MIRC ELECTRONICS LIMITED

ANNUAL REPORT 2010-11

BEHIND OUR EVERY SUCCESSFUL INNOVATION IS OUR CONSUMERS' DESIRES

CORPORATE INFORMATION

Board of Directors
Mr. Gulu L. Mirchandani, Chairman and Managing Director
Mr. Vijay J. Mansukhani, Managing Director
Mr. Manoj Maheshwari, Director
Mr. Vimal Bhandari, Director
Mr. Ranjan Kapur, Director

Company Secretary & Head-Corporate Affairs
Mr. Anoop Pillai

Auditors
M/s. N.M. Raiji & Co., Chartered Accountants

Bankers
1. State Bank of India
2. ICICI Bank Limited
3. HDFC Bank Limited
4. IDBI Limited
5. Canara Bank
6. Royal Bank of Scotland
7. Barclays Bank PLC
8. Yes Bank Ltd.
9. Axis Bank Ltd.
10. State Bank of Mysore
11. Lakshmi Vilas Bank
12. Bank of Nova Scotia
13. Corporation Bank
14. Deutsche Bank

Registered Office
Onida House, G-1, MIDC, Mahakali Caves Road, Andheri (East), Mumbai 400 093.

Works
1. Village Kudus, Bhiwandi Wada Road, Taluka Wada, Dist. Thane
2. Khasra No. 158, Vill - Raipur, Pargana - Bhagwanpur, Roorkee, Dist. Haridwar, Uttaranchal.
3. Khasra No. 399 to 401 & 405 to 410, 158 Kms Milestone, Delhi - Roorkee Highway - NH-58 Village - Mundiyaki, Pargana - Manglorur, Tehsil - Roorkee, Dist. Hariwar (Uttarakhand) - 247670

Website
www.onida.com

Registrar and Share Transfer Agent
Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West),
Mumbai 400 078
PS: Shareholder / Proxy holder are requested to bring his / her copy of the Annual Report for reference at the Annual General Meeting.

Forward Looking Statement
Forward looking statements in this annual report should be read in conjunction with the following cautionary statements. Certain expectations and projections regarding future performance of the Company referenced in this annual report are forward looking statements. These expectations and projections are based on currently available competitive, financial and economic data along with the company's operating plans and are subject to certain future events and uncertainties that could cause actual results to defer materially from those that may be indicated by such statements.

CHAIRMAN'S NOTE

It is said that "Innovation is the ability to see change as an opportunity – not a threat". Most organizations however resist change rather than riding it. The result is common – well-known brands and organizations lie by the side while newer, more nimble organizations whiz by.

There was a time in our country when manufacturing the product was all that an organization was required to do. This was the 'Era of Production', an era when the License Raj reigned supreme and the consumer was an unknown entity who simply bought a product. There was no consumer need analysis, no market research or insighting process, and no effort taken to even convince the consumer to purchase the product. It was an era where the consumer had only once choice – either to buy the product or not. There was often no substitute or competing products.

This Era then transformed gradually in to the 'Era of Selling', when companies started moving towards very basic levels of marketing. Products were made and then a communication woven around the product. Consumers had limited choices, but it was not a guarantee that the choices that they were presented with necessarily fulfilled their needs. Companies that did well during this period were usually ones that outshouted their competitors, irrespective of the product offerings. This era however gave the consumer a taste of what today is aptly called 'consumerism'.

The Era which we are in today can be called the 'Era of Marketing'. Products are no longer manufactured blindly. Rather consumers are co-opted into the process of development of the product by way of market researches and consumer insighting processes. Consumer needs are unearthed using various techniques and products are developed accordingly. More importantly, a wide variety of products are made available, respecting the fact that with a billion consumers, requirements can be unique. Crowd-sourcing, a recent phenomenon is an extension of this where ideas are actively sought from consumers and taken into product development. The rapid rise of the internet, and especially social media, has given voice to a fresh breed of consumers – those that demand that companies acknowledge the shift in bargaining power.

I am glad to share that MIRC Electronics has kept abreast of all these changes that the market has gone through. We have initiated a Consumer Connect initiative where managers across functions and across all levels visit homes of consumers and understand their needs and usage of products. Observations made during these interactions help us understand requirements better, and accordingly design and develop products. Many of our new product developments are a result of ideas that germinated during these consumer interactions. In a way, we have co-opted the consumer into our development process! We plan to use social media more effectively in the coming years and ensure that we reflect the voice of the consumer.

We strongly believe that an organization has to innovate and differentiate to stay ahead of the market. Launching product after product may help keep the factories busy and our godowns full, but it is unlikely to satisfy today's discerning consumer, and definitely unlikely to keep the cash. Innovation requires that each arm of the organization is inextricably linked to the other in the new product development stage. We mandate that our Marketing and Research & Development functions work very closely to develop a core competency which we can leverage upon. This ensures that we capture needs accurately and the people that are involved in development of the product are fully clued in to market needs.

At MIRC, we have also realized that the strategic intents of 'yesterday' can no longer light the path for the future. In the fiercely competitive world, a totally different kind of approach is warranted, and we are consciously moving away from the 'Red Ocean' strategy to the 'Blue Ocean' strategy.

To illustrate:

Red Ocean Strategy of the Past	**Blue Ocean Strategy for the Future**
Compete in existing market spaces	Create uncontested market spaces
Beat the competition with better offerings	Make competition irrelevant by redefining the landscape and changing the rules of the game
Exploit existing demand	Create and capture new demand
Make a value-cost trade-off and satisfy consumers	Break the value-cost trade-off and delight consumers
Align the whole system of a firm's activities with a strategic choice of Cost OR Differentiation	Align the whole system of a firm's activities in pursuit of Cost AND Differentiation

Our aim is to work untiringly on creating uncontested spaces to operate in with the kind of products we launch. Hence, launch of 'me-too' products would be a rare phenomenon at MIRC. By constantly innovating, one can not only outdo competition, but in fact make them irrelevant by redefining the market itself. Our products have always been an attempt to create new demand in the market and appropriate that demand for ourselves.

As an organization, MIRC strongly believes in generating value for our stake-holders. 'Profit-share' is the mantra the organization lives and breathes and we believe that this, more than simply market-share, is what will sustain us in the long run. We are committed to delivering value to our stake-holders and every choice that we choose to make as an organization shall reflect this.

MANAGING DIRECTOR'S NOTE

The year gone by was exceptional for your company in many ways than one. Firstly, we have outperformed the industry growth rate by registering a remarkable growth of 28% in top line and 49% in bottom line. This outstanding achievement has been possible because of our robust business strategy and a constant focus on achieving operational excellence. The commitment, dedication and passion with which our products are designed and marketed are the very cornerstone of our success.

Today, our products are consistently evolving, thanks to technology. Our extensive market research has helped us to unearth relevant consumer insights and understand the needs and desires of our consumers. Derived from regular observation of our consumers' lives, each insight is carefully evaluated and tested to arrive at a strong product proposition with competitive edge. Finally, our extremely efficient R&D teams give form to these findings by designing world-class products.

Our R&D teams constantly strive to upgrade product technology and create innovative designs to cater to the ever-changing needs and desires of Indian consumers. Investment in Research and Development is the top-most priority of our organization as we understand that it's our R&D team that will help to satisfy all our consumers' demands.

We strongly believe that any company is as good as its employees. Thus, our focus is on nurturing and building a world class team of professionals and creating the best possible work environment. Our corporate policies are devised to cater to the aspirations and needs of the staff within the company. We have strengthened our processes leading to increase in employee satisfaction and enhanced output. Also, this has helped to increase work-efficiency and reduce our costs. Furthermore, our focus on autonomy and motivation at work has resulted in superior performance which will become a part of our corporate culture. Our corporate culture is to love what you do and also to do what you love.

We believe LED technology is going to be the future in the consumer electronics segment. Our thrust this year will be on LED TVs and LED lighting. There is an increasing demand for LED TVs in the market as a result we have lined up several innovative models in the category. Currently in its nascent stage, the LED lighting segment is expected to be the fastest growing product segment. We aim to bring innovative designs and technology to achieve our ambitious growth targets. Our products will be developed in accordance to the environmental norms while satisfying latent consumer needs.

On this note, it gives me an immense pleasure to inform you that your company is all set to achieve tremendous growth and tap the potential of this ever-growing consumer durable industry. We are confident that with your faith we can achieve the growth targets that we have set for ourselves in the coming year.

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DESIGNED WITH YOU IN MIND

INSIDE THE ANNUAL REPORT

FINANCIAL HIGHLIGHTS

Balance Sheet

₹ in Crore

	31-03-2011	31-03-2010	31-03-2009	31-03-2008	31-03-2007	31-03-2006	31-03-2005	31-03-2004
Balance Sheet								
Sources of Funds								
Equity Share Capital	14.19	14.19	6.70	14.19	14.19	14.19	14.05	14.05
Share Capital Suspense Account	–	–	26.40	–	–	–	0.15	–
Reserves & Surplus	252.32	241.50	239.47	240.06	222.08	201.28	180.62	173.52
Net Worth	266.51	255.69	272.57	254.25	236.27	215.47	194.82	187.57
Secured Loans	110.45	57.27	74.89	103.72	116.37	135.45	126.32	90.56
Unsecured Loans	45.00	76.38	130.33	95.84	45.52	30.74	74.93	25.03
Total Loans	155.45	133.65	205.22	199.56	161.89	166.19	201.25	115.59
Deferred Tax Liability	18.12	15.53	15.51	16.89	19.55	19.41	13.87	18.56
Total Liabilities	**440.08**	**404.87**	**493.30**	**470.70**	**417.71**	**401.08**	**409.94**	**321.71**
Application of Funds								
Gross Block	416.41	405.93	354.93	343.45	340.15	321.71	295.75	263.40
Depreciation	209.87	191.15	171.42	153.71	134.10	114.96	93.18	74.45
Net Block	206.54	214.78	183.51	189.74	206.05	206.75	202.57	188.95
Capital Wip	0.78	0.29	25.55	1.93	0.13	0.43	4.35	–
NB + CWIP	**207.32**	**215.07**	**209.06**	**191.67**	**206.18**	**207.18**	**206.92**	**188.95**
Investment	26.54	40.14	26.78	26.00	26.00	21.14	20.88	8.66
Deferred Tax Assets	–	–	–	–	–	–	–	–
Current Assets								
Inventories	346.46	249.00	210.41	292.57	230.34	174.88	164.25	93.78
Debtors	163.51	87.76	106.81	133.69	104.21	113.12	90.34	84.05
Cash & Bank Balances	47.12	27.64	9.30	19.46	16.76	36.72	20.80	7.12
Loans & Advances	100.90	112.67	95.84	67.21	76.43	46.49	54.30	89.69
Total Current Assets	**657.99**	**477.07**	**422.36**	**512.93**	**427.74**	**371.21**	**329.69**	**274.64**
Current Liabilities								
Liabilities	432.32	309.47	155.14	240.57	239.37	182.89	135.52	132.35
Provisions	19.45	17.94	9.76	19.33	2.84	15.56	12.03	18.19
Total Current Liabilities	**451.77**	**327.41**	**164.90**	**259.90**	**242.21**	**198.45**	**147.55**	**150.54**
Net Current Assets	**206.22**	**149.66**	**257.46**	**253.03**	**185.53**	**172.76**	**182.14**	**124.10**
Total Assets	**440.08**	**404.87**	**493.30**	**470.70**	**417.71**	**401.08**	**409.94**	**321.71**
Profit and loss account								
	2010-11	**2009-10**	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**	**2003-04**
Sales	**2000.36**	**1568.35**	**1517.72**	**1655.06**	**1650.99**	**1343.21**	**1192.51**	**1007.49**
Excise	87.79	66.37	87.29	126.68	137.09	122.91	99.55	74.57
Net Sales	**1912.57**	**1501.98**	**1430.43**	**1528.38**	**1513.90**	**1220.30**	**1092.96**	**932.92**
Service Income	–	–	–	–	–	–	–	2.10
Other Income	3.37	3.02	4.18	3.70	4.07	4.66	3.22	7.18
Total Income	**1915.94**	**1505.00**	**1434.61**	**1532.08**	**1517.97**	**1224.96**	**1096.18**	**942.20**
Material Consumed	632.16	535.99	553.83	621.24	605.86	514.48	488.30	391.95
Cost of Traded Goods Sold	847.73	619.81	561.96	542.20	545.01	376.47	328.65	308.60
Personnel Expenses	92.25	75.41	67.15	66.00	69.41	59.94	45.23	41.96
Freight & Forwarding Expenses	62.81	51.26	53.30	64.25	58.55	45.47	34.15	25.61
Advertisement Expenses	90.40	74.35	51.86	63.91	68.22	66.83	50.43	50.09
Other Expenses	116.05	88.41	89.32	86.81	79.49	71.01	76.51	51.28
Total Cost	**1841.40**	**1445.23**	**1377.42**	**1444.41**	**1426.54**	**1134.20**	**1023.27**	**869.49**
PBDIT	74.54	59.77	57.19	**87.67**	**91.43**	**90.76**	**72.91**	**72.71**
Interest	17.73	17.35	28.49	23.18	20.28	17.65	12.94	6.38
PBDT	**56.81**	**42.42**	**28.70**	**64.49**	**71.15**	**73.11**	**59.97**	**66.33**
Depreciation	21.60	19.77	18.55	23.94	19.74	22.50	19.38	13.19
PBT	**35.21**	**22.65**	**10.15**	**40.55**	**51.41**	**50.61**	**40.59**	**53.14**
Tax	7.92	4.28	1.20	5.97	17.29	17.82	12.81	9.37
PAT	**27.29**	**18.37**	**8.95**	**34.58**	**34.12**	**32.79**	**27.78**	**43.77**
Equity Dividend	14.18	13.46	5.68	14.20	10.65	10.65	8.52	14.05
Preference Dividend	–	0.51	0.67	–	–	–	–	–
Year End Price (Rupees)	21.10	16.35	8.98	16.95	17.40	19.25	21.45	25.70
Market Capitalisation (Rs.in Cr)	299.10	231.76	127.52	240.69	247.08	273.35	301.46	361.19
EPS	1.93	1.25	0.58	2.44	2.40	2.31	1.98	3.12

DIRECTORS' PROFILE

A brief profile of all the Directors, the nature of their expertise in specific functional areas and the names of companies in which they hold directorships are provided below.

Mr. Gulu L. Mirchandani

Mr. Gulu L. Mirchandani, the Chairman and Managing Director of Mirc Electronics Limited, is an alumnus of BITS, Pilani and holds a degree in BE (Mechanical). Mr. Mirchandani is closely involved with the development of corporate strategy and formulating, incubating and delivering emerging technologies and services in the area of televisions and other products of the Company. Mirc won the award for excellence in Electronics under his able leadership in 1999 from the Ministry of Information Technology, the Government of India. Mr. Mirchandani has held several key positions in the industry. He was appointed as the President of Consumer Electronics and TV Manufacturers Association (CETMA) for two consecutive years in 1992 and 1994. He was also appointed as the Chairman of the Bombay chapter of the World Presidents' Organisation (WPO), an International Organisation of more than 3,000 CEOs with operations in more than 60 Countries and presently he is the Chairman of the South Asia Region. Mr. Mirchandani is also on the Board of many companies, including Shopper's Stop Limited, VIP Industries Limited and KEC International Limited etc.

