



MIC ELECTRONICS LIMITED

26th ANNUAL REPORT 2013-14

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

Dear Shareholders,

The highlight of this year's operations, without a doubt, has been the Design, Development and Supply of LED based 3D-Holographic Displays. In all probability, this Development is the first of its kind in the world. The uniqueness of day-light visibility of 2D LED displays is extended to 3D displays, which provide Auto Stereoscopic Vision rendering them as Naked eye 3D displays which can be viewed without wearing any special glasses. This feature enormously enhances their application potential. In addition to the political campaigns for which these displays were deployed in the last General Elections, it is expected that the 3D and 2D Displays will have a great role to play as information dissemination devices in the domains of Education, Agriculture, Health Care, Governance, Rural Commence and a host of other applications in addition to the traditional ones like product Advertising, Entertainment etc. The export of LED displays are continuing at a steady pace.

The development of the 3D Holographic displays is yet another milestone reached by your company which amply demonstrates its R&D capabilities. Development of small-pitch displays is yet another R&D achievement of the year. Continuous steps are being taken to protect the Intellectual Property that is getting generated, which will eventually enable your company in the creation of a comprehensive LED Ecosystem.

I am particularly happy to inform you that the supplies have commenced for the prestigious Nashik Municipality street lighting project, in the state of Maharashtra. The installation operations will commence very soon and the project is expected to be completed before the end of the current financial year. The success achieved in respect of this is particularly gratifying because your company had to battle several legal hurdles, which it did successfully, based on its technical and technological strengths.

Lot of importance is being given to bring in energy efficiency in the public lighting systems of the Country. The Nashik project, it is strongly believed, will be a show case example in this regard and will open up several similar business opportunities for your company. Supplies have already commenced for a similar project

in Visakhapatnam in the state of Andhra Pradesh. Another gratifying development is the opportunities that are coming our way in the export of LED street lights.

The newly formed states of Telangana and Andhra Pradesh, unfortunately, have been affected by serious power shortages. Energy efficient lighting and solar powered lighting will be of great relevance to these states and your company will endeavour to render its best possible service to these states in the area of LED lighting.

Industry analysts have been observing that Railways and street lighting offer the best business opportunities, in the short term, for LED lighting. Your company, by dint of the pioneering work done already, is positioned well to make its presence strongly felt in these important market segments.

Government of India is committed to enhance the manufacturing operations in the Country. Hon'ble Prime Minister of India, in his Independence Day speech made a fervent appeal to 'Sell Globally but Make in India'. This National support and the initiatives launched by the Department of Electronics and Information Technology (DeitY) to promote Indigenous manufacture and self-

sufficient in the Country augur well for an R&D and Technology driven company like yours. I would like to assure you that we will fully leverage on the opportunities that present themselves.

The business potential in the domain of Coach lighting for Indian Railways has been dormant in the last 4-5 years despite the fact that your company has been the first and only company to supply these coach lighting products which have successfully undergone field trials for extended periods of time. The administrative issues that were delaying the purchase process have since been resolved and your company can look forward to sizeable business from this segment, sooner than later. In respect of Display products, again in the Railway sector,

decisions taken to introduce Multi-Colour / True-Colour displays to substitute single colour displays as Coach Guidance and Platform Displays will open up fresh business opportunities for your company. Further, certain pending issues regarding Passenger Information Systems (PIS) in the Eastern region are getting resolved on a priority basis. The technical clearance for the next generation PIS is also expected to be received by your company shortly. These are welcome developments in respect business enhancement in the Railway Sector for display products.

I once again sincerely thank all the shareholders for the trust reposed in your company.

With best wishes,

Sd/-

Dr. M.V.Ramana Rao

Chairman and Managing Director

NOTICE is hereby given that the 26th Annual General Meeting of the Members of the Company will be held on Tuesday, the 30th day of September 2014 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 31st March 2014 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 (DIN 00010318), who retires by rotation, and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT, pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed there under and pursuant to the recommendations of the audit committee of the Board of Directors, Pavuluri & Co, Chartered Accountants, Hyderabad (Registration No.012194S), be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 29th Annual General Meeting to be held in year 2017, subject to ratification by the members at every AGM hereafter, and the Board of Directors be and are hereby authorized to fix their remuneration, in accordance with the recommendation of the Audit Committee in consultation with the Auditors."

