 2009. The long wait of the company for orders, after the pioneering work done, will soon be over. The potential business opportunity for this product stream alone is expected to be in excess of Rs.500 Cr. in the next 4-5 years.

## True Colour LED Displays

On the Display front, your company is continuing to receive repeat orders from the U.S based Colorado Time Systems (CTS), on a steady basis. This is certainly an index of the customer confidence on your company and the quality of its products. Your company will be exporting its 200th Screen to USA alone during this quarter.

Business opportunities from Indian Railways for the Passenger Information System Displays are also expected to pick-up rapidly as the Railway authorities have completed the selection criteria, in terms of modified specifications aimed at cost reduction and increasing the sources of supply for future additions of Displays in different Railway stations of the country. As in the case of coach lighting products, your company, so far, has been the only company to have received RDSO approval for the Railway Passenger Information Display Systems. Ironically your company's unique strength has become its weakness in so far as business is concerned. This issue also will be resolved in the coming few months and your company expects receipt of sizeable business from this segment very soon.

Product Development and innovation are the core strengths of your company. The feedback obtained from the users and channel partners being retained for promoting the lighting products has been very gratifying. There is un-qualified praise for the quality of your company's products and the consensus is that they compare very favourably with the best in the world in terms of performance and price.

To further improve and strengthen the quality, scope and elegance of your company's products, technical and business partnerships have been worked out with a couple of reputed foreign companies. To gear up for the supply of low-pitch-high resolution next generation LED Display products, an alliance is formed with M/s. Schenzhen Leyard Optoelectronic Co., Ltd, China. A joint venture 'Luxtronics' is formed with the Malaysian Company 'Kenplus' for carrying out mechanical designs and also to help MIC in the marketing of LED lighting products. These measures are expected to provide definite competitive advantages to your company.

It is on this core strength that your company plans to leverage on in its growth plans. Associations are being forged with partners for Marketing your company's products and carrying out Field operations. Beginnings made in this direction are showing very encouraging signs both in the Display and Lighting segments.

In respect of the cash-flow management and funds availability, to cater to the market demand being generated for your company's products and to support the growth plans being targeted, efforts are being made to mobilize additional equity and floating of convertible debentures. There is

considerable progress in this regard and there are encouraging signals from National and International sources. Further, the business models being drawn-up, with the help of the channel partners envisage collection of sizeable advances from Customers / Distributors to meet the working capital needs. I am happy to inform you that there are positive signals in this respect also mainly because of the strength of your company's products and the demand for them.

Notwithstanding all the problems experienced in the last 2-3 years, I feel very confident that your company will realise its full potential much sooner than later. Towards this end, the company's strategy will be to fully leverage on its core strengths namely Product Development, Product Customisation and Innovation in offering solutions for different customer applications.

I extend my grateful thanks to all the shareholders of the company for the trust reposed and the patience exhibited during the difficult times that the company has been passing through. I would like to reassure the share holder family that the days of struggle will be over and we will be on the path of growth and prosperity very soon. This confidence of mine stems from the fact that the business areas we are in offer tremendous growth opportunities and the products that we have are world class.

I look forward to your continued support and patronage and I reiterate my sense of gratitude to you all.

With Best Wishes

**Dr. M.V. Ramana Rao**



NOTICE is hereby given that the 25th Annual General Meeting of the Members of the Company will be held on Friday, the 22nd November 2013 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 June 2013 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 L N Malleswara Rao who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri N Srinivasa Rao who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.0121945) 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 determined by the Board of Directors."

### SPECIAL BUSINESS:

#### 5. Appointment of Shri J N Prasanna Kumar as Director

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

"RESOLVED THAT Shri J N Prasanna Kumar, who was appointed as an Additional Director of the Company w.e.f. 9th February, 2013 and who is eligible to hold office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company.