Mr. Vijay J. Mansukhani

Mr. Vijay J. Mansukhani is a co-promoter of Mirc Electronics Limited which he founded in 1981. Currently he is the Managing Director of the Company. A graduate from the College of Marine Engineering, Mumbai. Mr. Mansukhani has over 30 years of experience and proven expertise in driving the organisational growth through the enhancement of existing growth areas and developing potential opportunities. He is the key member in devising and implementing corporate growth strategy for Mirc.

As the Managing Director of Adino Telecom Limited, he is involved in the telecom sector as a wireless solution provider. He is also in the Board of several companies, including Akasaka Electronics Limited etc.

Mr. Vimal Bhandari

Mr. Vimal Bhandari is a Chartered Accountant from the Institute of Chartered Accountants of India (ICAI), New Delhi and a Bachelor of Commerce from Mumbai University. He was until recently the Country Head of AEGON International NV, one of the largest Life Insurance, Pension and Investment Management Companies in the world. AEGON N.V. has a life insurance joint venture in India.

He is a member of the Listing Committee and the Executive Committee of National Stock Exchange of India Ltd., a member of the National Council on Corporate Governance of CII and an Executive Committee member of FICCI. Mr. Bhandari has been the functional head of financial services business of ILF&S and played a key role in managing the asset-based activities and the non-fund based advisory activities, encompassing the Company valuation, mergers and acquisitions, strategic financial planning, disinvestments and dilutions by recourse to capital markets. Mr. Bhandari has spear-headed various strategic forays into new initiatives such as retail distributions, insurance, merchant banking etc., and is also on the Board of several public limited companies.

Mr. Ranjan Kapur

Mr. Ranjan Kapur holds a Masters degree in English from Delhi University and a degree in Advanced Advertising Studies from the Advertising Agencies Association of America. He is the Country Manager of the WPP Group, one of the world's largest communications company, and the parent of well-known advertising agencies such as JWT, Young & Rubicam and Ogilvy & Mather. Mr. Kapur has almost four decades of marketing communications experience across several countries in East Asia, the US and India. He is currently on the Boards of several WPP operating companies as well as Pidilite Industries Limited and Abbott India Limited among others. He is also on the Managing Committees of the Indian Cancer Society, Bombay First and Marico Innovation Foundation.

Mr. Manoj Maheshwari

Mr. Manoj Maheshwari is a graduate from Mumbai University with a major in Chemistry and holds a post-graduation degree in Industrial Management. He has extensive management experience, through his own business interests, in general, strategic and marketing management. In addition to the Boards of his own business initiatives, Mr. Maheshwari is also on the Board of several public limited companies as an Independent Non-Executive Director and brings a judicious mix of entrepreneurial and professional skills to the Mirc Board.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Annual Report and Accounts for the year ended 31st March 2011. The financial highlights for the year under review are as under:

Results of Operations

(₹ in Crores)

Particulars	2010-11	2009-10
Turnover	2000.36	1568.35
Profit before tax	35.21	22.65
Provision for taxation	7.92	4.28
Profit after tax	**27.29**	**18.37**
Profit available for appropriation	163.49	173.29
Final dividend on equity shares (Proposed)	14.17	13.46
Dividend on preference shares	–	0.51
Tax on dividend	2.30	2.37
Transfer to general reserve	2.73	1.84
Transfer to Capital Redemption Reserve	–	18.91
Surplus carried to balance sheet	144.29	136.20

Performance

During the year under review the turnover of the Company increased from ₹ 1568 crores to ₹ 2000 crores registering an increase of 28% over the previous financial year. The Profit before tax increased from ₹ 23 crores to ₹ 35 crores registering an increase of 52% and the Profit after tax increased from ₹ 18 crores to ₹ 27 crores registering an increase of 49%. Your Directors are confident of maintaining the growth in the ensuing year as well.

This was possible on account of the impressive growth in LCD/LED, Airconditioners and Mobiles. The turnover in the LCD/LED segment grew by 120% as compared to the previous year. In the airconditioning segment the turnover grew by 42.45% and the mobiles segment witnessed a growth of 140% as compared to the previous year. Overall the year under review has been quite satisfactory in view of the various steps taken by management.

Dividend

Your Directors are pleased to recommend payment of dividend on equity shares for the financial year ended 31st March, 2011 at ₹ 1/- per equity share on the face value of ₹ 1/- per share subject to the approval of members of the Company in the ensuing Annual General Meeting.

Transfer to reserves

Your Directors have proposed to transfer ₹ 272.93 lacs (previous year ₹ 183.71 lacs) to the general reserves out of the profits of Company for the year 2010-11.

Subsidiary Company

Your Company is having a subsidiary company i.e. Akasaka Electronics Limited. In view of circular no. 2/2011 dated 21st February 2011 issued by the Ministry of Corporate Affairs, New Delhi, the Board of Directors of the Company have decided to present the audited consolidated statement of accounts of the company and its subsidiary in the annual report for the year under review. Your Company believes that the consolidated accounts present a true and fair view of the state of affairs of the Company and its subsidiary. Accordingly the annual report of your Company does not contain the financial statement of its subsidiary, but contains the audited consolidated financial statements of the Company and its subsidiary.

The annual accounts of the subsidiary company along with the related detailed information, is available for inspection by the shareholders of the Company and its subsidiary Company during business hours at the respective registered offices of company and subsidiary Company. Copies of the audited accounts of the Company's subsidiary can be sought by any member by making a written request addressed to the Company Secretary & Head – Corporate Affairs of the Company at the registered office of the Company.

Consolidated Financial Statements

In accordance with Accounting Standard 21 on Consolidated Financial Statement and the Listing Agreement entered into with the Stock Exchanges, the audited Consolidated Financial Statement for the financial year ended 31st March, 2011 are provided in this Annual Report.

Cash flow statement

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges, the Cash flow statement for the year ended 31st March, 2011 is annexed hereto.

Directors

In terms of section 255 and 256 of the Companies Act, 1956, read with the Articles of Association of the Company, Mr. Ranjan Kapur, Non-executive and Independent Director, retires by rotation and being eligible offers himself for re-appointment at the ensuing annual general meeting of the Company. A brief resume of Mr. Ranjan Kapur as required under Clause 49 of the Listing Agreement, is provided in the notice convening the Annual General Meeting of the Company.

During the financial year Mr. Gulu L. Mirchandani, Chairman & Managing Director was re-appointed as Chairman & Managing Director for a further period of three years with effect from 1st December, 2010.

DIRECTORS' REPORT

Directors' Responsibility Statement

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

a) In the preparation of the annual accounts for the year ended 31st March, 2011, the applicable accounting standards have been followed and no material departures have been made from the same;

b) They have selected such accounting polices and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) They have prepared the annual accounts on a going concern basis.

Corporate Governance

Your Company believes in adopting effective Corporate Governance practices. Clause 49 of the Listing Agreement deals with the Corporate Governance requirements which every listed company is required to comply with. The Company has accordingly taken effective steps to comply with the requirements of the Clause 49 of the Listing Agreement with the Stock Exchanges.

A separate section on the Corporate Governance forming part of the Directors' Report and the certificate from the Company's Auditors M/s. N. M. Raiji & Co., Chartered Accountants, Mumbai confirming compliance with the conditions of Corporate Governance as stipulated under the Clause 49 of the Listing Agreement, is annexed to this report for your perusal.

The Chief Executive Officer's declaration regarding compliance of Code of Business Conduct and Ethics for Board members and senior management personnel forms part of the Report on Corporate Governance.

Green Initiative in the Corporate Governance

In view of 'Green Initiative in Corporate Governance' introduced by Ministry of Corporate Affairs vide its Circular No. 17/2011 dated 21.04.2011, all members who are holding shares of the company in physical mode, are requested to register their e-mail ID with the Company so as to enable the company to send all notices/ reports/ documents/ intimations and other correspondences etc. through e-mails, in the electronic mode instead of receiving physical copies the same. A specimen of request form for registering e-mail IDs to be filled and submitted by the members to the Registrar & Transfer Agent or the Company is annexed separately alongwith the notice of the AGM.

Members holding shares in demat mode, who have not registered their e-mail IDs with DPs, are requested to register/ update their e-mail Ids with their DPs.

Management Discussion and Analysis

A detailed review of operations, performance and future outlook of the Company and its business, as stipulated under Clause 49 of the Listing Agreement, is presented in a separate section forming part of Annual Report under the head 'Management Discussion and Analysis'.

Group

Pursuant to intimations received from Promoters, the names of the Promoters and entities comprising 'group' as defined under the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969 is disclosed separately in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation 1997, as amended.

Fixed deposits

The Company has neither invited nor accepted any public deposit within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder, during the year under review.

Electronic filing

The Company is also periodically uploading Annual Reports, Financial Results, Shareholding Patterns, Corporate Governance Reports etc. on its website viz. www.onida.com within the prescribed time limit.

Listing fees

The equity shares of the Company are listed on the The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The Company has paid the applicable listing fees to the above Stock Exchanges up to date. The Company's equity shares are also traded in the dematerialised segment for all investors compulsorily and the Company has entered into agreements with The Central Depository Services (India) Limited and The National Securities Depository Limited for trading in electronic form.

Clause 5A of the Listing Agreement

In view of newly inserted clause 5A to the Listing Agreement vide circular no. CIR/CFD/DIL/10/2010 dated 16th December, 2010 issued by the Securities and Exchange Board of India (SEBI) introducing uniform procedure for dealing with the unclaimed shares, the Company has sent reminder letters to shareholders whose share certificates are still lying with the Company as undelivered/ unclaimed. Members who are yet to claim share certificates in physical mode [other than demat mode] are requested to claim their share certificates from the R&T Agent of the company viz. Link Intime India Pvt. Ltd.

DIRECTORS' REPORT

We would also like to inform that in case the Company is not able to receive any response to the said letter the shares lying with the company as undelivered/ unexchanged shall be transferred to "Unclaimed Suspense Account" and thereafter dematerialised to a specific Demat Account to be opened by the Company for this specific purpose as stipulated in the above circular of SEBI.

Transfer of Unpaid and Unclaimed Dividend to IEPF

Pursuant to Section 205A(5) of the Companies Act, 1956, the dividend declared for the financial year 2002-03 which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to section 205C of the said Act.

For the purpose of benefiting our shareholders who have not claimed dividend for the financial year 2003-04, which is due for transfer to IEPF on or after 12th September, 2011, we shall be sending separate letters requesting them once again to claim their unclaimed dividend amount of the said financial year. Such shareholders are requested to write to the company for claiming their unpaid/ unclaimed dividend.

Auditors

M/s. N. M. Raiji & Co., Chartered Accountants, the Statutory Auditors of the company, holds office upto the conclusion of the forthcoming Annual General Meeting and have given their consent for re-appointment as statutory auditors of the company. It is proposed to re-appoint them as auditors for the financial year 2011-12 and fix their remuneration.

The Company has received a written confirmation from M/s. N. M. Raiji & Co. to the effect that their appointment, if made, would be in conformity with the limits prescribed in Section 224 (1B) of the Companies Act, 1956. The report of the auditors on audited accounts for the financial year 2010-11, is self-explanatory and does not require any further explanation.

The Auditors have further confirmed that they are being subject to Peer Review as per SEBI requirement.

Audit Committee

In accordance with Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956, the Company has constituted an Audit Committee, which consists of three Independent and Non-executive Directors of the company viz. Mr. Vimal Bhandari, Chairman, Mr. Ranjan Kapur and Mr. Manoj Maheshwari. The Audit Committee functions in terms of the role and powers delegated by the Board of Directors keeping in view the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Employee relations and particulars of Employees

Relations between employees and the management continued to be cordial during the year. In terms of provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the particulars of employees are set out in Annexure to this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary & Head – Corporate Affairs at Registered Office of the Company.

Research and Development

Mirc recognises that a vigorously intelligent research initiative enables not only cost reduction through effective process improvement but also value-addition through sustained innovative and customised products in line with customer requirements.

We are proud to have a team of dedicated engineers at the Onida Research and Development Centres in Mumbai, Delhi and Shenzhen (China), who facilitate in making state-of-the-art technology products, satisfying customer expectations.

This team conducts research in the areas of:

- Embedded Software
- Industrial Design
- Mechanical Engineering
- Electrical Engineering

Conservation of energy, research and development, technological absorption, foreign exchange earnings and outgo

The particulars as prescribed under Section 217(1)(e) read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in the Annexure forming part of this report.

Acknowledgement

Your Directors take this opportunity to thank our customers, vendors, investors and bankers for their continued support during the year and we place on record our appreciation to the contribution made by our employees at all levels and you shareholders.

We also thank the Government of India particularly the Income Tax Department, the Customs and Excise Departments, Ministry of Commerce, Ministry of Finance, Ministry of Corporate Affairs, the Reserve Bank of India, the State Governments and other government agencies for their support and look forward for their continued support in the future.

On behalf of the Board of Directors

Sd/-

Date: 5th May 2011 **Gulu L. Mirchandani**

Place: Mumbai **Chairman and Managing Director**

ANNEXURE TO THE DIRECTORS' REPORT

Particulars pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

1. Conservation of energy

Your Company is conscious about its responsibility to conserve energy, power and other energy sources wherever possible. It lays great emphasis towards a safe and clean environment and continues to adhere to all regulatory requirements and guidelines. Your Company has implemented innovative measures at Wada factory, to save the environment and to reduce energy consumption, by introducing Solar Panel for process heating, installation of Poly carbonate transparent sheet for Natural light. This has resulted in 10% reduction in energy consumption. For further reduction of energy consumption, your company has ambitious plans to install Solar LED Street lights, replacement of old Reciprocating compressors with energy efficient Rotary Compressors. Company has improved the power factor to Unity thereby reducing the distribution losses of electricity in the cables. This has resulted in a saving of 5% in the electricity consumption at wada factory.

Further, your Company has started procuring P.C.M. (Pre-Coated Materials) to avoid printing process with a view to save energy, pollution and reduce water consumption at Noida factory. The production team under the able guidance of expert engineers from the Research and Development Centre of the company continuously monitor and devise various means to conserve energy and identify methods for the optimum use of energy without affecting productivity. This is ensured through the adoption of the latest techniques of production which helps in better productivity levels, timely maintenance and upgradation of machines and equipments to ensure that energy consumption is at the minimal level possible, on-the-job training to production team members is also given in order to conserve energy. Your company's endeavour to introduce energy efficient electronic products, has met with success and the Bureau of Energy Efficiency [BEE] has awarded 5-star rating to one of the category of Airconditioners.

2. Research and Development

At the Research and Development Centre, new, innovative and quality products in the field of consumer electronics are developed to provide better value for money. Products are developed through customer research, customer-centric innovation using customer connect program.

Products are developed with research in all areas of consumer concern like quality, safety, reliability, performance, aesthetics and ease of operation by implementing the latest technologies. Implementation of new and innovative technological ideas in the products developed has given a young, vibrant and innovative brand image in the consumer market. To enhance the same, new technologies in various product categories like entertainment, connectivity, home appliances etc., for consumers are introduced, for enhancement in consumer experience and to give value for money.

a) Specific areas in which Research and Development was carried out by the Company:

Green Initiative

A strong initiative was undertaken by the R&D Centre to meet the low power stand by requirement on LCD TV. Most of our LCD TV's meet less than 1W international requirement in standby mode.

A 32" M series LCD TV model was developed with innovative painting technique applied to transparent front cabinet.