SPECIAL BUSINESS:

4. **To appoint Shri N Srinivasa Rao (DIN: 00014636) as Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, all other applicable provisions of the Companies Act, 2013, and the rules framed there under read with Schedule IV to the Companies Act, 2013, and Listing Agreement, **Shri. N Srinivasa Rao (DIN: 00014636)**, who was earlier appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose **Shri N Srinivasa Rao (DIN: 00014636)** as director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office from **30th September 2014 up to 29th September 2019**, whose period of office shall not be liable to retire by rotation."

5. **To appoint Shri A A V V S S C B Sekhar Babu (DIN: 00692448) as Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, all other applicable provisions of the Companies Act, 2013, and the rules framed there under read with Schedule IV to the Companies Act, 2013, and Listing Agreement, **Shri A A V V S S C B Sekhar Babu (DIN: 00692448)**, who was earlier appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose **Shri A A V V S S C B Sekhar Babu (DIN: 00692448)** as director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office from **30th September 2014 up to 29th September 2019**, whose period of office shall not be liable to retire by rotation."

6. Ratification to the amendments made by the board to the resolutions passed by the members at their general meeting held on 22nd November 2013 for issue of Convertible Share Warrants to Promoters and Investors.

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

“RESOLVED THAT pursuant to the provisions of Section 62 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (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 pursuant to the consent shareholders at the AGM held on 22nd November 2013 For issue, offer and allot upto 77477070. (Seven Crores Seventy Four Lakhs Seventy Seven Thousand Seventy only) warrants (the “Warrants”) to the promoters and Investors, and pursuant to the BSE Letter date on 21st August 2014 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 the relevant date for the purpose of determining the price for the issue of warrants to the promoters and investors (and the equity shares to be allotted on exercise thereof) as per the list given in the explanatory Statement be fixed as **23rd 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 to consider the proposed issue) on such other terms and conditions and in such manner as the Board may think fit.

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.”

By order of the Board
For MIC Electronics Limited

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

Place: Hyderabad
Date: 03/09/2014

NOTES:

- a) A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the company. The enclosed instrument of proxy in order to be effective, must be deposited at the registered office of the Company, duly completed and signed not less than 48 hours before the meeting.
- b) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf in the meeting.
- c) Members attending the meeting are requested to complete and bring the attendance slip enclosed with the Annual Report and hand over the attendance slip duly signed at the entrance of the meeting hall.
- d) The Register of Members and Share Transfer Books of the Company will remain closed from **26th September 2014 to 30th September 2014** (both days inclusive) for the Annual Meeting.
- e) The relevant Explanatory Statement in respect of the Special Business set out above, as required by **Sec.102 (2) of the Companies Act, 2013** is annexed hereto.
- f) Documents referred to in the accompanying Notice and Explanatory Statement is available for inspection at the Registered Office of the Company during office hours between 9.30 a.m. and 6.00 p.m. on all working days prior to the date of the Annual General Meeting.
- g) Members may address their Correspondence to Registrar and Share Transfer Agents of the Company M/s. Venture Capital and Corporate Investments Private Limited Unit: MIC Electronics Limited H.No:12-10-167, Bharatnagar, Hyderabad - 500018 or to the registered office of the company.
- h) The shareholders who have not en-cashed the dividend warrant(s) so far for the financial years 2006-07, 2007-08 & 2008-09 are requested to make their claim to the Company.
- i) Pursuant to provisions of Sec 123 of the Companies Act, 2013, the amount of dividend remaining unclaimed for the period of 7 years from the date that becomes due for payment are required to be transferred by the company to the Investor Education and Protection fund.
- j) The Company has designated an exclusive email id viz. investors@mic.co.in to enable the investors to post their grievances.
- k) **The instructions for members for voting electronically are as under:**
 - (A) **In case of members receiving e-mail:**
 - i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
 - ii) Log on to the e-voting website www.evotingindia.com.
 - iii) Click on "Shareholders" tab to cast your votes.
 - iv) Now, select the Electronic Voting Sequence Number - "140908064" along with company name - "MIC ELECTRONICS LIMITED" from the drop down menu and click on "SUBMIT"
 - v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <Default Value> in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the value <Default Value> in the DOB column or the <Default Value> in the Dividend Bank details field.