#### 6. Preferential Allotment of Warrants to Promoters:

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 (the "Act") (including any statutory modification or re-enactment thereof), the listing agreements entered into by the Company with the various stock exchanges where the shares of the Company are listed or to be listed, the applicable guidelines and clarifications issued by the **Government of India (GOI), Securities and Exchange Board of India (SEBI)** and any other statutory or regulatory authorities and clarifications thereon issued from time to time and subject to all statutory, regulatory and government approvals, consents, permissions and/or sanctions as may be necessary and subject to any such conditions and modifications as may be prescribed or imposed by any one or more of them while granting any such approvals, consents, permissions or sanctions agreed to by the Board of Directors of the Company (the "Board", which term shall be deemed to include any committee which the Board may have constituted or may hereinafter constitute to exercise its powers including powers conferred on the Board by this resolution) and in accordance with the Securities and Exchange Board of India (**Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended/modified from time to time (the "SEBI ICDR Regulations")**), the consent of the Company be and is hereby accorded to the Board to issue, offer and allot 2,69,95,070 (Two Crores Sixty Nine Lakhs Ninety Five Thousand and Seventy) warrants (the "Warrants") to the promoters, as per the list mentioned below on preferential allotment basis, on such terms and conditions and in such manner as the Board may think fit, each Warrant, on exercise, entitling the holder thereof to apply for and be allotted one (1) equity share of Rs.2/- each (Rupees Two only) per Warrant, which exercise may be made within a period not exceeding eighteen (18) months from the date of allotment of the Warrants, in one or more tranches, in accordance with SEBI ICDR Regulations and other relevant

guidelines/regulations as may be applicable, such that the equity shares to be issued on exercise of Warrants so issued or allotted, aggregate to 2,69,95,070 (Two Crores Sixty Nine Lakhs Ninety Five Thousand and Seventy) equity shares of Rs.2/- (Rupees Two only) each fully paid up at a premium of Re.1/- (Rupee One Only) per equity share aggregating to Rs.3/- (Rupees Three Only) of which a sum of 0.75p/- (Paise Seventy Five Only) per Warrant (being 25% of the subscription price per equity share) which comes to around Rs. 2,02,46,303 (Rupees Two Crore Two Lakhs Forty Six Thousand Three Hundred and Three Only) would be payable at the time of allotment of the Warrants, and Rs. 2.25/- (Rupees Two and Paise Twenty Five Only) balance amount of 75% (i.e., being 75% of the subscription price per equity share) which is 6,07,38,907 (Rupees Six Crores Seven Lakhs Thirty Eight Thousand Nine Hundred Seven Only) to be paid within 18 months from the date of allotment, such equity shares to be allotted to the holders of the Warrants on exercise shall rank pari passu in all respects including entitlement for dividend with the then existing equity shares of the Company. The proposed Promoter Warrants shall be allotted in the following proposition on such terms and conditions and in such manner as the Board may think fit.

S.No.	Name of the Applicant	No. of Warrants
1	Usha Rani Maganti	9,000,000
2	Chaitanya Deepthi Maganti	5,000,000
3	Chaitanya Keerthi Maganti	6,500,000
4	Chaithanya Pavan Maganti	6,495,070
<b>Total</b>		<b>26,995,070</b>

#### RESOLVED FURTHER THAT:

- the equity shares to be offered on exercise of Warrants and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the provisions of SEBI ICDR Regulations;
- the relevant date for the purpose of determining the price of the above mentioned issue of the Warrants (and the equity shares to be allotted on exercise thereof) in accordance with the SEBI ICDR Regulations be fixed as 24th October 2013 being the 30th day prior to **22nd November 2013** (i.e. the 30th day prior to the date on which meeting of the general body of shareholders is held in terms of Section 81(1A) of the Companies Act, 1956 (Section 81(1A) of the Companies Act, 1956) to consider the proposed issue);
- the Board be and is hereby authorised to decide and approve the other terms and conditions of the issue of the Warrants and shall also be entitled to vary, modify or alter any of the terms and conditions, as it may deem expedient, without being required to seek any further consent or approval of the Company in the general body meeting of shareholders, subject however to compliance with the provisions of all applicable law, guidelines, notification, rules and regulations;
- the Board be and is hereby authorised to accept any amendments, modifications, variations and alterations as the GOI, SEBI or any other regulatory authority may stipulate in that behalf; and
- the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or Committee of Directors or any other employee or officer of the Company (as it may consider appropriate) to give effect to the aforesaid resolutions.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or incidental to this resolution and to settle any question, difficulty or doubt that may arise from time to time in regard to the offer/issue and allotment of Warrants or fresh equity shares on exercise of Warrants, to one of the promoters, as per the list mentioned above and further to do all such acts, deeds, matters and things and to finalise and execute all documents, papers, agreements, deeds and writings as may be necessary, desirable or expedient as it may deem fit."