This year totally more than 15 new models were developed which include latest technologies like LED TV, I-Care, 100Hz. Our LED TV's were rated high in terms of picture quality by one of the leading consumer electronics magazine. Similar to this year we are developing new 15 models with latest technologies like 3D, Internet connectivity.

We continue to work on CRT TV's in managing the ever changing supply chain situation by developing new platforms.

Total 36 Split AC models were developed to meet the various energy star ratings by BEE. Also other 6 Window AC models were qualified for two star rating by BEE.

Our company was honored as STAR PERFORMER for the best Energy Efficient product in air-conditioner (2009 Model: S118SLH5). The trophy was sponsored by the Ministry of Power.

A truly friendly feature of "Brush" in the wash tub was developed and introduced in SPARKLE range of Washing Machines. This feature concept was a result of "Consumer Connect" exercise to know the consumer behavior and expectations.

The new technology trend of "Connected Appliances" is emerging. We are applying this in our Microwave model so that the consumer can access 123 recipes on his mobile phone by user friendly internet connectivity.

The same concept is applied to "PRE COOL" range of split AC models. The user can switch ON / OFF the AC remotely by using his mobile phone and sending an SMS.

b) Benefits derived as a result of the above Research and Development:

The Research and Development initiatives taken by the company helped in introducing energy efficient products with superior technology. As stated above products were designed keeping in view customers requirements. Such in-house efforts facilitate all round savings in costs as well.

c) Future plan of action:

The Company has plans to expand the entire range of LCD televisions in all the categories, which are emerging-technology, like 3D TVs, connected TV products gaining popularity in the Indian market. Besides the above, the Company has aggressive growth plans for the recently launched Induction cooker in the kitchen appliance segment.

d) Expenditure on research and development

(₹ in lacs)

Particulars of expenditures		2010-11	2009-10
1	Capital	27.22	20.27
2	Recurring	1128.07	1007.92
	Total	**1155.29**	**1028.19**
	Percentage of research and development as expenditure to total turnover	0.58	0.66

3. Technological absorption:

Your Company has not imported any technology. However, the management believes that information technology can be extensively used in all spheres of its activities to improve productivity and efficiency levels. The Company has already implemented SAP, a customised ERP module, at all its branches and manufacturing facilities. As regards product technologies the company would like to state as follows:

a) Efforts, in brief, made towards technology absorption, adaptation and innovation:-

The Company believes in offering world-class technological products to its valued customers. With this objective, the Research and Development personnel of the Company periodically visit foreign exhibitions and trade shows to understand the latest technology used in electronic products. Besides the Research and Development team also works closely with world-class technology developers to understand their technology. Efforts are also made by the team to bring in immaculate features in the products which are consumer-centric.

b) Benefits derived as a result of above efforts:

The efforts made by the Company towards technology absorption have resulted in the introduction of innovative energy efficient products at competitive costs, which are likely to enlarge the market share of the Company in the future. The company's focus has been to develop state-of-the-art products and be a leader in new technological areas.

4. Foreign exchange earnings and outgo

(₹ in lacs)

Particulars	2010-11	2009-10
Foreign exchange earnings	2594.05	2596.06
Foreign exchange outgo (including capital goods and imported software packages)	110714.89	78177.67

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management has pleasure in presenting this report in adherence to the Code of Corporate Governance enacted by the Securities and Exchange Board of India under Clause 49 of the Listing Agreement.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The market for consumer durables is estimated at ₹ 300 billion and is expected to reach ₹ 500 billion by 2015. The urban consumer durables market is growing at an annual rate of nine to twelve per cent and the rural durables market is growing at over 30 per cent annually. Some high-growth categories within this segment include mobile phones, TVs [LEDs/LCDs], Air Conditioners, music systems.

The rural market is growing much faster than the urban market and the urban market has now largely become a product replacement market. The consumer durables industry in rural and semi-urban areas has witnessed a considerable change during the last few years.

India's rural consumer durable market is expected to witness an annual growth rate of 40 per cent in the next fiscal 2011-12, as against the current growth rate of 30 per cent owing to the change in lifestyle and higher disposable income of rural India which has fascinated the consumer durable market according to a study "Rise of Consumer Durables in Rural India" undertaken by the Associated Chambers of Commerce and Industry of India (ASSOCHAM).

Around 35 per cent of the total sales of consumer durable items come from rural and semi-urban markets, which are expected to grow by 40 to 45 per cent in the near future. The consumer durable industry is growing at a fast pace and sees a strong demand in the coming period with the growing affordability of products as well as general buoyancy in the economy. The penetration level of consumer durables is only about 5 to 7 per cent in the rural markets. For deeper penetration in the rural sector, the industry needs to create proper channels and communicate to the rural community about their products through local language advertisements as well as other tools such as local exhibitions, mobile vans etc. The government also needs to focus on rural economy by providing them with greater fiscal incentives and generate more rural employment schemes.

The ASSOCHAM study also reveals that in the next five years it would be a new era for the rural economy, and by 2015 it is expected that every village in India will be connected by an all weather road, and will have internet connectivity and almost all homes will have electricity connection and possess a mobile phone. The industry thus expects the rural market to reach an inflexion point which could lead to explosion in demand the way it happened in the urban markets in the mid 90s.

The future thus appears even more encouraging: the character of home television is undergoing a paradigm transition with broadcasters and operators deploying digital platforms that transforms a passive T.V. experience into an interactive, on-demand media arena. As an extension, the industry's pace is being catalysed by the passion with which product brands create new owners.

MIRC stands attractively positioned in this regard: for more than 25 years, the Company leveraged advanced technology, focused on introduction of innovative products aligned with evolving Indian lifestyles and in doing so, emerged as a popular household brand. Gradually the Company has extended from televisions to a range of successful products comprising air-conditioners, LCD/LED TVs, Mobiles phones, Microwave ovens, DVD players, Washing Machines etc.

At Mirc, this evolution and growth has been driven by its innovation-driven research and development team resulting in the creation of cutting-edge products of the highest quality and standards designed as per the needs of the Indian consumers.

2. OPPORTUNITIES AND THREATS

India is one of the largest agrarian economies in the world. An interesting but not-so-well known fact highlighting the rural importance to a large number of marketers is the fact that the rural people in India account for 11 per cent of the world's population. As such, rural agriculture represents the principal occupation of around 70 per cent of the country's population. A robust agrarian economy over the last decade strengthened the rural offtake of consumer durables. Going forward, the industry growth is expected to accelerate with a product shelf life estimated at around 8 year leading to replacement and upgradation in addition to ongoing organic growth. Keeping in view the above scenario the opportunities and threats concerning the consumer durable industry will be as follows:-

Opportunities

- The overall increase in disposable incomes, more number of households above the threshold income, declining prices and shortened replacement cycle all these factors are expected to sustain the growth momentum from 7.5 per cent during 2010-11 to reach beyond 10 per cent by 2015. (mentioned economy growth).
- Rural India, which accounts for nearly 70 per cent of the total number of households, offers plenty of scope and opportunities for the industry. The urban consumer durables market for products is growing annually by about 12 per cent whereas the rural market is zooming ahead at above 30 per cent annually.
- Increasing consumer awareness and preference for new models have added to the demand. Products like air conditioners are no longer perceived as luxury products but are treated as necessities in the changed socio-economic environment with changed life styles.
- Attractive financing schemes will drive demand.
- The phenomenal growth of media in India, the flurry of television channels and the rising penetration of cinemas

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

have spread awareness of products in the remote markets. The Internet will play a lead role in driving informed purchases with more people using it. It will help to sustain the demand boom witnessed recently in this sector.

In response to the aforesaid opportunities, Mirc expanded its scope from single product to a multi-product portfolio, resulting in enhanced possibilities to occupy a larger shelf space. It prudently invested its resources to drive its innovation and cost-effectiveness; it emphasized a unique selling proposition to position and promote its products in the following manner:-

i. LCD/LED TVs:-

Mirc entered the LCD/LED TV segment with the launch of revolutionary Full High Definition LCD/LED TVs. Its latest launch has been the Svelte LED TV offering a unique I-Care technology. With increasing usage of TV, computers, mobiles, gaming stations and other such “screens”, our eyes are constantly under strain and experience much fatigue. Television viewing should be a pleasant experience, and to deliver just that, Mirc has developed an I-Care technology for LCD that reduces harmful UV rays by 99 per cent and provides 95 per cent Reflection-free viewing. The Onida i-Care LCD is also built tough and is designed to be 10 times tougher than normal LCD TVs.

Recently Mirc has also introduced the ActivePlay LCD TV with 25 inbuilt games. All the games are motion-controlled games, and a special remote unit is provided with the LCD TV. The model delivers a power packed picture along with 400 W sound output. It comes with high end connectivity with dual USB (all format playability), Dual HDMI, VGA port etc. This features enables the user to experience an engage himself in an active physical gaming session.

ii. Air Conditioners:-

Mirc launched Innovative Air Conditioners which were developed through extensive consumer research. Indepth understanding of consumer trends and their needs related to the product design and functionality were critical factors which helped the Company’s R&D team to develop these unique products.

The R&D team has successfully applied for 3 patents for airconditioners in 2011. Onida Airconditiner won the Star Performer Award in recognition of significant contribution towards the national effort on energy saving by manufacturing & marketing the Most Energy Efficient Air Conditioners in 5 Star range, and the award was presented by Hon’ble Former Minister of State for Power.

Mirc has been successful in understanding the technology and design trends in the air conditioning segment. Innovative product development based on consumer feedback and their usage pattern helped Mirc rapidly gain market share in this category. Consumer insights helped Mirc to develop several innovative one-of-its-kind products like Speedcool, I-Cool, Twin Cool and PreCool Airconditioners. This has been well accepted and appreciated by the consumers. Design and functionality driven innovation will continue to be the product strategy and would be one of the key differentiators for Onida Air Conditioners.

Worlds 1st Speed Cool :

Consumer insight based on growing consumer impatience , need for instant comfort in peak summer season, ease of use of remote control & need to check the actual energy savings against the tall manufacturer claims led to development of ONIDA Speedcool range .

The product is a result of extensive consumer connect programme and is the 1st in World with 5 Speed cooling which is integrated to ceiling fan to provide uninterrupted comfort instantly. Another unique feature of this range is one touch I-Cool control, which at a press of remote gives the user optimized cooling. This I-Cool function ensures ease of use.

Another unique feature is Energy savings meter, which captures the energy saving based on actual usage and displays it in Rupees. This feature gives the proof of savings to consumer.

Large speedometer display and world class aesthetics have made this range very popular with consumers and helped ONIDA Airconditioners gain market share.

World 1st Pre Cool :

Consumer insight based on need of the working youth and couples to enter into a precooled environment after coming from AC enviorment in office led to another innovative product development. ONIDA Pre-Cool Airconditioner range is a fusion of mobile technology with Airconditioner control system which gives the freedom to operate the airconditioner from anywhere. With this feature one can get the room airconditioned before reaching the place. This feature has been very well accepted at metro cities were the population of young working couples look for comfortable cool environment at home before they reach home from their work place.

Twin Cool Airconditioner:

Consumer insight wherein the consumer wants to have fully airconditioned home, with situations of partial or alternate usage in different rooms helped ONIDA R&D team to work on another innovative product. Consumer connect programme at Mirc provided the insight that most people seldom use the bedroom & living room airconditioner together. Consumer research also revealed that many a times consumers avoid airconditioning the spare room due to initial cost of purchase. The new ONIDA Twin Cool airconditioner was developed keeping this in consideration and gives the freedom to consumer to operate the AC in either room with just one Out Door Unit and saves nearly 50% of the cost of a separate airconditioner. This product patent has been applied for.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

iii. Mobiles:-

Mirc was the first Indian brand to launch 3G handsets in the mid-price segment with two cameras and video calling features. It also launched the first KY Thunder phone with out-of-the-world sound output, and the first mobile phone with FM transmission capability (within limited area) . Mirc is in the process of launching a series of Android-based mobile phones in the ensuing financial year 2011-12 with a first of its kind having touch-screen, qwerty keypad and optical track pad. It also has inbuilt analog TV facilitating viewing the movie while commuting features.

iv. DVD:-

Market Scenario: The DVD market is facing a phased degrowth year on year due to many reasons like DTH becoming popular, TV and LCD's having the functionality of playing music and videos through USBs and USBs becoming a popular data storing device. Despite these factors, Mirc has increased its market share in this scenario and looks further to maximize the same.

Mirc has also realized that differentiating the product offer is the best way to grow in this scenario, and hence is investing in products that offer best-in-class features.

Mirc is also launching a media player, the next generation product that can function as a network organizer as well as an input device for the television. This product is designed to be "future-ready", with Full-HD and 3D data capabilities.

Threats

- Mirc faces stiff competition from existing multinational players that have established themselves strongly in this industry. These companies have been gaining market share over the last few years and have greater marketing budgets. Their access to technologies that develop in First World countries is a definite plus. Besides, several of these multinational players are also playing mass by going in for significant price reductions.
- Private labels of Modern format stores have also made entry in Indian market. Aided by availability of low-cost Chinese made products, it remains to be seen whether such products sustain and take off well. There is little differentiation between these products, and they also lack in terms of brand awareness.
- With stiff competition, the consumer durables industry faces a persistent pressure on margins due to its inability to pass on input cost rises to consumers. The interest rates have recently started moving up, which is a cause of concern. Hence, the company's future profitability may come under pressure.
- Mirc is facing stiff competition from Japanese Companies who have revived their marketing strategy for India and have become more visible in the Indian Market.
- Continuous increase in commodity prices like copper and petroleum products along with wage inflation increase the cost of product, which at many times not be able to pass on the end consumer leads to the pressure on margin.
- Wide volatility in foreign currency against Indian currency affects the profitability margin.

3. PRODUCT-WISE PERFORMANCE

During the year under review, the Company witnessed a moderate growth in sales of colour televisions of about 6 per cent. However, the LCD/LED segment grew by about 120 per cent as compared to the previous financial year. There was a 45 per cent growth in sale of Onida Airconditioners during the year under review. The sale of mobiles witnessed a growth of over 139 per cent. The sale of Washing machines registered a growth of 11 per cent. Overall the productwise performance has been quite encouraging and outperformed market growth in the category of Airconditioner and LCD during the year under review.

4. OUTLOOK

In the times to come, Brand strength, product mix, a well-established distribution network, after-sales service, and technological superiority would be factors which will determine the competitive advantage of industry players. Market shares are expected to consolidate; however, the pace of consolidation would decline. While major industry players would continue to focus on prices in the low-medium range, advertising and promotional spends would continue to be an integral part of the companies' expenses.

The Company has extended its offerings under the Onida brand across products as well as geographical boundaries. The Company expects to increase its presence in these products and emerge as a leading solutions provider for electronic home improvement goods. The company has also positioned an exclusive brand 'IGO' for the rural market to capture the potential demand from the rural areas.

5. RISKS AND CONCERNS

At MIRC, we have recognised that managing business risk is an integral part of generating substantial and sustainable shareholder value. This positive interpretation of risk reflects the new understanding of the connection between well-managed risk and improved performance. That is, where the management seeks to mobilise the linkage between risk management, achievement of corporate goals and reduced volatility of outcomes. A more dynamic approach to risk management is critical to deliver superior performance and superior returns to shareholders. To this end, the management has always been proactive on risk identification and mitigation.