- vi) After entering these details appropriately, click on “SUBMIT” tab.
- vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- viii) Click on the relevant EVSN on which you choose to vote.
- ix) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- x) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (II) **In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**
- (B) Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.
- (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- (D) The voting period begins on 22nd September 2014 at 9.00 AM and ends on 24th September 2014 at 6.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 5th September 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (E) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- I) Mr. D V M Gopal - M/s dvmgopal & associates Company Secretaries (COP No. 6798) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. – 3 & 4

BRIEF PROFILES OF DIRECTORS SEEKING RE-ELECTION

Name of the Director	L N Malleswara Rao	N Srinivasa Rao	A V V S S C B Sekhar Babu
Date of Birth	15-05-1960	25.07.1953	01-06-1963
Earlier date of Appointment as Independent Director	25 th May 1996	4 th December 2004	27 th February 2012
Qualification Experience	Bachelor of Technology (Mechanical Engineering) from Jawaharlal Nehru Technological University (JNTU). Prior to joining the company, he is having experience in Design, Development and Quality assurance for more than a decade in Andhra Pradesh Heavy Machinery	Double post graduate in public administration and politics. He is having rich experience in various administrative positions of different departments of Andhra University and more than 25 of experience in teaching at various prestigious colleges. He is	FCS and he is practicing as Company Secretary Since 1990 and he has handled about 35 public issues during first half of 1990s. He is also on the board of directors of M/s. Alufluoride Limited. Further, he is acting as consultant for some of the leading group of Companies located in and around Vizag

Engineering Limited (APHMEL) - a subsidiary of Andhra Pradesh Industrial Development Corporation Limited. Associated with several prestigious projects in their design development and execution in the areas of electrical and mechanical engineering. He joined MIC Electronics Limited in 1994. He is on board of the company since 1995 and contributed to the operations of the company in several areas- design, development and execution of LED Displays specifically in up gradation of mechanical designs for True colour LED video walls and other LED lighting applications. Presently he is responsible for Mechanical Design and Administration activities of the Company.

advising the company in the areas of employee welfare, HR and general administration. He is Vice Chairman of DVR & Dr HS MIC College of Technology, a famous Engineering college in A.P. near Vijayawada, under Jawaharlal Nehru Technological University (JNTU), approved by All India Council for Technical Education (AICTE) and certified by ISO9000:2000. He is an over all in charge and looking after the financial and management activities of the College

Relationship with other Directors	None	None
Directorship in Other Companies	Lakshmi Sarada Hatcheries Private Limited	Alufluoride Limited

The Members are informed that Shri N Srinivasa Rao and Shri A V V S S C B Sekhar Babu bouth are appointed as Independent Directors of the Company from **30th September 2014 up to 29th September 2019** according to the provisions of Section 149, 152, all other applicable provisions of the Companies Act, 2013, and the rules framed there under read with Schedule IV to the Companies Act, 2013, and Listing Agreement

Hence, your Directors recommend acceptance of the proposed Resolutions in the best interest of the Company.

Item No. 6:

You have given consent at the AGM held on 22nd November 2013 for issue, offer and allot upto 77477070. (Seven Crores Seventy Four Lakhs Seventy Seven Thousand Seventy only) warrants (the "Warrants") to the promoters and Investors. Subsequently, the company has approached both BSE and NSE for their in-principal approval for the said issue of warrants. BSE Limited by vide its letter dated on 21st August 2014 has communicated their consent for issue of the following Warrants to the Promoters and Investors. However, the relevant date that the company has taken earlier for issue of warrants shall needs to be modified to ensure the compliance with the ICDR Regulations. The Change of relevant date is again subject to your consent at this Annual General Meeting by Special Resolution.