

29th Annual Report

2016-17

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Dr. M.V. Ramana Rao
Managing Director

Dear Shareholders,

“Driving Innovation” is not just the tag line in the logo of MIC Electronics Limited. It has been the driving force behind all the endeavors of the company over the last three decades.

Development of ‘Smart’ street lighting products, solar powered street lights with integrated advanced battery technologies and non metal casing material, concept proving of ‘Smart’ street lights in New Delhi and Hyderabad, development of double layered images in the 3D Holographic systems domain can be stated to be path breaking development efforts of your company in the year under review. Your company has also been awarded patents for LED TV and LED Portable Lantern in addition to LED DigiPoster in the financial year 2016-17. MIC’s work in the area of LED street lighting in Andhra Pradesh has helped position the state to become one of the top ranking

states in the Country in the conversion of traditional street lighting to LED street lighting. User communities in the state of Uttar Pradesh have expressed genuine happiness about the quality and efficiency of your company’s solar powered street lights deployed in large numbers in that state as part of the Atal Jyoti Yojana. The performance and elegance of MIC’s grid based and solar street lights has attracted the attention of several countries and active negotiations are taking place with their representatives for exporting these products to those countries.

The programmes being taken up in the country in the areas of Smart Cities, Networked Display Systems, LED street lighting projects and Rural lighting programmes with solar powered street lighting products offer good business opportunities for your company in the years to come. The country’s recent and renewed emphasis on renewable energy sources and energy conservation, specifically smart grid and smart meter efforts as well as electric transportation offer opportunities for the company to participate in these initiatives building on the company’s systems integration and machine to machine communications strengths.

The procedures involved and the payment conditions associated with a few large lighting projects taken up by your company in different states of the Country have led to serious cash-flow constraints over the last couple of years. Concentrated and intensive efforts exercised by senior management have begun the process to help resolve these issues. However, it is proving to be a time consuming process. The customer organization, recognizing the ground realities has significantly modified its purchase processes which will enable a shorter payment cycle, improving your company’s cash management ability and the attendant operational flexibility.

MIC is endeavoring to change its business from being a predominantly Government agency based one to a ‘Business to Business’ and ‘Business to Customer’ based business with the objective of serving a larger market place as well as diversifying its risk away from being largely dependent on one sector or major customer. Management expects that this will also result in a more robust financial and operational capability of the company.

Important pilot programmes have already been launched in association with leading Multi National companies and Indian companies in the area of display projects. These projects position your company well to play an important role in smart city initiatives as well as the retail networked display segments. The company has also begun efforts to protect its Intellectual Property (IP) – the LED TV and Digital poster patents in particular. The company has first publicized this through an advertisement in a national newspaper describing the exclusive nature of the patent rights and indicating to manufacturers, suppliers and users that any use of such devices should only happen through an explicit arrangement with your company. It has also sent notices or otherwise indicated to major buyers that they should not be using such products without an explicit arrangement with your company.

The company continues to make significant progress in its efforts to become a debt free company. Some major initiatives were taken in the course of the year in easing the company’s debt position. With the active cooperation of various stakeholders involved such as financial institutions, individual investors and suppliers, the situation has improved considerably. Management continues to work at identifying further means to achieve the debt free goal. Operations improvement

efforts also continue to be implemented through pursuit of better, lower cost production sources, reduction or disposal of work in process inventories and through organizational restructuring and resizing efforts.

MIC's pioneering efforts in the field of true colour LED display systems and 3D-Holographic systems will enable to company exploit their potential as effective information dissemination devices in several application areas going beyond event coverage, advertisements and entertainment. Focused efforts and planning are underway to improve penetration and sales in these arenas.

The company is definitely on the path to recovery from the difficult times experienced in the past few years. Sustained focus and effort will continue to be made to reach targeted goals. We began this report citing our tagline of "Driving Innovation". Coming out of these difficult times, this has never been truer. Our future growth and success will depend on our embracing innovative approaches to management, markets and technologies. Management, with your support, is motivated and energized to not only keep this focus but also to generate the additional resources and capabilities required to capture the many market opportunities being presented to the company.

Thanking you all for the continued support and with best wishes,

With best wishes,

Sd/-

Dr. M. V. Ramana Rao

(Managing Director)

(DIN 00010301)

Place : Hyderabad

Date : 04.09.2017

Notice is hereby given that the 29th Annual General Meeting of MIC Electronics Limited will be held on Friday, 29th day of September, 2017, at 11.00 A.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, 2017 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, 2017 together with the Report of the Auditors thereon.