As part of a comprehensive de-risking strategy, the Company initiated an organized system of forecasting and cost budgeting leading to an optimal utilisation of resources. The

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

company expects to enhance its global presence to rationalise its significant dependence on the Indian geography.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The management continuously reviews the internal control systems and procedures leading to the orderly and efficient conduct of its business. The Company adheres to the prescribed guidelines with respect to all transactions including related party transactions, financial reporting and budgeting to ensure that all its assets are safeguarded and protected against losses from unauthorized use or disposition and that transaction are authorised, recorded and reported correctly.

Internal Audit is conducted on a regular basis by external auditors to monitor and report on the effectiveness of the internal control in the organisation.

Significant findings of the Internal Audit are brought to the notice of the Audit Committee of the Board of Directors of the Company and corrective measures recommended for implementation. Reports of the Internal Auditor are also continuously reviewed by the management and corrective action initiated to strengthen the controls and enhance the effectiveness of the existing systems.

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

During the year under review the turnover of the company increased from ₹ 1568 crores to ₹ 2000 crores registering an increase of 28 per cent over the previous financial year. The Profit before tax increased from ₹ 23 crores to ₹ 35 crores registering an increase of 52 per cent and the Profit after tax increased from ₹ 18 crores to ₹ 27 crores registering an increase of 49 per cent.

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

At MIRC, human capital is considered to be the most valuable resource, since people deliver results. People are nurtured, developed, motivated and rewarded to ensure business growth. We ensure that we attract right competency, develop them continuously and keep our people motivated through implementation of various HR processes.

The objective of the Human resource initiative at Mirc is that all ONIDIANS will collectively perform to realize the goals of the company and catapult the organisation to the elite league of companies which grace the hall of fame of the corporate world.

The Company's H.R. department takes a proactive role in responding to genuine grievances of employees to foster a warm positive relationship between the management and employees, increase job satisfaction and ensure that employees can add value to their lives.

The Human resource approach of the Company embodies the following:

- A unique variable pay plan linked to company's profitability for executives.
- A highly conducive and enabling work atmosphere. A well-designed safe campus
- Empowering our employees to innovate in an open, informed and challenging work place. Encouraging the richness of ideas, approaches and points of view within a work environment conducive to both superior performance and personal fulfillment.
- Conducting and facilitating need-based training empowered by structured career plans that optimise individual potential.
- Stress upon lateral thinking across all levels.

The management is continuously working on the development of human capital to enhance responsiveness, efficiency and effectiveness in an ever-changing business environment. Employee performance is continuously evaluated against agreed KRAs as well as feedback on behavioural competencies. The Company had about 1725 employees on its roll as on 31st March, 2011.

Material financial and commercial transactions involving Senior management:- The Company has in place a Code of Corporate Governance which stipulates that senior management personnel shall make disclosures to the Board of Directors regarding any material financial and/or commercial transactions in which they are interested which may have a potential conflict with the interest of the Company. In terms of the said Code senior management personnel have confirmed to the Board that they had no such dealings/transactions with the Company during the financial year ended 31st March, 2011.

Cautionary Statement

The Statements made in this report describing the Company's projections, expectations and estimations may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectation of future events. The actual results may differ from those expressed or implied in this report due to the influence of external and internal factors beyond the control of the Company.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

On behalf of the Board of Directors

Date : 5th May, 2011
Place : Mumbai

Gulu L. Mirchandani
Chairman and Managing Director

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report in compliance with Clause 49 of the Listing Agreement with the Stock Exchanges, as applicable for the year ended 31st March, 2011, is set out below for the information of shareholders and investors of the Company.

I. Company's philosophy on code of Corporate Governance

The Company's philosophy on the corporate governance is based on the following principles:

- Integrity & ethics in all our dealings.
- Have a simple and transparent corporate structure driven solely by business needs.
- Be transparent with a high degree of disclosure and adequate control system.
- Make a clear distinction between personnel conveniences and corporate resources.

Mirc is committed to achieve and maintain the highest standard of Corporate Governance. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholders' value on a sustained basis.

II. Board of Directors

A] Composition

At present the Board of Directors comprises five Directors, out of which two directors are promoters cum executive directors and three are non-executive independent directors. The Chairman is an executive director. Thus more than 50% of the Board comprises non-executive and independent directors.

During the Financial year 2010-11, five Board Meetings were held on 3rd May, 2010, 28th June 2010, 30th July, 2010, 22nd October, 2010 and 28th January, 2011. The interval between any two meetings was not more than four calendar months. The constitution of the Board of Directors, the details of meetings attended by the Directors and the information with regard to their membership of Committees are as under:

Name	Category	Attendance Particulars			No. of Directorships and Committee Memberships/ Chairmanships including MIRC		
		Number of Board Meetings		Last AGM			
		Held	Attended		Directorship	Committee Chairmanship	Committee Membership
Mr. Gulu L. Mirchandani	Promoter [CMD]	5	5	Yes	9	None	2
Mr. Vijay J. Mansukhani	Promoter [MD]	5	5	Yes	3	None	1
Mr. Vimal Bhandari	I & NED*	5	4	Yes	8	2	4
Mr. Manoj Maheshwari	I & NED*	5	5	Yes	6	0	4
Mr. Ranjan Kapur	I & NED*	5	5	Yes	5	1	4

* Independent and Non-Executive Director

Note:

1. As detailed in the table above, none of the Directors is a member of more than 10 Board level Committees of public Companies in which they are Directors, nor is Chairman of more than five such committees.
2. Only directorship in public limited Companies (listed or unlisted) have been considered.
3. Membership/chairmanship of Audit Committee and Investor Grievance Committee of public companies have been considered.

B] Role of Independent Directors

The independent directors play an important role in deliberations at the Board and Committee Meetings and bring to the Company their expertise in the fields of finance, management and public policy.

C] Information placed before the Board of Directors

The Board of Directors is provided all the required information wherever applicable and materially significant. This information are submitted either as a part of agenda papers or are tabled in the Course of Board Meeting for enabling them to give their valuable inputs.

D] Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the Company and it is posted on the website of the Company i.e. www.onida.com. The Code has been circulated to all members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration by the Chief Executive Officer of the Company is given below:

"I hereby confirm that:

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and senior management personnel have affirmed the compliance with the Code of Business Ethics and Conduct of MIRC Electronics Limited for the year ended 31st March, 2011."

Sd/-
G. Sundar, CEO

Committees of the Board:

The Board has established various committees such as Audit Committee, Shareholders & Investors Grievance Committee and Remuneration Committee as per the requirement of Clause 49 of the Listing Agreement. The minutes of committees Meetings are circulated and discussed in the Board Meetings.

III. Audit Committee

A] Constitution:

The composition, role and powers of the audit committee meet the requirements of Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956. Presently, the Audit committee comprises of Mr. Vimal Bhandari, Chairman, Mr. Ranjan Kapur and Mr. Manoj Maheshwari. All are Independent Non-Executive Directors of the Company. Mr. Anoop Pillai, Company Secretary & Head-Corporate Affairs, acts as the Secretary to the Committee.

Mr. Vimal Bhandari is a Chartered Accountant from the ICAI, New Delhi. All the members of the audit committee are financially literate and one of the members possesses excellent accounting and financial management expertise. At the Annual General Meeting held on 28th June, 2010, Mr. Vimal Bhandari, the chairman of the audit committee was present to reply to shareholders' queries.

B] Meetings of Audit Committee

During the financial year 2010-11, the Audit Committee met four times on 3rd May, 2010, 30th July, 2010, 22nd October, 2010 and 28th January, 2011. Mr. Gulu L. Mirchandani, CMD, Mr. Vijay J. Mansukhani, MD and Mr. G. Sundar, the Chief Executive Officer are permanent invitees to the audit committee meetings. The Head of the Finance, the Internal Auditors, the Statutory Auditors and Vice Presidents of various functions are also invited to the committee meetings as and when necessary. The attendance of each Audit Committee member in the above meetings is given hereunder:-

Name	Audit Committee Meetings (F.Y. 2010-11)	
	Held	Attended
Mr. Vimal Bhandari	4	3
Mr. Manoj Maheshwari	4	4
Mr. Ranjan Kapur	4	4

C] Powers of Audit Committee

The Board has delegated the following powers to the Audit Committee:-

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain external legal or other professional advice.
4. To secure the attendance of outsiders with relevant expertise, if it considers necessary.

D] Role of Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and fixation of audit fees.
3. Approval of payment to the statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Directors' Responsibility Statement which forms part of the Directors' Report pursuant to Section 217 (2AA) of the Companies Act, 1956.
   b) Changes, if any, in the accounting policies and practices and reasons for the same.
   c) Major accounting entries involving estimates based on the exercise of judgment by the management.
   d) Significant adjustments made in the financial statements arising out of the audit findings.
   e) Compliance with the listing and other legal requirements relating to financial statements.
   f) Disclosure of any related party transactions.
   g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, the reporting structure coverage and the frequency of internal audit.
8. Discussion with the internal auditors any significant findings and follow-up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of the internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and the creditors.
12. To review the functioning of the Whistle Blower Mechanism.
13. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

E] Review of information by Audit Committee

The following information are reviewed by the Audit Committee on a mandatory basis:

1. Management discussion and analysis of the financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
3. Management letters/letters on internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

IV. Shareholders' and Investors' Grievance Committee (SIGC).

Shareholders' and Investors' Grievance Committee comprises of Mr. Ranjan Kapur, Mr. Gulu L. Mirchandani and Mr. Vijay J. Mansukhani. Mr. Anoop Pillai, Company Secretary & Head-Corporate Affairs, has been nominated as the Compliance Officer of the Company. Mr. Ranjan Kapur, Non-Executive and Independent Director is Chairman of the Committee.

The Committee is entrusted with the responsibility of redressing the shareholders'/ investors' complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend and other queries/ complaints, if any. This committee also oversees the performance of the Registrar and Share Transfer Agent of the Company relating to the investor services and recommends measures for improvement. The attendance of each Committee member in the meetings during the financial year ended 31st March, 2011 is given hereunder:

Name	Shareholders'/Investors' Grievance Committee meetings	
	Held	Attended
Mr. Ranjan Kapur	12	12
Mr. Gulu L. Mirchandani	12	12
Mr. Vijay J. Mansukhani	12	12

The total number of complaints received and resolved to the satisfaction of the investors during the year under review is as under:

No. of complaints received	:	131
No. of complaints resolved	:	131
No. of complaints pending	:	Nil

V. Remuneration Committee

The Committee is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of the Directors and to deal with all elements of the remuneration package of all the directors including but not restricted to the following:

- To review, assess and recommend the appointment and remuneration of executive directors.
- To review the remuneration packages payable to executive directors periodically and recommend suitable revision/ increments, whenever required to the Board of Directors.
- To recommend the commission payable to the Non-executive Director(s) in accordance with and upto the limits laid down under the Companies Act, 1956.
- To carry out such other functions as delegated by the Board from time to time.

Remuneration Committee comprises of five directors out of whom three are Non-executive Independent Directors viz. Mr. Ranjan Kapur, Mr. Vimal Bhandari and Mr. Manoj Maheshwari and two other Executive Directors namely Mr. Gulu L. Mirchandani, CMD and Mr. Vijay J. Mansukhani, MD. Mr. Ranjan Kapur is the Chairman of the Remuneration Committee.

During the financial year 2010-11, remuneration committee met once on 3rd May, 2010. All the members of the committee attended this meeting.

Remuneration policy

MIRC's Executive Directors have been appointed on a contractual basis subject to the approval of shareholders in the general meeting. The remuneration package of the Executive Directors is determined by the Remuneration Committee within the permissible limits, subject to approval by the Board and shareholders in the general meeting and as per applicable provisions of the Companies Act, 1956. The remuneration comprises of basic salary, allowances, perquisites and commissions etc. The Remuneration Committee decides and recommends annual increments for executive directors within the limits stipulated by the Board of Directors/Shareholders and other applicable approvals.

In view of the inadequacy of profit during the financial years 2008-09 and 2009-10, Company secured necessary approvals of Central Government for payment of remuneration to Executive Directors. The said approvals of the Central Government with respect to payment of remuneration to Mr. Gulu L. Mirchandani, CMD and Mr. Vijay J. Mansukhani, MD are effective till 30th November, 2013 and 31st March, 2012 respectively, in case profit of the company is inadequate during this period. As profit of the financial year 2010-11 is adequate in accordance with provisions of section 309 read with schedule XIII of the Companies Act, 1956, the remuneration committee in its meeting held on 5th May 2011, approved the payment of commissions to executive directors within the prescribed limit..

The details of remuneration paid/payable to the Directors for the financial year 2010-11 are as follows:

(Amount in ₹)

Sr. No.	Director	Relation with MIRC	Inter-se Relation	Remuneration for FY 2010-11				
				Sitting fees	Salary allowance & perquisites	Commi-ssion	PF & Super-annuation	Total
1	Mr. G. L. Mirchandani	Promoter [CMD]	Brother in law of Sr. no. 2	Nil	1,28,80,000	38,80,000	15,39,000	1,82,99,000
2	Mr. V. J. Mansukhani	Promoter [MD]	Brother in Law of Sr. No.1	Nil	1,09,02,000	38,80,000	17,01,000	1,64,83,000
3	Mr. Vimal Bhandari	I & NED*	NA	35,000	Nil	2,00,000	Nil	2,35,000
4	Mr. Manoj Maheshwari	I & NED*	NA	45,000	Nil	2,00,000	Nil	2,45,000
5	Mr. Ranjan Kapur	I & NED*	NA	45,000	Nil	2,00,000	Nil	2,45,000

* Independent & Non-Executive Director

Non-Executive Directors' Compensation and disclosures

All fees/ compensation paid to non-executive directors, including independent directors are fixed by the remuneration committee/ Board of Directors and are subject to approval by the shareholders in general meeting.

The elements of the remuneration package of the Non-Executive Directors consist of annual commission in addition to sitting fees. The same has been approved by the shareholders in the Annual General Meeting of the Company held on 30th January, 2006, which is valid till 31st March 2011. The Board of Directors of the Company in their meeting held on 5th May 2011, have approved payment of commission to Non-executive directors for a further period of 5 years from financial year 2011-12 onwards subject to approval of members of the Company in ensuing Annual General Meeting.

The Company is availing professional expertise of Non-executive Directors through their participation in the Board meetings. The Non-executive Directors are paid collectively a commission amounting to ₹ 6,00,000/- on an annual basis provided that the total commission payable to such directors collectively does not exceed 1% of the net profits of the company. Accordingly, an amount of ₹ 6,00,000/- has been provided as commission payable for the current year.

The Non-executive Directors are paid sitting fees of ₹ 5000/- per meeting for attending Board Meetings and Audit Committee Meetings.

None of the Non–executive Director is holding any shares in the Company.

VI. Subsidiary Monitoring Framework

The Company is having only one subsidiary viz. Akasaka Electronics Limited which is not a 'material non-listed Indian subsidiary'. The Clause 49 defines a 'material non-listed Indian subsidiary' as an unlisted subsidiary incorporated in India, whose turnover or net-worth [i.e. paid-up capital and free reserves] exceeds 20 percent of the consolidated turnover or net-worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

The performance and management of the subsidiary is monitored inter-alia by the following means:

a) Financial Statements and in particular the investments made by the unlisted subsidiary company are reviewed by the Audit Committee of the Company.

b) The minutes of the Board meetings of the subsidiary company are placed before the Company's Board for its regular review.

