



# **MIC Electronics Limited**

## **28<sup>th</sup> Annual Report 2015-16**

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

### Dear Shareholders,

While welcoming all of you to the General Body meeting I would like to share all the information relating to various achievements of your company during the year through this 28<sup>th</sup> annual report. At the outset it gives me immense pleasure to inform you that your company received much awaited patent for its **"LED Digi Poster"**, the key for next generation digital display technology for various applications across the world. This patent is valid up to the year 2028.

Your company continued the tradition of giving maximum importance to R&D and in the process achieved a major breakthrough in developing a **"Smart Solar LED street lighting solution"** for which already MIC secured a first commercial order. Further for the first time MIC designed and manufactured an unique **"Centralized Control and Monitoring System(CCMS)"**, which is meant for

automatically maintaining and monitoring the street lights. In the days to come CCMS is going to play a very important role in the maintenance of street lights in the country as it can drastically reduce the dependence on human element in switching on and off the street lights while assisting in logging so much of other vital information automatically. It is indeed a great pleasure to inform you that your company already supplied and installed 4000 CCMS across the country much to the delight of their end users.

While continuing the unabated focus on R&D, your company could expand and consolidate its platform required for mass production of its products. This can be visualized from the fact that your company successfully manufactured, supplied and installed more than 150,000 street lights across the country.

The demand for development of 3D Hologrammes and small pixel LED Display Systems has opened new avenues of business. Recently, the Railtel Corporation, a subsidiary of the Indian Railways came out with a plan to use digital media in all the railway stations across the country so as to provide better passenger information and to generate revenues through digital media using the bandwidth already in its possession, which is lying underutilized at present. As part of this programme a tender was invited by Railtel to identify and short list the competent partners for the project. It is a great pleasure once again to inform you that your company is one among four others short listed to prove their concept on this project before the final order is awarded. I have no hesitation to mention that this project has all the elements, which can transform the face of especially the advertising arena in the country beyond imagination. Further, the steps initiated by the Central Government for establishing 'Smart Cities' are also opening up new fronts, which can have tremendous impact on the business potential of your company.

As you are aware the LED sector has been expanding globally and our association with M/s. Leyard (China), LG Innotek (Korea) and other international business partners certainly is going to strengthen us in enhancing our global market share in the near future. All the countries including India have initiated programmes to adopt LED technologies in a big way thus leading to expansion of the scope of business in the LED sector to unprecedented levels. Considering these global developments, I have no hesitation to say that the growth of business potential in the LED sector is going to be very robust in the near future and assure you that every effort will be made to ensure that your company secure a very decent share out of that huge potential. I am also happy to inform you that Company's liquidity is improving. Seeing the huge market for the Company's products and its growth potential, Company's lenders are volunteering for debt restructuring to enable reduction in debt thru equity conversion. This would greatly facilitate in improving the finances of the Company to a large extent in the near future".

I sincerely thank all the shareholders for the trust and confidence reposed in your company and I look forward to your continuous support.

With best wishes,  
Sd/-

**Dr. M. V. Ramana Rao**  
( Managing Director )  
(DIN 00010301)

**NOTICE** is hereby given that the 28<sup>th</sup> Annual General Meeting of MIC Electronics Limited will be held on Friday, 30<sup>th</sup> day of September, 2016, at 2.30 P.M. at the registered office of the Company situated at A4, Electronic Complex, Kushaiguda, Hyderabad, Telangana-500 062, to transact the following business:

**ORDINARY BUSINESS:**

**Item No: 1: Adoption of Financial Statements**

To receive, consider and adopt:

- a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2016 together with the Reports of the Board of Directors and the Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2016 together with the Report of the Auditors thereon.

**Item No: 2: Re-appointment of Director**

To appoint a Director in place of Dr. M V Ramana Rao (DIN 00010301), who retires by rotation and being eligible, offers himself for re-election.