Item No: 2: Re-Appointment of Director

To appoint a Director in place Shri L N Malleswara Rao (DIN 00010318), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

Item No: 3: Appointment of Auditors

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, M/s. Pavuluri & Co, Chartered Accountants, Hyderabad (Registration No.012194S), be and are hereby re-appointed as the auditors of the Company for a period of four years, to hold office from the conclusion of this Annual General Meeting (i.e., 29th AGM) until the conclusion of the 33rd Annual General Meeting to be held in year 2021, 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:

Item No: 4: Appointment of Shri Vegiraju Bharati Raju as an Independent Director

To appoint Shri Vegiraju Bharati Raju (DIN : 06939066) 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 **Special 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 Vegiraju Bharati Raju (DIN: 06939066), who has been appointed as Additional Director by the Board of Directors in their meeting held on 24th July, 2017 and who holds the office till the date of this Annual General Meeting in terms of the provisions of Section 161 of the Companies Act, 2013 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 the candidature of Shri Vegiraju Bharati Raju (DIN: 06939066) as Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office from 29th September 2017 up to 28th September 2022, whose period of office shall not be liable to retire by rotation.”

Item No: 5: Ratification of remuneration to Cost Auditors of the Company.

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

“RESOLVED THAT pursuant to provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. DZR and Co, the cost auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, be paid remuneration not exceeding Rs. 100000/- (Rupees One Lakh Only) plus taxes and out-of-pocket expenses .”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

Item No: 6: Approval of MIC Electronics Limited Employee Stock Option Plan 2017 ('ESOP 2017')

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)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereto (the “Act”), (including any modification or re-enactment thereof for the time being in force), and in accordance with the Memorandum and Articles of Association of the Company, the Listing Agreements with the Stock Exchanges in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI SBEB Regulations”) and such other applicable regulations which may be issued and / or amended from time to time by the Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, the approval and consent of the Company be and is hereby accorded to introduce and implement the **“MIC Electronics Limited Employee Stock Option Plan 2017” (“ESOP 2017”)** and to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to offer, issue and allot from time to time, 10,000,000 (One Crore only) of Rs. 3/- each (face value of Rs. 2/- each, at a premium of Re. 1/- each) options under the ESOP 2017, the salient features of which are furnished in the Explanatory Statement to this resolution, to or to the benefit of such person(s) who are in the permanent employment of the Company and its Subsidiary Company/ies whether working in India or out of India, and to the Directors of the Company, whether whole-time or not, and its Subsidiary Company(ies) and to such other persons, (hereinafter collectively referred to as “Eligible Employees”), other than Promoters and members of the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company , in one or more tranches through Nomination and Remuneration Committee and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOP 2017 and in due compliance with the applicable laws and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares upon exercise of options from time to time in accordance with the ESOP 2017 and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the ESOP 2017 as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013 and the Rules thereto, applicable provisions of the Companies Act, 1956, if any, the Memorandum and Articles of Association of the Company and any other applicable laws.

RESOLVED FURTHER THAT the number of options that may be granted per employee including Director (other than Promoters and members of the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company and employees on a pre-determined date in MIC Group) of the Company, in any financial year, under the ESOP 2017 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company as at the time of grant of options.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division / undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Members, the ceiling as aforesaid of 10,000,000 (One Crore only) Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment.

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 payable by the Option Grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of 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.

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the ESOP 2017 as per the terms approved in this resolution and at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2017 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and / or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2017 and to do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2017.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, as may, at its absolute discretion, deems necessary including authorizing or directing the Board to appoint various intermediaries, experts, professionals, independent agencies and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOP 2017 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals, if any, required by the SEBI / Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board may delegate all or any powers conferred herein, to the Nomination and Remuneration Committee of the Board of Directors or any Executive Director of the Company with a power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.”

Item No: 7: Approval of grant of options to the Employees / Directors of the Subsidiary Company/ies under ESOP 2017:

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)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereto (the “Act”), (including any modification or re-enactment thereof for the time being in force), in accordance with the Memorandum and Articles of Association of the Company, the with the Stock Exchanges in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI SBEB Regulations”) and such other applicable regulations which may be issued and / or amended from time to time by the Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, the approval and consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer and grant from time to time, such number of Options under the ESOP 2017, to or to the benefit of the permanent employees including Directors (other than Promoter(s) and members of the Promoter Group, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company on a pre-determined date in MIC Group), of any existing and future Subsidiary Company/ies of the Company whether in or outside India (hereinafter referred to as an “Eligible Employees”), as may be decided solely by the Board, convertible into not more than or within overall ceiling of 10,000,000 (One Crore only) fully paid-up Equity Shares in the Company in aggregate of face value of Rs. 2/- each, as mentioned in resolution no. (6) above, at Rs.3/- each tranches through Nomination and Remuneration Committee and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOP 2017 and in due compliance with the applicable laws and regulations.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board shall formulate, evolve, decide upon and bring into effect the ESOP 2017 on such terms and conditions as approved by the Members of the Company and, make any modification(s), change(s), variation(s),

alteration(s) or revision(s) in the terms and conditions of the ESOP 2017 from time to time including but not limited to, amendment(s) with respect to vesting period and schedule, number of options, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ESOP 2017, such modification being not detrimental to the interests of the Employees and the Company and in accordance with applicable laws and regulations prevailing from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board may do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage, in accordance with and in compliance to laws rules and regulations as may be applicable from time to time.

RESOLVED FURTHER THAT the ESOP 2017 shall be under the control, administration and superintendence of the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT the Board may delegate all or any powers conferred herein, to the Nomination and Remuneration Committee of the Board of Directors or any Executive Director of the Company with a power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.