VII. General Body Meetings

The location, time and date where the last three Annual General Meetings of the company were held are given hereunder:-

Year	Location	Type of meeting	Date	Time	No. of Special Resolutions passed at AGM
2009-10	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	AGM	28.06.10	03.00 p.m.	2
2008-09	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	AGM	18.08.09	03.00 p.m.	7
2007-08	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	AGM	30.06.08	03.00 p.m.	Nil

Whether special resolution were put through postal ballot last year - No

None of the items transacted at the last Annual General Meeting held on 28th June, 2010 were required to be passed by postal ballot, nor any resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

VIII. Disclosures

A] Materially significant related party transactions

None of the transactions that transpired between the Company and its promoters, directors, management or their relatives were in potential conflict with the interest of the Company at large. The details of transactions with the related parties are tabled before the audit committee on a quarterly basis. The register of contracts containing the transactions in which the directors are interested are placed regularly before the Board for their approval/signature.

B] Related Party Transactions

The Company follows the following policy in disclosing related party transactions to the Audit Committee:

a) A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee.

b) Details of material individual transactions with related parties, which are not in the normal course of business, if any are placed before the Audit Committee.

c) Details of Material individual transactions with related parties or others which were not on arms length basis, with justification thereof are placed before the Audit Committee.

C] Status of regulatory compliances

The Company has complied with the applicable requirements of the Listing Agreements as well as the regulations and guidelines of SEBI and other statutory authorities. Consequently, there are no strictures or penalties imposed on the company for any matter relating to capital markets during the last three years.

D] Whistle Blower Mechanism

In addition to complying with the mandatory requirements of Clause 49 of the Listing Agreement, the Board has also adopted a non-mandatory requirement viz. Whistle Blower Policy, in its meeting held on 23rd January, 2007. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal and unethical behaviour. Employees are free to report violation of laws, rules, regulations and unethical conduct to their immediate supervisor/ notified person. The report received from any employee is reviewed by the Chief Ethics Counsellor. The Directors and management are obligated to maintain confidentiality of such reporting and ensure that the whistle blower is not subjected to any discriminatory practices.

The Board hereby confirms that no personnel have been denied access to the Audit Committee or to the Chief Ethics Counsellor under the Whistle Blower policy mechanism.

E] Management Discussion and Analysis Report

A Management Discussion and Analysis Report forms part of the annual report and includes discussion on various matters specified under Clause 49[IV][F] of the Listing Agreement.

F] Insider Trading Code

The Company has adopted the Mirc Employee (Dealing in Securities & Prevention of Insider Trading) Rules, 2002. This code is applicable to all directors and designated employees. The code ensures prevention and dealing in shares of the Company by persons having access to unpublished price sensitive information. The Company monitors the transactions of insiders/designated employees in terms of the aforesaid rules periodically.

G] CEO/ Head of Finance certification

The certificate in terms of clause 49(V) of the Listing Agreement with Stock Exchanges for the financial year ended 31st March, 2011 was placed before the Board of Directors of the Company in their meeting held on 5th May, 2011 and is annexed to this.

IX. Means of communication:

The company has furnished quarterly financial results along with notes on a regular basis as per the format prescribed in clause 41 of the Listing Agreement within prescribed time to the Stock Exchanges in respect of first three quarters in financial year 2010-11. In respect of last quarter of financial year 2010-11, the Company has opted to furnish audited financial results by giving advance intimation to Stock Exchanges within 60 days from the end of financial year and accordingly the Board Meeting for considering the results of last quarter and full financial year was held on 5th May, 2011.

The quarterly financial results of the company were published within 48 hours of conclusion of Board Meeting in English Newspaper viz. "Financial Express" and "Mumbai Lakshdeep", a newspaper published in the language of the region where the registered office is situated. The audited annual results for financial year 2010-11 were published in ' Business Standard' and 'Mumbai Lakshdeep'. The company informs the Stock Exchanges where its shares are listed, about the date of Board Meeting 7 days in advance and also issues an advertisement in atleast one national newspaper and one in regional language newspaper about the Board Meetings.

In terms of Clause 54 of the Listing Agreement, Company is maintaining its functional website i.e. www.onida.com, containing the basic information about the company e.g. details of business, financial information, shareholding pattern, compliance with corporate governance, contact information of designated employees who are responsible for assisting and handling the investors grievance, details of the agreements entered into with the media companies and/ or their associates. The same information are updated on the website viz. www.onida.com within the prescribed time limit.

X. General Shareholders Information:

Details of Directors retiring by rotation:

Mr. Ranjan Kapur

Mr. Ranjan Kapur holds a Masters degree in English from Delhi University and a degree in Advanced Advertising Studies from the Advertising Agencies Association of America. He is the Country Manager of the WPP Group, one of the world's largest communications company, and the parent of well-known advertising agencies such as JWT, Young & Rubicam and Ogilvy & Mather. Mr. Kapur has almost four decades of marketing communications experience across several countries in East Asia, the US and India. He is currently on the Boards of several WPP operating companies as well as Pidilite Industries Limited and Abbott India Limited among others. He is also on the Managing Committees of the Indian Cancer Society, Bombay First and Marico Innovation Foundation.

Name of the Company	Board position held	Committee position*
MIRC Electronics Limited	Director	Chairman – Shareholders & Investors Grievance Committee Member – Audit Committee
Pidilite Industries Limited	Director	Member – Audit Committee
Abbott India Limited	Addl. Director	Member – Audit Committee
Hitech Plast Limited	Director	Member – Audit Committee
Nimbus Communications Limited	Director	N.A.

* Information is provided as per requirement of Clause 49 of the Listing Agreement.

Mr. Ranjan Kapur does not hold any share in Mirc Electronics Limited as on 31st March, 2011.

Other Details for shareholders:

AGM date, time and venue	24th June, 2011 at 3.00 p.m. Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
Financial year	1st April – 31st March
Book Closure:	13.06.2011 to 24.06.2011 (Both days inclusive)
Dividend payment date: [if declared]	On or after Saturday, 25th June, 2011
Listing on Stock Exchange	Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing fees for the year 2011-12 have been paid.
Stock code at BSE	500279
Stock symbol at NSE	MIRCELECTR
ISIN of the Company	INE831A01028
Corporate Identification No. (CIN)	L32300MH1981PLC023637

Unclaimed dividends:

Pursuant to the provisions of the Companies Act, 1956, dividends lying unclaimed for a period of 7 years from the date of their transfer to unpaid /unclaimed dividend account have to be transferred to the Investor Education and Protection Fund (IEPF) constituted and administered by the Central Government. No claim would lie against the IEPF or the company after the said transfer.

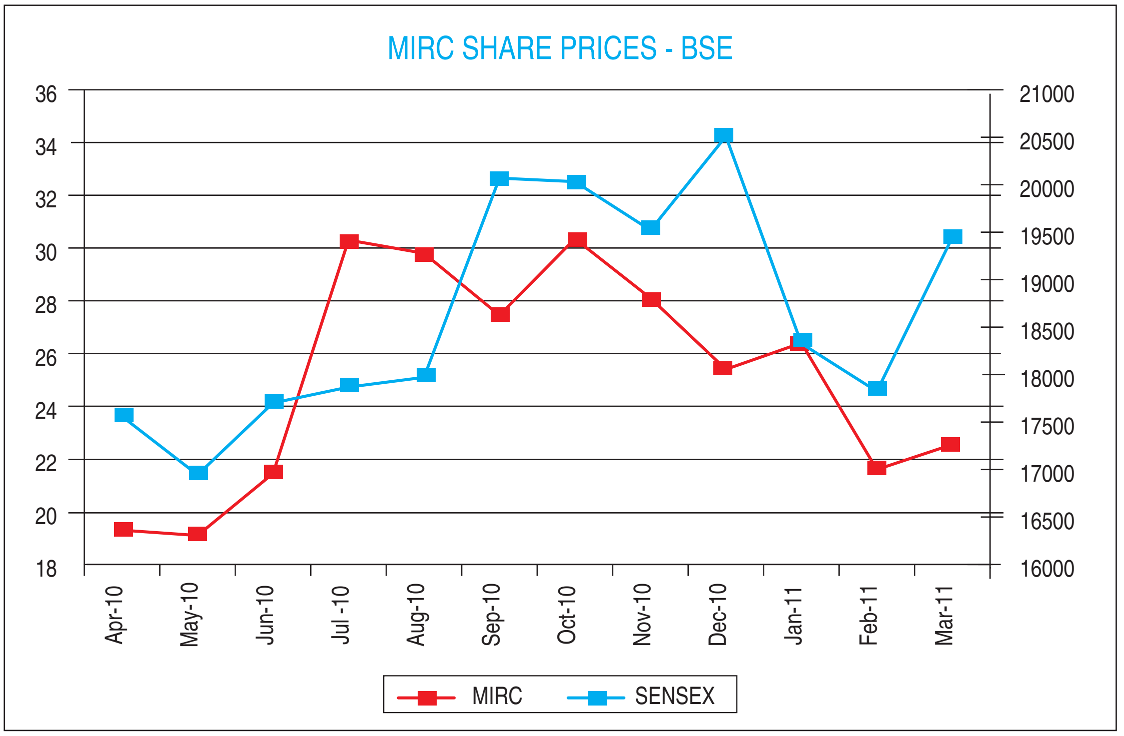
Year	Dividend	Date of declaration	Date of transfer to the Investor Education & Protection Fund
2003-04	Final	12th August, 2004	12th September, 2011
2004-05	Final	30th January, 2006	02nd March, 2013
2005-06	Final	27th September, 2006	28th October, 2013
2006-07	Interim	12th March, 2007	12th April, 2014
2007-08	Final	30th June, 2008	31st July, 2015
2008-09	Final	18th August, 2009	18th September, 2016
2009-10*	Interim	14th October, 2009	14th November, 2016
2009-10	Final	28th June, 2010	29th July, 2017

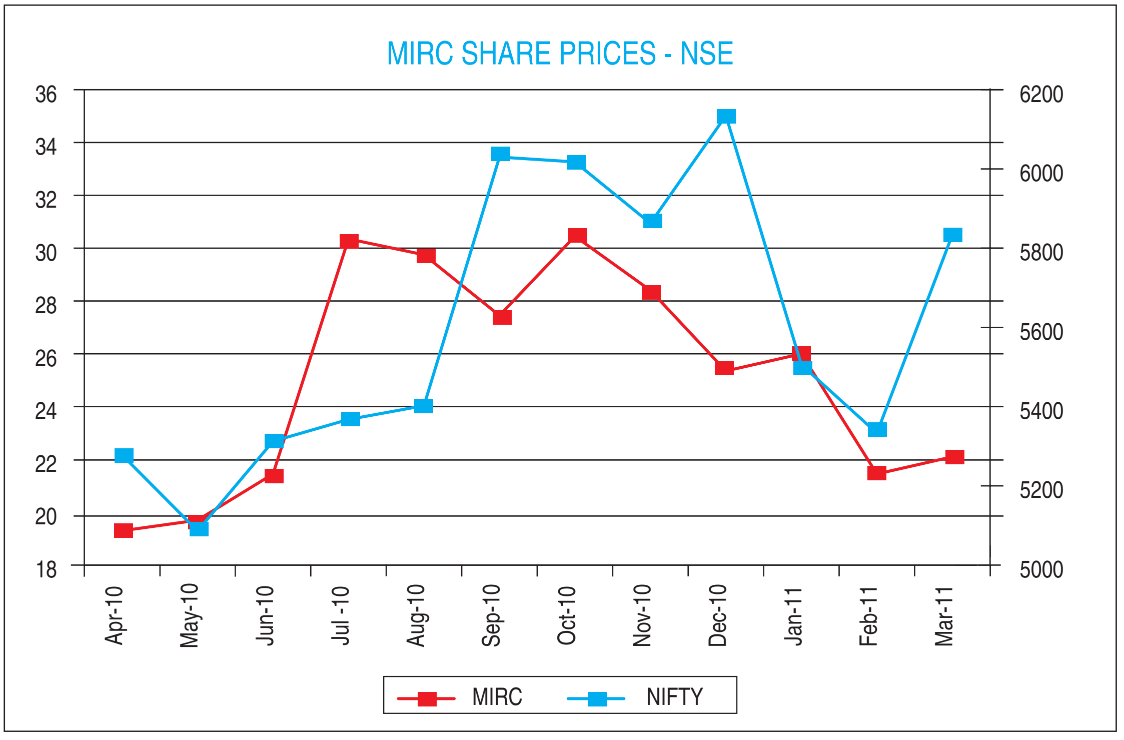
* Dividend paid on redemption of preference shares issued in pursuance of Scheme of Amalgamation of Guviso Holdings Pvt. Ltd. with Mirc Electronics Limited.

Market Price Data: (F.Y. 2010-11)

Month	STOCK EXCHANGE					
	Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
	Share Price		Sensex	Share Price		Nifty
	High (₹)	Low (₹)	Close	High (₹)	Low (₹)	Close
April 2010	19.30	16.65	17,558.71	19.30	16.40	5,278.00
May 2010	19.10	15.40	16,944.63	19.70	16.35	5,086.30
June 2010	21.45	16.90	17,700.90	21.45	16.80	5,312.50
July 2010	30.30	20.50	17,868.29	30.35	20.50	5,367.60
August 2010	29.80	23.80	17,971.12	29.75	23.60	5,402.40
September 2010	27.45	23.80	20,069.12	27.45	22.30	6,029.95
October 2010	30.35	25.15	20,032.34	30.45	25.10	6,017.70
November 2010	28.10	20.40	19,521.25	28.40	20.05	5,862.70
December 2010	25.40	19.15	20,509.09	25.35	19.10	6,134.50
January 2011	26.40	20.05	18,327.76	26.00	19.90	5,505.90
February 2011	21.60	17.45	17,823.40	21.45	17.50	5,333.25
March 2011	22.55	18.20	19,445.22	22.10	18.05	5,833.75

Market price data (source: www.bseindia.com, www.nseindia.com)





Graphical presentation of Company's High Stock Price Vs. Stock Exchange Index

Registrar & Share Transfer Agent:
M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West),
Mumbai - 400 078. Ph.: 022-25946970-78. Fax: 022-25946969
E-mail: mumbai@linkintime.co.in

Share transfer system

The Registrar and Share Transfer Agent register the share transfers in physical form within 15 days from the receipt of the completed documents. Invalid share transfers are returned within 15 days of receipt. All requests for de-materialisation of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The Company also offers transfer cum demat facility.