## 7. Preferential Allotment of Warrants to Investors:

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 (the "Act") (including any statutory modification or re-enactment thereof), the listing agreements entered into by the Company with the various stock exchanges where the shares of the Company are listed or to be listed, the applicable guidelines and clarifications issued by the **Government of India (GOI), Securities and Exchange Board of India (SEBI)** and any other statutory or regulatory authorities and clarifications thereon issued from time to time and subject to all statutory, regulatory and government approvals, consents, permissions and/or sanctions as may be necessary and subject to any such conditions and modifications as may be prescribed or imposed by any one or more of them while granting any such approvals, consents, permissions or sanctions agreed to by the Board of Directors of the Company (the "Board", which term shall be deemed to include any committee which the Board may have constituted or may hereinafter constitute to exercise its powers including powers conferred on the Board by this resolution) and in accordance with the Securities and Exchange Board of India (**Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended/modified from time to time (the "SEBI ICDR Regulations")**), the consent of the Company be and is hereby accorded to the Board to issue, offer and allot upto 5,04,82,000, (Five Crores Four Lakhs Eighty Two Thousand Only) warrants (the "Warrants") to Investors, as per the list mentioned below on preferential allotment basis, on such terms and conditions and in such manner as the Board may think fit, each Warrant, on exercise, entitling the holder thereof to apply for and be allotted one (1) equity share of Rs.2/- each (Rupees Two only) per Warrant, which exercise may be made within a period not exceeding eighteen (18) months from the date of allotment of the Warrants, in one or more tranches, in accordance with SEBI ICDR Regulations and other relevant guidelines/regulations as may be applicable, such that the equity shares to be issued on exercise of Warrants so issued or allotted, aggregate to 5,04,82,000, (Five Crores Four Lakhs Eighty Two Thousand Only) equity shares of Rs.2/- (Rupees Two only) each fully paid up at a premium of Re.1/- (Rupee One Only) per equity share aggregating to Rs.3/- (Rupees Three Only) of which a sum of 0.75p/- (Paise Seventy Five Only) per Warrant (being 25% of the subscription price per equity share) which is Rs. 3,78,61,500 (Rupees Three Crore Seventy Eight Lakhs Sixty One Thousand Five Hundred Only) would be payable at the time of exercise of the Warrants and Rs. 2.25/- (Rupees Two and Paise Twenty Five Only) balance amount of 75% (i.e., being 75% of the subscription price per equity share) which is Rs. 11,35,84,500 (Rupees Eleven Crores Thirty Five Lakhs Eighty Four Thousand Five Hundred Only) to be paid within 18 months from the date of allotment, such equity shares to be allotted to the holders of the Warrants on exercise shall rank pari passu in all respects including entitlement for dividend with the then existing equity shares of the Company. The proposed Investor Warrants shall be allotted in the following proposition on such terms and conditions and in such manner as the Board may think fit.