**Item No: 3: Appointment of Auditors**

To ratify the appointment of M/s. Pavuluri & Co, Chartered Accountants, as Statutory Auditors 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 139, 141 and 142 of the Companies Act, 2013 and the companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) and all other applicable provisions if any, of the Companies Act, 2013, the company hereby ratifies the appointment of M/s. Pavuluri & Co, Chartered Accountants, Hyderabad (Registration No.012194S) as the Auditors of the Company to hold the office till the conclusion of the 29<sup>th</sup> Annual General Meeting, be and is hereby ratified and confirmed, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending 31<sup>st</sup> March, 2017.”

**Special Business:**

**Item No: 4:** Ratification/amendment to the resolution/explanatory statement passed at the Extra-ordinary General Meeting held on 22<sup>nd</sup> August 2015 for issue of Convertible Share Warrants to Investors.

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

“RESOLVED THAT as per the regulation 73(1)(e) of SEBI ICDR Regulations, 2009 and in connection with In-principle approval for listing of 30,000,000 Equity shares of Rs.2/- each to be allotted on conversion of warrants issued on preferential basis to M/s. Leyard (Hong Kong) Co. Limited, the consent of the members of the Company be and is hereby accorded to ratify/modify the clause (f) in item no. 3 of the explanatory statement of the Extra-ordinary General Meeting held on 22<sup>nd</sup> August, 2015 be and is hereby read as “**100% beneficiary owners of M/s. Leyard (Hong Kong) Co. Limited is M/s. Leyard Optoelectric Co. Ltd**, which is listed company at Shenzhen Stock Exchange, China.”

By order of the Board  
For MIC Electronics Limited

Sd/-  
**Dr. M. V. Ramana Rao**  
( Managing Director )  
(DIN 00010301)

Place : Hyderabad  
Date : 03.06.2016

**NOTES:**

1. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the special business under Item Nos. 4 of the Notice, are annexed here to. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under Item No. 2 of the Notice, are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
3. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members/ proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 27<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016 (both days inclusive).
9. Members holding shares in electronic form are requested to intimate any change in their address and / or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. The Members holding shares in physical form are requested to advise any change of address and / or bank mandate immediately to M/s. Venture Capital and Corporate Investments Pvt.Ltd., 12-10-167, Bharat Nagar, Hyderabad – 500018.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Venture Capital and Corporate Investments Pvt. Ltd., 12-10-167, Bharat Nagar, Hyderabad – 500 018.
11. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
13. Details under SEBI (Listing Obligations & Disclosure Requirements) 2015 in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. The directors have furnished the requisite declarations for their appointment/re-appointment.
14. Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
15. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued there under, Companies can serve Annual Reports and other communications through electronic mode to those share holders who have registered their email address either with the Company or with the Depository. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow share holders to contribute towards a greener environment. This is a golden opportunity for every share holder of MIC to contribute to the cause of Green Initiative. Members who have not registered their e-mail address with the Company are requested to register the same by submitting the letter to M/s. Venture Capital and Corporate Investments Pvt., Ltd, 12-10-167, Bharat Nagar, Hyderabad - 500 018. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive communications in physical form, upon request.
16. Copies of the Annual Report 2015-2016 are being sent by electronic mode only to all the Members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2015-2016 are being sent by the permitted mode.
17. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agent M/s. Venture Capital and Corporate Investments Pvt. Ltd, 12-10-167, Bharat Nagar, Hyderabad - 500 018 and have it duly filled and sent back to them.
18. In compliance with the provisions of Section 108 of the Act and the Rules framed there under, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
19. The facility for voting through electronic voting system or ballot or polling paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.
20. The Notice of the 28<sup>th</sup> AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
21. Members may also note that the Notice of the 28<sup>th</sup> AGM and the Annual Report 2015-16 will be available on the Company's website [www.mic.in](http://www.mic.in).
22. The board of directors has appointed M/s. S R Vattikuti & Associates, Practicing Company Secretaries (C.P No. 13966) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

23. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
24. E- voting cut of date is 22<sup>nd</sup> September 2016, E-voting opens from 27<sup>th</sup> September 2016 at 9.00 hours and ends on 29<sup>th</sup> September 2016 at 17.00 hours.
25. The instructions for e-voting are as under:

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 27<sup>th</sup> September 2016 at 09.00 hours (IST) and ends on 29<sup>th</sup> September 2016 at 17.00 hours (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22<sup>nd</sup> September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company 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. 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