Distribution schedule as on 31st March, 2011

Equity shares held	Shareholders	% of shareholders	Shares	% of holding
1-5000	70942	98.85	25455967	17.96
5001-10000	451	0.63	3430192	2.42
10001-20000	175	0.24	2648471	1.87
20001-30000	57	0.08	1409362	0.99
30001-40000	32	0.05	1136888	0.80
40001-50000	18	0.02	828747	0.59
50001-100000	57	0.08	4211717	2.97
100001 and above	38	0.05	102630334	72.40
Total	**71770**	**100.00**	**141751678**	**100.00**

Shareholding pattern as on 31st March, 2011

Category		Number of shares	Percentage of Holding
A	**Promoter's Holding**		
1	Indian Promoter	78093389	55.09
2	Foreign Promoter	0	0.00
	Sub-Total (A)	**78093389**	**55.09**
B	**Non-Promoter's Holding**		
	Institutional Investors		
1	Mutual funds/ UTI	157700	0.11
2	Financial institutions/ banks	33168	0.02
3	Insurance Companies	1811985	1.28
4	Foreign institutional investors	6925333	4.89
	Non-Institutional Investors		
1	Bodies Corporates	11466682	8.09
2	Clearing members	793763	0.56
3	Non-resident Indians	616116	0.43
4	Others	41853542	29.53
	Sub-Total (B)	**63658289**	**44.91**
	Grand Total (A + B)	**141751678**	**100.00**

Person's constituting group within the definition of "Group" as defined in the Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

Sr. No	Name of the Person
1	Akasaka Electronics Limited
2	Adino Electronics Limited
3	Akman Dquay Securities Private Limited
4	Gulita Wealth Advisors Private Limited
5	Fiona Engineering Industries Private Limited
6	Gulita Securities Limited
7	IWAI Electronics Private Limited
8	Tamarind Family Private Trust
9	Kae Capital Management Private Limited
10	Kae Capital Trustee Company Private Limited
11	IIFL Wealth Management Limited/ IIFL Trustee Services Limited, as trustees of Tamarind Family Private Trust
12	M/s. Akman Associates
13	Mr. Gulu L. Mirchandani
14	Mr. Vijay J. Mansukhani
15	Mrs. Gita G. Mirchandani
16	Mrs. Marissa V. Mansukhani
17	Mr. Sasha G. Mirchandani
18	Mr. Kaval G. Mirchandani
19	Mr. Akshay V. Mansukhani
20	Ms. Ayesha V. Mansukhani

Dematerialisation of shares and liquidity

As at 31st March, 2011, 95.94% (13,60,00,288 shares) of paid up share were held in dematerialised form with NSDL and CDSL, while 4.06% (57,51,390 shares) were held in physical form.

Outstanding GDRs/ ADRs/ Warrants

There are no outstanding GDRs/ADRs/ Warrants or any convertible instruments, as on 31st March, 2011 likely to have an impact on the equity share capital of the Company.

Plant Locations

1. Village Kudus
   Bhiwandi Wada Road
   Taluka Wada
   Thane – 421 312
2. B-204/205
   Phase – II,
   Noida – 201 305
3. **Roorkee – Plant I**
   Khasra No.158,
   Village - Raipur, Pargana - Bhagwanpur,
   Roorkee, District - Haridwar,
   Uttaranchal
4. **Roorkee – Plant II**
   Khasra No. 399 to 401 & 405 to 410,
   158 KMS Milestone,
   Delhi - Roorkee Highway - NH 58, Village - Mundiyaki,
   Pargana - Manglour, Tehsil-Roorkee,
   District - Haridwar, Uttaranchal - 247 670

Website: www.onida.com

Address for correspondence
Mirc Electronics Limited
Onida House, G-1, MIDC, Mahakali Caves Road
Andheri (East), Mumbai - 400 093

On behalf of the Board of Directors
sd/-
Gulu L. Mirchandani
Chairman and Managing Director

Place : Mumbai
Date : May 05, 2011

CEO/ Head of Finance Certificate under Clause 49 of the Listing Agreement

We, G. Sundar, Chief Executive Officer and Manish Desai, Vice President – Finance of Mirc Electronics Limited hereby certify to the Board that :

a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2011 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit committee that:

   (i) there are no significant changes in internal control over financial reporting during the year;

   (ii) there have been no significant changes in accounting policies during the year which are required to be disclosed in the notes to the financial statements; and

   (iii) there have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

	sd/-	**sd/-**
Date : May 05, 2011	**G. Sundar**	**Manish Desai**
Place: Mumbai	**Chief Executive Officer**	**Vice President – Finance**

Note:- Mr. Manish Desai, GM - Finance & Accounts has been promoted as Vice President – Finance, who shall now be heading the finance function of the Company. His promotion has been considered and approved by the Audit Committee in its meeting held on 05.05.2011 pursuant to Clause 49 of the Listing Agreement.

Auditors' certificate on Corporate Governance

To the members of Mirc Electronics Limited

We have examined the compliance of conditions of Corporate Governance by Mirc Electronics Limited ('the Company') for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the guidance note on certificaion of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For N.M. Raiji & Company
Chartered Accountants
Firm Registration No. 108296W

sd/-

J.M. Gandhi
Partner
M. No. 37924

Date : May 05, 2011
Place: Mumbai

AUDITORS' REPORT

To the Members of MIRC Electronics Limited

1. We have audited the attached Balance Sheet of MIRC Electronics Limited ('the Company') as at March 31, 2011 and also the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with standards on auditing generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (hereinafter to be referred to as "the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   (v) On the basis of written representations received from the directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;

      (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and

      (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **N.M. Raiji & Co.**
Chartered Accountants
Firm Registration No.108296W

J. M. Gandhi
Partner
Membership No. 37924

Place: Mumbai
Date: May 5, 2011

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date of MIRC Electronics Limited for the year ended March 31, 2011.

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

b) According to the information and explanations given to us, the Company has a regular programme of physical verification by which a substantial portion of the fixed assets has been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on verification conducted during the year as compared with the book records and the same have been appropriately dealt with in the books of account.

c) The assets disposed of during the year are not significant and therefore do not affect the going concern assumption.

(ii) a) Inventories have been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.

b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of the inventories followed by the management were generally reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion the Company is maintaining proper records of inventory. The discrepancies noticed between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.

(iii) a) The Company has granted unsecured loan to four parties covered in the register maintained under Section 301 of the Companies Act, 1956. out of which one party has returned the loan before the year end. The outstanding amount as at the balance sheet date and maximum amount outstanding during the year is ₹ 1094.00 lacs and ₹ 1362.25 lacs respectively.

b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which said loans have been granted are not, prima facie, prejudicial to the interest of the Company.

c) As per the terms of the loan, principal amount is not due for repayment during the year and interest is received as per the terms.

d) The Company has not taken any unsecured loan from parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, generally there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.

(v) a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been properly entered in the said register.

b) During the year, there are transactions of purchase of services, exceeding rupees five lacs per annum, from one party covered under Section 301 of the Companies Act, 1956. As per the information and explanation provided to us, the said purchases of services are of a special nature and therefore, comparative prices are not available.

(vi) The Company has not accepted any deposits from the public, hence the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder are not applicable.

(vii) In our opinion, the Company has adequate system of internal audit, which is commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for maintenance of cost records in respect of products manufactured and are of the opinion that, prima facie, the prescribed accounts and records have been maintained by the Company. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(ix) a) According to the information and explanation provided to us, during the year the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including amount of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, service tax, cess and other material statutory dues, applicable to it.

b) The following are the details of disputed Income Tax, Excise Duty, Customs Duty and Sales Tax that have not been paid to the concerned authorities.

Name of Statute	Relevant Financial Year	Forum where Dispute is Pending	Unpaid Amount (₹ in Lacs)
Income Tax	2007-08	DCIT	82.16
Central Excise	1998-99	High Court	62.44
Central Excise	1997-98	Commissioner Central Excise	0.97
Central Excise	1998-2000, 2001-2006	CESTAT	244.64
Customs	1998-99, 2001-02, 2007-2010	Commissioner of Customs	232.71
Sales Tax	1991-92, 2000-01, 2002-2008	High Court	320.94
Sales Tax	2007-08	Supreme Court	1.10
Sales Tax	1997-98	Board of Madhya Pradesh Commercial Taxes, Bhopal	9.72
Sales Tax	1992-1994, 1995-2005	Commissioner	41.10
Sales Tax	2003-04, 2005-2007	Revisional Board	1204.73
Sales Tax	1999-2002, 2003-2010,	Deputy Commissioner Sales Tax	482.48
Sales Tax	2008-2010	Deputy Excise and Taxation Commissioner	3.98
Sales Tax	1999-2001, 2003-2005, 2006-2008	Deputy Commissioner of Commercial Taxes	24.49
Sales Tax	2005-2008	Additional Commissioner Sales Tax	30.04
Sales Tax	2004-05	Asstt. Commissioner (Appeal)	4.98
Sales Tax	2002-2004	Tribunal	58.87
Sales Tax	2001-02, 2003-04, 2005-06	Joint Commissioner – Sales Tax	653.26

(x) The Company does not have accumulated losses and has not incurred cash losses during the financial year and immediately preceding financial year.

(xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund or a nidhi/ mutual fund benefit fund/ society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities and debentures. However, it has dealings in Mutual Fund units during the year. For the transactions in Mutual Fund units the Company has maintained proper records and has made timely entries therein. All the shares, securities and other investments are held by the Company in its own name.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantee for loan taken by its subsidiary from bank is not, prima facie, prejudicial to the interest of the Company.

ANNEXURE TO THE AUDITORS' REPORT

(xvi) In our opinion and on the basis of the information and explanation given to us, the term loans have been applied for the purpose for which they were raised other than amounts temporarily invested pending utilisation of the funds for the stated use.

(xvii) On the basis of our examination of the books of accounts and the information and explanation given to us, we report that the funds raised on short-term basis have not been used for long-term investment.

(xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, the Company has not issued any secured debentures, which are outstanding during the year.

(xx) During the period covered by our audit report, the Company has not raised any money by way of public issue.

(xxi) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **N.M. Raiji & Co.**
Chartered Accountants
Firm Registration No.108296W

J. M. Gandhi
Partner
Membership No. 37924

Place: Mumbai
Date: May 5, 2011

BALANCE SHEET AS AT

₹ in lacs

	Schedule	31st March, 2011		31st March, 2010	
SOURCES OF FUNDS					
Shareholders Funds					
Capital	1	1419.38		1419.38	
Reserves and Surplus	2	25231.67		24149.90	
			26651.05		25569.28
Loan Funds					
Secured	3	11044.80		5726.78	
Unsecured	4	4500.00		7638.00	
			15544.80		13364.78
Deferred Tax Liability (Net)			1812.23		1552.63
TOTAL			**44008.08**		**40486.69**
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		41641.07		40592.86	
Less: Depreciation		20986.72		19114.72	
Net Block		20654.35		21478.14	
Capital Work-in-Progress including Capital Advances		77.90		29.22	
			20732.25		21507.36
Investments	6		2654.39		4014.00
Current Assets, Loans and Advances					
Inventories	7	34646.21		24899.91	
Sundry Debtors	8	16350.95		8775.93	
Cash and Bank Balances	9	4712.50		2764.39	
Loans and Advances	10	10089.64		11266.66	
		65799.30		47706.89	
Less: Current Liabilities and Provisions					
Liabilities	11	43232.48		30946.96	
Provisions	12	1945.38		1794.60	
		45177.86		32741.56	
Net Current Assets			20621.44		14965.33
TOTAL			**44008.08**		**40486.69**
Notes Forming Part of the Accounts	21				

As per our Report attached
For N.M. RAIJI & CO.,
Chartered Accountants
Firm Registration No. 108296W

For and on behalf of the
BOARD OF DIRECTORS

J.M. GANDHI
Partner
Membership No. 37924

MANISH DESAI
Vice President - Finance

G.L. MIRCHANDANI
Chairman and Managing Director

Mumbai, May 5, 2011

ANOOP PILLAI
Company Secretary and Head - Corporate Affairs

V.J. MANSUKHANI
Managing Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

₹ in lacs

	Schedule	31st March, 2011		31st March, 2010	
INCOME					
Gross Sales	13		200036.07		156834.65
Less: Excise Duty			8779.48		6636.76
Net Sales			191256.59		150197.89
Other Income	14		337.78		302.60
TOTAL			**191594.37**		**150500.49**
EXPENDITURE					
Materials Consumed	16		65576.39		54652.89
Cost of Traded Goods Sold	17		84772.93		61980.85
Personnel Expenses	18		9225.02		7540.88
Depreciation			2160.42		1977.15
Financial Expenses	19		1773.03		1735.23
Other Expenses	20		26926.37		21402.64
			190434.16		149289.64
(Less)/ Add: (Accretion)/ Decretion in Stocks	15		(2360.82)		(1054.21)
TOTAL			**188073.34**		**148235.43**
PROFIT BEFORE TAX			**3521.03**		**2265.06**
Fringe Benefit Tax			(24.97)		8.66
Current Tax			557.15		417.37
Deferred Tax			259.60		1.95
PROFIT AFTER TAX			**2729.25**		**1837.08**
Surplus Brought Forward from Previous Year			13619.90		15492.10
TOTAL			**16349.15**		**17329.18**
APPROPRIATIONS					
Dividend on Shares					
Preference Dividend			–		51.04
Equity Dividend			1417.52		1345.65
Tax on Dividend			229.96		237.37
Transfer to General Reserve			272.93		183.71
Transfer to Capital Redemption Reserve			–		1891.51
Surplus carried to Balance Sheet			14428.74		13619.90
TOTAL			**16349.15**		**17329.18**
Basic and diluted earnings per share (Face value of ₹ 1 each)			1.93		1.25
Notes Forming Part of the Accounts	21				

As per our Report attached
For N.M. RAIJI & CO.,
Chartered Accountants
Firm Registration No. 108296W

For and on behalf of the
BOARD OF DIRECTORS

J.M. GANDHI
Partner
Membership No. 37924

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Chairman and Managing Director

ANOOP PILLAI
Company Secretary and Head - Corporate Affairs

V.J. MANSUKHANI
Managing Director

Mumbai, May 5, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

₹ in lacs

	31st March, 2011		31st March, 2010	
SCHEDULE 1 – SHARE CAPITAL				
Authorised				
16,80,20,000 Equity Shares of ₹ 1 each (Previous year 16,80,20,000 Equity Shares of ₹ 1 each)		1680.20		1680.20
20,00,000 5% Cumulative Redeemable Preference Shares of ₹ 100 each (Previous year 20,00,000 5% Cumulative Redeemable Preference Shares of ₹ 100 each)		2000.00		2000.00
10,000 8% Cumulative Redeemable Preference Shares of ₹ 100 each (Previous year 10,000 8% Cumulative Redeemable Preference Shares of ₹ 100 each)		10.00		10.00
10,00,000 11% Non-Cumulative Redeemable Preference Shares of ₹ 100 each (Previous year 10,00,000 11% Non-Cumulative Redeemable Preference Shares of ₹ 100 each)		1000.00		1000.00
		4690.20		4690.20
Issued, Subscribed and Paid Up				
14,17,51,678 Equity Shares of ₹ 1 each fully paid up (Previous year 14,17,51,678 Equity Shares of ₹ 1 each fully paid up)	1417.52		1417.52	
Add : 2,48,000 Forfeited Equity Shares of ₹ 1 each partly paid up (Previous year 2,48,000 Forfeited Equity Shares of ₹ 1 each partly paid up)	1.86		1.86	
		1419.38		1419.38
Notes: Of the above				
• 9,36,95,620 Equity Shares were allotted as fully paid Bonus Shares by capitalisation of General Reserve and Capital Redemption Reserve.				
• 14,59,464 Equity Shares were allotted as per the Scheme of Amalgamation of Onida Savak Ltd. with the Company.				
• 7,48,96,669 Equity Shares were alloted and 7,48,96,575 Equity Shares were cancelled as per the Scheme of Amalgamation of Guviso Holdings Pvt. Ltd. with the Company.				
TOTAL		**1419.38**		**1419.38**

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

₹ in lacs

	31st March, 2011		31st March, 2010	
SCHEDULE 2 – RESERVES AND SURPLUS				
Capital Reserve		7.07		7.07
Capital Redemption Reserve				
As per last Balance Sheet	1891.51		–	
Add : Transfer from Profit and Loss Account	–		1891.51	
		1891.51		1891.51
Share Premium		1.39		1.39
General Reserve				
As per last Balance Sheet	8630.03		8446.32	
Add: Transfer from Profit and Loss Account	272.93		183.71	
		8902.96		8630.03
Profit and Loss Account		14428.74		13619.90
TOTAL		**25231.67**		**24149.90**

SCHEDULE 3 – SECURED LOANS				
From Banks:				
– Cash Credit		4044.80		1357.83
– Long Term Loan		5000.00		–
– Short Term Loan		2000.00		1400.00
– Foreign Currency Loan		–		2968.95
TOTAL		**11044.80**		**5726.78**
Of the above an amount of ₹ 7544.74 (Previous year : ₹ 5726.78) is repayable within one year.				
Notes:				
Cash Credit and Term Loan is secured by first pari passu charge in favour of the bankers by hypothecation of Company's current assets and on the Company's immovable and movable properties except the Land and Building and Plant and Machinery embedded to the earth in Roorkee.				