S.No.	Name of the Applicant	No. of Warrants
1	Venkata Ram Atluri	1,600,000
2	Naga Malleswara Rao Lingamaneni	2,300,000
3	Srinivasa Rao Nimmagadda	1,950,000
4	Rei Atluri	2,400,000
5	Nimmagadda Venkata Surendra	950,000
6	Sahil Khosla	1,050,000
7	Venkata Satya Arun Kovelanmudi	700,000
8	M Venkata Suhas	500,000
9	Raghu Veer Yarlagadda	5,950,000
10	Pavuluri Lakshmi	150,000
11	Pavuluri Balakrishna	165,000
12	Venkata Saitya Subba Rao Talluri	175,000

S.No.	Name of the Applicant	No. of Warrants
13	Pradeep Vundavalli	175,000
14	Koneru Lakshmi Tulasi	100,000
15	Sridevi Chitturi	200,000
16	Peda Rathayya Makineni	300,000
17	M V Subbayamma	300,000
18	Ganesan Mudaliar Rajaretnam	200,000
19	Srikanth Paladugu	125,000
20	V Nagendra Babu Lingamaneni	125,000
21	Duggirala Panduranga Rao	150,000
22	Bandi Krishna Kumari	1,925,000
23	K Siva Kumari	250,000
24	B Usha Rani	300,000
25	Rama Devi	300,000
26	Garimella Venkata Krishna Rao	150,000
27	J.N.Bhushan	250,000
28	Mullapudi Mohan Rao	300,000
29	Girijesh Kumar Agarwal	1,400,000
30	Venkateswara Rao Golla	300,000
31	Pinnamneni Holdings Pvt Ltd	450,000
32	Y.Madhu Seshu	150,000
33	Parul Gandhi	250,000
34	Ideamax Consultancy Services Pvt Ltd	24,892,000
<b>Total</b>		<b>50,482,000</b>

#### RESOLVED FURTHER THAT:

- the equity shares to be offered on exercise of Warrants and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the provisions of SEBI ICDR Regulations;
- the relevant date for the purpose of determining the price of the above mentioned issue of the Warrants (and the equity shares to be allotted on exercise thereof) in accordance with the SEBI ICDR Regulations be fixed as 24th October 2013 being the 30th day prior to **22nd November 2013** (i.e. the 30th day prior to the date on which meeting of the general body of shareholders is held in terms of Section 81(1A) of the Companies Act, 1956 to consider the proposed issue);
- the Board be and is hereby authorised to decide and approve the other terms and conditions of the issue of the Warrants and shall also be entitled to vary, modify or alter any of the terms and conditions, as it may deem expedient, without being required to seek any further consent or approval of the Company in the general body meeting of shareholders, subject however to compliance with the provisions of all applicable law, guidelines, notification, rules and regulations;
- the Board be and is hereby authorised to accept any amendments, modifications, variations and alterations as the GOI, SEBI or any other regulatory authority may stipulate in that behalf; and
- the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or Committee of Directors or any other employee or officer of the Company (as it may consider appropriate) to give effect to the aforesaid resolutions.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or incidental to this resolution and to settle any question, difficulty or doubt that may arise from time to time in regard to the offer/issue and allotment of Warrants or fresh equity shares on exercise of Warrants, to one of the Investors, as per the list mentioned above and further to do all such acts, deeds, matters and things and to finalise and execute all documents, papers, agreements, deeds and writings as may be necessary, desirable or expedient as it may deem fit."



## 8. Employee Stock Option Scheme 2013:

To Consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

**"RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 ("the Act"), the provisions of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory amendments, modification or re-enactment of the Act or the Guidelines for the time being in force) and the Company's Memorandum and Articles of Association and further subject to such approvals, permissions, sanctions of the Regulatory Authorities as may be required and subject to such conditions and modifications as may be prescribed or imposed by the Regulatory Authorities while granting such approvals, permissions and sanctions, approval and consent of the shareholders of the Company be and is hereby accorded to the Employees Stock Option Plan, 2013 (hereinafter referred to as "ESOP, 2013") on the terms and conditions set out in the Plan and the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee including ESOP Compensation Committee of the Board), be and are hereby authorised to grant stock options and to issue and allot in one or more tranches under the said ESOP, 2013 at any time for the benefit of present and future eligible Employees of the company and eligible Directors of the Company (including Independent Directors and Nominee Directors) such number of equity shares or securities convertible into equity shares, as may be deemed appropriate provided, however, that the aggregate stock options granted shall not exceed 50,00,000 Options in aggregate, at the price of Rs. 2/- each on such terms and conditions as may be fixed or determined by the Board in accordance with the Guidelines or other applicable provisions of any law as may be prevailing at that time.