RESOLVED FURTHER THAT the Company shall comply with the disclosure and accounting policies prescribed by the 'Guidance Note on Accounting for Employee Share-based Payments' and / or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time."

Item No: 8: Authorisation to Nomination and Remuneration Committee for the implementation of MIC Electronics Limited Employee Stock Option Plan 2017 ("ESOP 2017"):

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)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereto, the Memorandum and Articles of Association of the Company, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the Nomination and Remuneration Committee of the Company (hereinafter referred to as the "NRC" which is constituted with members of the Board to exercise its powers, including the powers, conferred by this resolution), authorised to distribute not exceeding 10,000,000 (One Crore only) fully paid-up Equity Shares of face value of Rs. 2/- each, being below the ceiling of 5% of the Paid-up Equity Share Capital as on March 31, 2017, prescribed under the SEBI SBEB Regulations, for the purpose of implementation of the 'MIC Electronics Limited Employee Stock Options Plan 2017' (hereinafter referred to as the "ESOP 2017"), or for any other purpose(s) as contemplated under and in due compliance with the provisions of the SEBI SBEB Regulations.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division / undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Members, the ceiling as aforesaid of 10,000,000 (One Crore only) Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT the NRC may delegate all or any powers conferred herein, to any Executive Director of the Company with a power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard."

By Order of the Board
For MIC Electronics Limited

Sd/-

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

Place : Hyderabad
Date : 04.09.2017

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 above:

ITEM NO 2 & 4:

Additional information on directors recommended for appointment / re-appointment as required under Clause 27 (2) of SEBI (LODR) 2015.

BRIEF PROFILES OF DIRECTORS SEEKING RE-ELECTION / APPOINTMENT

Name of the Director	L N Malleswara Rao	Vegiraju Bharati Raju
Date of Birth	15-05-1960	08-01-1948
DIN	00010318	06939066
Earlier date of Appointment	25 th May 1996	24.07.2017 as Additional Director
Qualification	Bachelor of Technology (Mechanical Engineering) from Jawaharlal Nehru Technological University (JNTU).	B.Com (Hons) graduate with additional qualification as CAIIB, LL.B and Fellow member of Institute of Company Secretaries of India.
Experience	<p>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 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.</p>	<p>He was instrumental in setting up Bank's Depository as first bank in India with direct back-office online connectivity of all its branches with NSDL system</p> <p>In Sulzon Energy Ltd, as Country Head (Resource Mobilization) in 2006-13, he was part of the task force team for recovery of huge receivables. He played also a pivotal role in various capacities in a number of solar power project companies such as Enrich Energy Pvt Ltd. and Morries Energy Ltd.</p>

Relationship with other Directors	None	None
Directorship in Other Companies	Nil	1. Nudyna Engineers Private Limited 2. Ecodale Energy Private Limited
Committee Memberships in other Companies	Nil	Nil
Number of shares held in the Company	2525235	Nil

The Board of Directors in their meeting held on 24th July, 2017, appointed Shri Vegiraju Bharati Raju (DIN: 06939066) as an Additional Director of the Company with effect from 24th July, 2017, pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri Vegiraju Bharati Raju (DIN: 06939066) will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of Rs. 1,00,000/- proposing the candidature of Shri Vegiraju Bharati Raju (DIN: 06939066) for the office of Director, to be appointed as such under the provisions of Section 149 and 152 of the Companies Act, 2013

The Company has received from Shri Vegiraju Bharati Raju (DIN : 06939066) (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Subsection (2) of Section 164 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Shri Vegiraju Bharati Raju (DIN: 06939066) as Director of the Company pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

No director, Key Managerial Personnel or their relatives, Shri Vegiraju Bharati Raju (DIN: 06939066) to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.

Item No: 5: Ratification of remuneration to Cost Auditors of the Company.

DZR & Co. , (Registration No. 000173), Cost Accountants were appointed as Cost Auditors of the Company for financial year 2017-18.

The Company is directed, under Section 148 of the Act to have the audit of its cost records conducted by a cost accountant in practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. DZR & Co. , as the Cost Auditors of the Company to conduct Cost Audits relating to such businesses of the Company as may be ordered by the Central Government under the Act and the Rules there under for the financial year 2017-18, at a remuneration not exceeding Rs. 1,00,000/- (Rupees One Lakh Only) plus taxes out-of-pocket expenses.

M/s. DZR & Co., have vast experience in the field of cost audit. The Board has approved the remuneration not exceeding Rs. 1,00,000/- (Rupees One Lakh Only) plus out-of-pocket expenses to M/s. DZR & Co., as the Cost Auditors and the ratification of the shareholders is sought for the same by an Ordinary Resolution at Item No. 5

ITEM No. 6 and 7

MIC Electronics Limited (the 'Company') was incorporated on May 17, 1988 and in current financial year, the Company has completed its 29 years. The Board of Directors vide resolution dated 4th September 2017 approved the broad framework of the MIC Electronics Limited Employee Stock Option Plan 2017" ("ESOP 2017") and