SCHEDULE 4 – UNSECURED LOANS				
From Banks:				
– Short Term Loan		4500.00		7600.00
Sales Tax Deferment Loan		–		38.00
TOTAL		**4500.00**		**7638.00**
The above amount of ₹ 4500.00 (Previous year : ₹ 7638.00) is repayable within one year.				

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

₹ in Lacs

SCHEDULE 5 – FIXED ASSETS - [Refer Note A (III) of Schedule 21]

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2010	Additions / Adjustments	Deletions / Adjustments	As at 31.03.2011	Upto 01.04.2010	For the Year	Deletions / Adjustments	Upto 31.03.2011	As at 31.03.2011
INTANGIBLE ASSETS									
1 R & D Software	55.27	–	–	55.27	41.62	4.28	–	45.90	9.37
	(55.27)	–	–	(55.27)	(35.33)	(6.29)	–	(41.62)	(13.65)
TANGIBLE ASSETS									
2 Leasehold land	760.22	–	–	760.22	100.27	9.67	–	109.94	650.28
	(760.22)	–	–	(760.22)	(90.59)	(9.68)	–	(100.27)	(659.95)
3 Freehold land	1776.68	–	–	1776.68	–	–	–	–	1776.68
	(1755.94)	(20.74)	–	(1776.68)	–	–	–	–	(1776.68)
4 Buildings	10223.45	77.37	–	10300.82	2425.54	332.86	–	2758.40	7542.42
	(9215.94)	(1007.51)	–	(10223.45)	(2118.20)	(307.34)	–	(2425.54)	(7797.91)
5 Plant and Machinery and Electrical Fittings	25494.48	1160.69	362.14	26293.03	15012.70	1726.60	257.68	16481.62	9811.41
	(21473.46)	(4021.06)	(0.04)	(25494.48)	(13464.53)	(1548.21)	(0.04)	(15012.70)	(10481.78)
6 Furniture, Fixtures and Equipments	1122.60	52.77	2.64	1172.73	775.59	42.23	2.39	815.43	357.30
	(1088.00)	(36.41)	(1.81)	(1122.60)	(724.20)	(52.48)	(1.09)	(775.59)	(347.01)
7 Motor Vehicles	238.72	132.64	36.72	334.64	200.70	9.74	27.37	183.07	151.57
	(243.05)	–	(4.33)	(238.72)	(187.36)	(16.71)	(3.37)	(200.70)	(38.02)
8 R & D - Building	157.08	–	–	157.08	80.01	5.24	–	85.25	71.83
	(157.08)	–	–	(157.08)	(74.76)	(5.25)	–	(80.01)	(77.07)
9 R & D - Plant and Machinery and Electrical Fittings	636.57	24.99	–	661.56	386.04	26.48	–	412.52	249.04
	(616.30)	(20.27)	–	(636.57)	(360.01)	(26.03)	–	(386.04)	(250.53)
10 R & D - Furniture, Fixture and Equipments	127.79	2.23	0.98	129.04	92.25	3.32	0.98	94.59	34.45
	(127.79)	–	–	(127.79)	(87.09)	(5.16)	–	(92.25)	(35.54)
Total	**40592.86**	**1450.69**	**402.48**	**41641.07**	**19114.72**	**2160.42**	**288.42**	**20986.72**	**20654.35**
	(35493.05)	(5105.99)	(6.18)	(40592.86)	(17142.07)	(1977.15)	(4.50)	(19114.72)	(21478.14)
Capital Work-in-Progress									**77.90**
									(29.22)
TOTAL									**20732.25**
									(21507.36)

Note: Figures in brackets are in respect of 31st March, 2010.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

₹ in lacs

SCHEDULE 6 – INVESTMENTS

	Face Value in Rupees	31st March, 2011 No. of Units	31st March, 2011	31st March, 2010 No. of Units	31st March, 2010
(Unquoted and Fully Paid unless otherwise stated)					
Long Term Investments (At Cost)					
In Subsidiary Company (In Equity Shares)					
Akasaka Electronics Limited	10.00	8148000	2624.85	8148000	2624.85
	(A)		2624.85		2624.85
Current Investments (At Cost)					
Non-Trade Investments (In Equity Shares)					
Kongarar Textiles Limited	10.00	2600	1.17	2600	1.17
Menon Pistons Limited (Quoted)	10.00	42067	29.45	118745	83.12
Onida Finance Limited	10.00	468400	139.60	468400	139.60
Mutual Funds					
UTI Liquid Cash Plan Institutional		8.850	0.09	–	–
LIC Mutual Fund Floating Rate Fund		–	–	5043361	504.34
UTI Short Term Income Fund		–	–	4209593	500.75
Birla Sun Life Savings Fund		–	–	1921	0.19
Birla Sun Life Floating Rate Fund		–	–	3000565	300.75
	(B)		170.31		1529.92
Total Investments	(A + B)		2795.16		4154.77
Less: Provision for diminution in the value of Investments	(C)		140.77		140.77
TOTAL	**(A+B-C)**		**2654.39**		**4014.00**
Notes:					
Aggregate of Quoted Investments					
Cost			29.45		83.12
Market Value			51.45		90.90
Aggregate of Unquoted Investments					
Cost			2765.71		4071.65

Notes:

During the period following units were purchased and sold.	Units Purchased	Units Sold
ICICI Prudential Liquid Super Institutional Plan - Daily Dividend reinvestment	799936	799936
ICICI Prudential Internal Fund I - Monthly Interval Plan -Institutional Dividend	8040375	8040375
Birla Sunlife Cash Plus - Instl. - Daily Dividend - Reinvestment	13887879	13887879
Birla Sun Life Savings Fund - Instl. - Daily Dividend - Reinvestment	15015617	15015617
UTI Liquid Cash Plan Institutional - Daily Income Option - Re-investment	137350	137341
UTI - Treasury Advantage Fund - Institutional Plan - Daily dividend option	140087	140087
Kotak Floater Long Term - Daily Dividend	9939520	9939520
Kotak Flexi Debt Scheme Institutional - Daily Dividend	3985012	3985012
Birla Sun Life Saving Fund - Daily Dividend - Reinvestment	23074585	23076506
Birla Sun Life Floating Rate Fund - Long Term Institutional	5028702	8029267
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	568012	568012
Reliance Money Manager Fund - Institutional Option - Daily Dividend	170223	170223
LIC MF - Floating Rate Fund - Short Term Plan	6335	5049696
LIC MF - Income Plus Fund - Daily Dividend	4003942	4003942
LIC MF - Floating Rate Fund - Short Term Plan - Daily Dividend	2505390	2505390
LIC MF - Savings Plus Fund - Daily Dividend Plan	27092326	27092326
UTI - Short Term Income Fund - Income option - Reinvestment	–	4209593
UTI - Treasury Advantage Fund - Institutional Plan	50431	50431
Menon Pistons Limited	–	76678

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

₹ in lacs

	31st March, 2011		31st March, 2010	
SCHEDULE 7 – INVENTORIES				
Raw Materials including Packing Materials and Service Spares		8316.10		6820.42
Stores and Spares		283.17		258.28
Semi Finished Goods		2272.75		2126.52
Finished Goods:				
– Manufactured		6629.79		4415.20
– Traded		12662.21		4994.89
Goods in transit		4482.19		6284.60
TOTAL		**34646.21**		**24899.91**
SCHEDULE 8 – SUNDRY DEBTORS				
Over six months				
Secured - considered good	–		–	
Unsecured - considered good	72.90		124.13	
- considered doubtful	638.21		828.99	
	711.11		953.12	
Less: Provision for Doubtful Debts	638.21		828.99	
		72.90		124.13
Others - considered good				
Secured	396.83		106.29	
Unsecured	15881.22		8545.51	
		16278.05		8651.80
TOTAL		**16350.95**		**8775.93**
SCHEDULE 9 – CASH AND BANK BALANCES				
Cash on hand		19.68		6.57
Cheques on hand		36.12		41.15
Bank Remittances in Transit		3539.01		2048.15
Balances with Scheduled Banks:				
– Current Accounts		587.14		559.33
– Fixed Deposit Accounts		427.08		1.20
Balances with Non-Scheduled Banks :				
– HSBC Bank Middle East - AED Current Account (Maximum amount outstanding during the year ₹ 41.68)		1.83		13.88
– HSBC Bank Middle East - USD Call Deposit Account (Maximum amount outstanding during the year ₹ 164.58)		101.64		94.11
TOTAL		**4712.50**		**2764.39**
SCHEDULE 10 – LOANS AND ADVANCES				
(Refer Note 7 of Schedule 21)				
(Unsecured - considered good)				
Loans		1143.67		1448.94
Advances recoverable in cash or kind or for value to be received		8407.89		9639.22
Advance Income-tax (Net of Provisions)		111.31		–
Balance with Excise and Custom Authorities		426.77		178.50
TOTAL		**10089.64**		**11266.66**

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

₹ in lacs

	31st March, 2011		31st March, 2010	
SCHEDULE 11 – CURRENT LIABILITIES				
Acceptances		21049.22		10229.45
Sundry Creditors (Refer Note 6 (b) of Schedule 21)		10560.13		12860.83
Advances from Customers		418.32		576.19
Unclaimed Dividend Accounts (Refer Note 6 (c) of Schedule 21)		126.43		118.12
Other Liabilities:				
– Expenses		7523.04		4745.34
– Others		3219.97		2086.67
Interest accrued but not due		57.10		53.69
Deposits from Dealers		278.27		276.67
TOTAL		**43232.48**		**30946.96**

SCHEDULE 12 – PROVISIONS				
Proposed Dividend		1417.52		1346.64
Tax on Proposed Dividend		229.96		228.86
Provision for Income-tax (Net of Advance Tax)		–		4.70
Provision for Retirement Benefits		297.90		214.40
TOTAL		**1945.38**		**1794.60**

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

₹ in lacs

	31st March, 2011		31st March, 2010	
SCHEDULE 13 – SALES				
Sales		199969.80		156788.60
Export Benefits		66.27		46.05
TOTAL		**200036.07**		**156834.65**

SCHEDULE 14 – OTHER INCOME				
Dividend Income		44.69		25.32
Interest Income - Gross (Tax deducted at source ₹ 5.16 (previous year ₹ 2.79))		156.69		172.22
Profit on Sale of Assets		0.97		0.50
Profit on Sale of Investment		36.40		–
Interest on Income Tax Refund		–		1.84
Sales Tax Refund		23.79		5.39
Write back of Provision against Investments		–		29.86
Miscellaneous Income		75.24		67.47
TOTAL		**337.78**		**302.60**

SCHEDULE 15 – (ACCRETION)/ DECRETION IN STOCKS				
Opening Stock:				
– Semi-finished Goods	2126.52		1584.62	
– Finished Goods	4415.20		3902.89	
		6541.72		5487.51
Less: Closing Stock:				
– Semi-finished Goods	2272.75		2126.52	
– Finished Goods	6629.79		4415.20	
		8902.54		6541.72
TOTAL		**(2360.82)**		**(1054.21)**

SCHEDULE 16 – MATERIALS CONSUMED				
Opening Stock		6820.42		6726.13
Add: Purchases		67072.07		54747.18
		73892.49		61473.31
Less: Closing Stock		8316.10		6820.42
TOTAL		**65576.39**		**54652.89**

SCHEDULE 17 – COST OF TRADED GOODS SOLD				
Opening Stock		4994.89		8056.69
Add: Purchases		92440.25		58919.05
		97435.14		66975.74
Less: Closing Stock		12662.21		4994.89
TOTAL		**84772.93**		**61980.85**

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

₹ in lacs

	31st March, 2011		31st March, 2010	
SCHEDULE 18 – PERSONNEL EXPENSES				
Salaries, Wages and Bonus		7754.35		6100.29
Contribution to Provident Fund and Other Funds		413.92		360.29
Staff Welfare Expenses		1056.75		1080.30
TOTAL		**9225.02**		**7540.88**

SCHEDULE 19 – FINANCIAL EXPENSES				
Interest:				
– Fixed Loans		950.22		1319.19
– Others		280.11		166.06
Bank Charges		542.70		249.98
TOTAL		**1773.03**		**1735.23**

SCHEDULE 20 – OTHER EXPENSES				
Power and Fuel		1058.16		756.97
Rent		780.34		820.38
Rates and Taxes		444.12		330.00
Repairs to:				
– Plant and Machinery		256.50		240.71
– Building		39.63		29.72
– Others		577.13		479.42
Insurance Charges		121.89		104.86
Freight and Forwarding Expenses		6280.94		5126.41
Advertisement		9039.98		7435.41
Sales Commission		221.81		175.45
Service Charges		2630.28		1644.36
Travelling and Conveyance		1173.72		992.74
Loss on Sale of Assets		95.09		0.55
Bad debts written off	224.15		223.89	
Less: Provision for Doubtful Debts written back	224.15	–	223.89	–
Provision for Doubtful Debts		33.37		279.82
Research and Development Expenditure		1088.75		965.19
(Refer Note 5 of Schedule 21)				
Miscellaneous Expenses		3084.66		2020.65
TOTAL		**26926.37**		**21402.64**

NOTES FORMING PART OF ACCOUNTS

SCHEDULE 21

₹. in Lacs

A. Significant Accounting Policies

I. Basis of Accounting

The financial statements have been prepared on an accrual basis under the historical cost convention and in accordance with the generally accepted accounting principles in India and materially comply with the mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

II. Revenue Recognition

i) Income from sale of goods is recognised upon transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of goods sold. Sales are recorded net of sales tax / value added tax. Turnover includes related export benefits. The excise duty recovered is presented as a reduction from gross turnover.

ii) Interest income is recognised on accrual basis.

iii) Dividend income is accounted when the right to receive the payment is established.

iv) Claims which are not of material nature/ Insurance Claims, Export benefits, Government Grants, refund of Sales Tax/ Excise/ Customs duty are accounted for when no significant uncertainties are attached to their eventual receipt.

v) The Company is entitled to refund of Special Additional Duty (SAD) paid on imported traded goods on sale of such goods within the prescribed time. Accordingly the refund is accrued on sale of such goods. Till such time it is treated as part of inventory cost.