**RESOLVED FURTHER THAT** in terms of clause 49(I)(B) of the listing agreement with the stock exchanges 10,00,000 number of stock options be and is hereby fixed as the maximum limit for grant of stock options to Directors (including Independent Directors and Nominee Directors) pursuant to ESOP, 2013 and the stock options to be granted to any particular director shall not exceed 1,00,000 options, in aggregate, and during a particular financial year the number of options to be granted to any individual director shall not exceed 50,000 options.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to amend, vary or modify any of the terms and conditions of the ESOP, 2013 pertaining to grant of options, pricing of options, issue or allotment of equity shares or convertible securities pursuant to the options including authority to withdraw, recall, accept, surrender or cancel options issued or to be issued pursuant to this resolution and to issue fresh options in lieu thereof at such price, in such manner, during such period, in one or more tranches and on such other terms and conditions as the Board may decide, without being required to seek any further consent or approval of the Shareholders.

**RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted pursuant to ESOP, 2013 shall rank pari passu in all respects with the then existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition of the shares by the aforesaid allottees under the ESOP, 2013 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees as decided by the Compensation Committee.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take necessary steps for listing of the securities allotted under ESOP, 2013 on the Stock Exchanges, where the securities of the Company are listed, as per the provisions of the Listing Agreements with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to seek any further consent or approval of the shareholders".

## 9. Issue of Shares to employees / directors of the holding and subsidiary companies:

To Consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 ("the Act"), the provisions of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory amendments, modification or re-enactment of the Act or the Guidelines for

the time being in force) and the Company's Memorandum and Articles of Association and further subject to such approvals, permissions, sanctions of the Regulatory Authorities as may be required and subject to such conditions and modifications as may be prescribed or imposed by the Regulatory Authorities while granting such approvals, permissions and sanctions, approval and consent of the shareholders be and is hereby accorded to the Board to extend the benefits of aforesaid ESOP 2013 proposed in the earlier resolution in this Notice to the eligible employees/ directors of the subsidiary and holding companies, (present and future) and/or to such other persons, as may from time to time be allowed under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue, allotment or listing of Securities, the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring in to effect the Plan and make any modifications, changes, variations, alterations or revisions in the said Plan from time to time or to suspend, withdraw or revive the Plan from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

#### **10. APPROVAL FOR ISSUE OF SHARES TO SPECIFIED EMPLOYEES MORE THAN 1%:**

To Consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of 81(1A) and other applicable provisions of the Companies Act, 1956 ("the Act"), the provisions of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory amendments, modification or re-enactment of the Act or the Guidelines for the time being in force) and the Company's Memorandum and Articles of Association and further subject to passing of aforesaid resolution and such approvals, permissions, sanctions of the Regulatory Authorities as may be required and subject to such conditions and modifications as may be prescribed or imposed by the Regulatory Authorities while granting such approvals, permissions and sanctions, approval and consent of the shareholders, the consent of the company be and is hereby accorded to the Board to create, offer, issue and allot or transfer from the Trust, at any time, to such Eligible Employee/Director, as decided by the board of the any committee during any one year, a number of shares, which may exceed more than 1%, shares of the Post Capital of the Company and in the aggregate shall not exceed the maximum number of shares allocated for ESOP, and on such terms and conditions as may be fixed or determined by the Board in accordance with the Guidelines or other provisions of the law as may be prevailing at that time and as per the other Terms and Conditions specified in the Explanatory Statement to this resolution.

**RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then exist Equity Shares of the Company."

By order of the Board  
For MIC Electronics Limited

Place: Hyderabad

Date: 26/10/2013

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