**EXPLANATORY STATEMENT**

(Pursuant to Section 102 of the Companies Act, 2013) As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 2 and 4 of the accompanying Notice:

**ITEM NO 2**

Additional information on directors recommended for appointment / re-appointment as required under Clause 49 of the Listing Agreement

Particulars	Details of Directors seeking reappointment
Name of the Director	Dr. M V Ramana Rao
Director Identification Number	00010301
Date of Birth	04/02/1960
Date of Appointment	17/05/1988
Qualification	Doctoral degree in Electronics & Communication Engineering. Master's degree in Applied Electronics Engineering.
Specific functional areas	Development activities encompassing embedded systems, extensive marketing and business development affairs.
Directorship in other companies	MIC Electronics INC USA. MIC Green Energy Solutions Private Limited Candilux Private Limited SMIC360 Entertainment Solutions Private Limited
Committee Memberships in other Companies	Nil
Number of shares held in the Company	4644902
Inters-e relationship between the Board members.	Nil

**ITEM NO 4**

In an Extra-ordinary General meeting held on 22nd August 2015 for issue, offer and allot upto 30,000,000 (Three Crores ) Warrants to M/s. Leyard (Hong Kong) Co. Limited. Subsequently, the Company has approached both BSE and NSE for in-principal approval for the said issue of warrants. National Stock Exchange of India Limited and BSE Limited by vide its letter dated 28th January 2016 and 4th February 2016 respectively has communicated their consent subject to the modification of Clause (f) in the explanatory statement in Item No. 3 :

The proposed change in Clause (f) of the explanatory statement in Item No. 3 is as follows:

Clause (f): The ultimate beneficial owners of the shares and the percentage of post preferential issue capital:

100% beneficiary owners of M/s. Leyard (Hong Kong) Co. Limited is M/s. LeyardOptoelectric Co. Ltd, which is listed company at Shenzhen Stock Exchange, China, and the percentage of post preferential issue capital would be 21.74% including post-convertible equity share warrants).

The above placed resolution is to ensure the compliance with the ICDR Regulations.

None of the Directors, Key Managerial Personnel and their relatives of the Company directly/indirectly considered or interested in the above said resolution.

The Board of Directors recommends the special resolution set out at Item No. 4 of the Notice for approval of members.

By order of the Board  
For MIC Electronics Limited

Sd/-

**Dr. M. V. Ramana Rao**  
( Managing Director)  
(DIN 00010301)

Place : Hyderabad  
Date : 03.06.2016

**To**  
The Members,

**Dear Shareholders,**

Your Directors have pleasure in presenting their 28<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31<sup>st</sup> March 2016.

**Financial summary or highlights / Performance of the Company:**

The financial performance of the Company for the financial year ended 31<sup>st</sup> March, 2016, is summarized below:

Particulars	(Rs. in Lakhs)	
	31 <sup>st</sup> March 2016 (12 Months)	31 <sup>st</sup> March 2015 (12 Months)
Revenue From Operations	21,763.56	15,854.18
Other income	338.51	359.77
Total income	22,102.07	16,213.94
Expenditure	17,417.10	15,355.92
Profit before depreciation	4,684.97	858.02
Less: Depreciation	751.04	766.96
Profit before exceptional items and Tax	3,933.93	91.06
Exceptional Items	19,620.03	48.94
Profit / Loss before Tax	(15,686.10)	42.12
Less: Provision for Taxation	4597.54	177.50
Profit / Loss after Tax	(11,088.56)	219.62
<b>EPS- Basic (In Rs.)</b>	(7.71)	0.18
<b>Diluted (In Rs.)</b>	(5.91)	0.12

**State of Company's Affairs**

During the year under review, your Company has achieved significant business growth. The Company has recorded overall sales growth of products.

The company has recorded a profit of Rs. 39.34 Crores before Exceptional Items of Rs. 196.20 Crores.

Exceptional Items includes depletion in value of Inventories of Rs. 159.52 Crores, bad debts and debit balances written off Rs. 36.68 Crores during the year.

After Exceptional Items the company incurred a Net Loss of Rs. 110.89 Crores.

After confirmation we will place the same at Report.