III. Fixed Assets and Depreciation

i) Fixed Assets are stated at cost of acquisition or construction, net of modvat/ cenvat, less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition comprises of all costs incurred to bring the assets to their location and working condition up to the date assets are put to use. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from exchange rate variations upto 31st March, 2007 attributable to the fixed assets acquired from a country outside India are capitalised.

ii) Machinery/ Insurance spares which are specific and identifiable to the assets are capitalised.

iii) Pre-operative expenditure during construction period/ trial run, direct expenses as well as clearly identifiable indirect expenses incurred on the projects during the period of construction are being capitalised along with the respective assets.

iv) The company provides depreciation as under:

a) For assets acquired on or after 01/01/1987 on straight line method, in accordance with Schedule XIV of the Companies Act, 1956.

b) For assets acquired prior to 01/01/1987 on Written Down Value basis, in accordance with Schedule XIV of the Companies Act,1956.

c) Accelerated depreciation has been provided on Fixed Asset which have become obsolete, to reduce the value to estimated realisable value.

d) Capital items costing less than Rs.5000 have been charged to Profit and Loss Account at the time of purchase itself.

e) Leasehold Land is amortised over the period of lease.

f) The Company capitalises software where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over an estimated useful life of 5 years.

₹ in Lacs

IV. Impairment of Assets

An asset is considered as impaired in accordance with Accounting Standard (AS)-28 on “Impairment of Assets”. Impairment is ascertained at each balance sheet date in respect of Cash Generating Units. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

V. Investments

Investments are classified as current or long-term in accordance with Accounting Standard (AS)-13 on “Accounting for Investments”.

Current Investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversal of such reductions are charged or credited to the Profit and Loss Account.

Long-term investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of such investments.

VI. Accounting for Taxes on Income

Tax expenses are charged to Profit and Loss account after considering deferred tax impact for the timing difference between Accounting Income and Tax Income.

Deferred Tax Assets on timing differences are recognised when there is a reasonable certainty that they will be realised.

Deferred Tax Assets relating to unabsorbed business losses are recognised when there is a virtual certainty that there will be sufficient taxable profits to utilise them.

VII. Inventories

Stock-in-trade is valued at lower of cost and net realisable value. Stock of Consumable stores, spares and furnace oil are valued at cost.

Cost is computed based on moving weighted average in respect of all procurred materials and comprises of materials and appropriate share of utilities and other overheads in respect of work-in-process and finished goods. Costs also includes all charges incurred for bringing the inventories to their present location and condition.

VIII. Sales Promotion

Articles procured for sales promotion are charged to the Profit and Loss Account at the time of purchase itself.

IX. Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at transaction date.

i) Exchange differences relating to fixed assets arising during the year has been charged off to the Profit and Loss Account pursuant to the notification issued by ICAI.

ii) Monetary foreign currency assets and liabilities are translated into rupees at the exchange rate prevailing at the Balance sheet date. Exchange differences are dealt with in the Profit and Loss Account.

iii) Non-monetary items such as investments are carried at historical cost using exchange rates on the date of transaction.

iv) In case of forward contracts (for hedging purposes) the premium or discount arising at inception is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Profit and Loss account .

Transactions relating to overseas branch have been translated as follows:

i) Additions to fixed assets are capitalised at rates prevailing on the date of acquisition. Depreciation is charged on the value at which assets are converted.

ii) Monetary assets and liabilities at the rates prevailing on the balance sheet date.

iii) Revenue items at the weighted average rate for the month.

₹ in Lacs

X. Research and Development

Revenue expenditure on research and development is charged to the Profit and Loss Account.

Capital expenditure on research and development is shown as an addition to fixed assets.

XI. Retirement benefits

Provident Fund – The Company has a statutory scheme of Provident Fund with the Regional Provident Fund Commissioner.

Gratuity and Leave Encashment – Gratuity and Leave Encashment has been provided in accordance with Accounting Standard (AS) - 15 “Employee Benefits”.

Superannuation – Superannuation is provided on the basis of premium paid on the policy taken under Group Superannuation Scheme from Life Insurance Corporation of India.

XII. Borrowing cost

Borrowing cost that are attributable to the acquisition or construction of qualifying asset are capitalised as part of such asset.

B. Notes to Accounts

1. The Company enters into forward contract for hedgeing of foreign currency transaction. The premium/ discount for such transactions are pro-rated over the period of the contract. Such premium/ discount is accounted under material consumption. The exchange gain or loss on account of foreign exchange transactions settlement or on reinstatement at the year end is credited/ debited to the Profit and Loss account.

During the year net credit in respect of foreign exchange fluctuation gain is ₹ 937.57 (previous year credit of ₹ 2903.71). Out of this credit of ₹ 1007.48 (previous year credit of ₹3072.10) is in respect of raw material purchases, debit of ₹43.92 (previous year debit of ₹109.63) is in respect of export of goods (included in miscellaneous expenses), debit of ₹25.99 (previous year debit of ₹58.76) is in respect of secured loans (included in financial expenses).

2. Contingent Liabilities

		31st March, 2011	31st March, 2010
a)	Guarantees given to Bank against which ₹ Nil (previous year ₹ Nil) has been deposited as margin money	585.51	213.98
b)	Guarantees given to bank on behalf of subsidiary company		
	- Akasaka Electronics Limited	1870.00	1670.00
c)	Income tax demands in respect of which appeals have been filed	82.16	505.92
d)	Excise and Customs Duty in respect of which appeals have been filed	595.44	798.22
e)	Claims made against the Company not acknowledged as debts	5429.58	5487.45

3.	Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	199.54	322.44

₹ in Lacs

4. Employee benefits

a) Description of the Plan:

Gratuity –

Company has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India. Under the plan, employee at retirement is eligible for benefit which will be equal to 15 days salary for each completed year of service. In other words, the policy is a defined benefit plan. Accordingly, the aforesaid insurance policy is the plan asset.

Leave encashment –

The leave encashment benefit scheme is a defined benefit plan and is wholly unfunded. Hence, there are no planned assets attributable to the obligation.

b) Principal actuarial assumptions:

Particulars	**2010-11**		2009-10	
	Gratuity	**Leave Encashment**	Gratuity	Leave Encashment
Discount rate	8.25%	8.25%	8.00%	8.00%
Rate of Return on Plan Assets	8.25%	8.25%	8.00%	8.00%
Salary Escalation	5.00%	5.00%	5.00%	5.00%

c) Reconciliation of Benefit Obligation :

Particulars	**2010-11**		2009-10	
	Gratuity	**Leave Encashment**	Gratuity	Leave Encashment
Liability at the beginning of the year	724.69	200.74	616.73	194.73
Interest cost	57.97	16.06	47.79	15.09
Current Service Cost	64.65	16.81	54.02	18.72
Benefit Paid	(108.64)	(83.14)	(30.48)	(47.82)
Actuarial (Gain)/ Loss on Obligations	54.52	69.92	36.62	20.03
Liability at the end of the year	793.19	220.39	724.69	200.74
Fair Value of Plan Assets at the end of the year	715.69	–	711.03	–
Liability at the end of the year recognised and disclosed under the head "Provisions for Employee Benefits"	77.50	220.39	13.66	200.74

d) Reconciliation of Fair value of Plan Assets :

Particulars	**2010-11**		2009-10	
	Gratuity		Gratuity	
Fair Value of Plan Assets at the beginning of the year	711.03		578.69	
Expected Return on Plan Assets	56.88		44.85	
Contributions	53.10		107.34	
Benefit Paid	(108.64)		(30.48)	
Actuarial Gain/ (Loss) on Obligations	3.32		10.63	
Fair Value of Plan Assets at the end of the year	715.69		711.03	
Total Actuarial Gain/ (Loss) recognised	(51.20)		(25.99)	

₹ in Lacs

e) **Return on Plan Assets:**

Particulars	**2010-11**		2009-10	
	Gratuity		Gratuity	
Expected Return on Plan Assets	56.88		44.85	
Actuarial Gain/ (Loss) on Plan Assets	3.32		10.63	
Actual Return on Plan Assets	60.20		55.48	

f) **Expenses recognised in the Profit and Loss Account under the head Personnel Expenses:**

Particulars	**2010-11**		2009-10	
	Gratuity	**Leave Encashment**	Gratuity	Leave Encashment
Current Service Cost	64.65	16.81	54.02	18.72
Interest Cost	57.97	16.06	47.79	15.09
Expected Return on Plan Assets	(56.88)	–	(44.85)	–
Net Actuarial (Gain)/ Loss recognised	51.20	69.92	25.99	20.03
Expenses recognised in Profit and Loss Account	116.94	102.79	82.95	53.84

5. Research and development expenses consist of personnel expenses and other expenses of ₹ 815.62 (previous year ₹ 703.42), and ₹ 273.13 (previous year ₹ 261.77) respectively. Depreciation on Research and Development assets is ₹ 39.32 (previous year ₹ 42.73) shown under Fixed Assets.

6. a) Balances of Sundry Debtors, Creditors, Loans and Advances and Deposits are subject to confirmation and reconciliation.

b) There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

c) There is no amount due and Outstanding, as at 31st March, 2011 to be credited to Investor Education and Protection Fund.

7. Loans and Advances:

Particulars	**31st March, 2011**		**31st March, 2010**	
Include loans and advances given to:				
a) **Subsidiary Company Advances**				
Akasaka Electronics Limited		–		68.25
Maximum amount outstanding during the year ₹ 68.25 (previous year ₹ 68.25)				
b) **Relatives of Directors**		969.00		1169.00
Maximum amount outstanding during the year ₹ 1169.00 (previous year ₹ 1169.00)				

8. Miscellaneous Expenses charged to Profit and Loss Account includes:

Particulars	**2010-11**		**2009-10**	
Remuneration to Auditors (excluding Service Tax):				
Audit fees		20.50		17.50
Other Services (Certification, Tax Audit etc.)		10.31		8.14
Out of pocket expenses		0.35		0.32
Total		**31.16**		**25.96**

NOTES FORMING PART OF ACCOUNTS

₹ in Lacs

9. Payments to Directors:

Particulars	2010-11		2009-10	
Remuneration to Directors				
a) Salaries		192.00		192.00
b) Commission to Chairman and Managing Director and Managing Director		77.60		–
c) Contribution to Provident Fund and other funds		32.40		32.40
d) Other Perquisites		45.82		45.82
e) Commission to Non-Executive Directors		6.00		6.00
Total		**353.82**		**276.22**
Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956:				
Profit before taxes as per Profit and Loss Account		**3521.03**		**2265.06**
Add:				
Managerial Remuneration	270.22		270.22	
Commission to Chairman and Managing Director and Managing Director	77.60		–	
Loss on sale of Fixed Assets u/s 350	–		0.55	
Provision for Doubtful Debts	33.37		279.82	
Commision to Non-Executive Directors	6.00		6.00	
		387.19		**556.59**
Less:				
Profit on sale of Fixed Assets	0.97		0.50	
Increase in value of investment	–		29.86	
Profit on sale of Investment	36.40		–	
		37.37		**30.36**
Net Profit as per Section 309 (5)		**3870.85**		**2791.29**
Commission payable to				
Chairman and Managing Director		38.80		–
Managing Director		38.80		–
Non-Executive Directors within 1% of Net Profit as per Section 309(5)		6.00		6.00

NOTES FORMING PART OF ACCOUNTS

₹ in Lacs

10. Material Consumed:

Sr. No.	Particulars	2010-11		2009-10	
		Quantity (Nos.)	Value	Quantity (Nos.)	Value
a)	Picture Tubes for Colour Televisions	1336809	21107.48	1270814	22808.19
b)	Imported Components and Parts for Colour Televisions, etc.		28148.84		16642.10
c)	Others		16320.07		15202.60
	Total		**65576.39**		**54652.89**

11. Value of Material Consumed:

Sr. No.	Particulars	2010-11		2009-10	
		%	Value	%	Value
a)	Imported	70	46031.34	67	36712.50
b)	Indigenous	30	19545.05	33	17940.39
	Total	**100**	**65576.39**	**100**	**54652.89**

12. Value of Imports (on C.I.F. basis):

Sr. No.	Particulars	2010-11	2009-10
a)	Raw Materials (Including In-Transit)	109327.71	75368.36
b)	Capital Goods	782.07	2216.43

13. Earnings in Foreign Currency on account of:

Sr. No.	Particulars	2010-11	2009-10
a)	Export (at FOB Value)	2594.05	2596.06

14. Expenditure in Foreign Currency on account of:

Sr. No.	Particulars	2010-11	2009-10
a)	Royalty	–	0.23
b)	Professional Fees	96.88	40.46
c)	Financial Expenses	75.02	69.12
d)	Personnel Expenses	177.28	171.71
e)	Freight and Forwarding	26.99	40.77
f)	Travelling and conveyance	86.75	79.28
g)	Advertisement	25.42	79.13
h)	Others	116.77	112.18
	Total	**605.11**	**592.88**

15. Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS-17) on Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006.

NOTES FORMING PART OF ACCOUNTS

₹ in Lacs

16. Following are the details of forward exchange contracts outstanding on the balance sheet date which are entered to hedge foreign exchange exposures of the Company.

Sr. No.	Hedged Items	Currency	Amount in foreign currency (in lacs)	Forward Exchange Rate per unit of foreign currency	Amount in Indian Rupees (in lacs)
a)	Secured Loans	Nil	Nil	Nil	Nil
	(Previous year)	USD	(60.00)	(49.48)	(2968.95)

The year end foreign currency exposure that has not been hedged by a derivative instrument or otherwise is given below.

Sr. No.	Particulars	Currency	Amount in foreign currency (in lacs)	Amount in Indian Rupees (in lacs)
a)	Amount payable in foreign currency on account of import of goods and its equivalent Indian Rupees	USD	317.40	14154.39
		JPY	642.59	345.84
	(Previous year)	USD	(5.68)	(255.03)
		JPY	(598.11)	(287.69)
b)	Amount receivable in foreign currency on export of goods and its equivalent Indian Rupees	USD	3.56	158.76
	(Previous year)	USD	(0.84)	(37.91)

17. a) Provision for Taxation comprises of current tax ₹ 557.15 (previous year ₹ 417.37), deferred tax ₹ 259.60 (previous year ₹ 1.95) and Fringe Benefit tax of earlier year written back of ₹ 24.97 (previous year short paid ₹ 8.66). The current tax includes wealth tax of ₹ 2.34 (previous year ₹ 1.02).

b) The breakup of Deferred Tax Asset/ Liability as at the balance sheet date is as follows:

Sr. No.	Nature of Expenses/Income	31st March, 2011		31st March, 2010	
	Deferred Tax Liabilities				
1.	Related to Fixed Assets		2303.82		2259.36
2.	Related to Others		–		343.77
	Total (A)		**2303.82**		**2603.13**
	Less: Deferred Tax Assets				
1.	Disallowed expenses as per Income Tax Act, 1961		60.17		319.56
2.	Provision for Doubtful Debts		207.07		487.53
3.	Related to Leave Encashment		224.35		243.41
	Total (B)		**491.59**		**1050.50**
	Net Liability (A) - (B)		**1812.23**		**1552.63**

18. Working for Earnings Per Share (EPS) is as follows:

Particulars	2010-11		2009-10	
Profit after Tax		2729.25		1837.08
Less: Preference Dividend		–		59.72
Net profit after tax attributable to Equity shareholders		2729.25		1777.36
Weighted average number of Equity Shares outstanding		141751678		141751678
Basic/ Diluted Earnings Per Share (Face value of ₹ 1 each)		1.93		1.25

NOTES FORMING PART OF ACCOUNTS

₹ in Lacs

19. The Company manufactures Colour Televisions, Washing Machines and Air Conditioners. The relative Quantity and value particulars are as under:

A) Quantitative information on Goods Manufactured :

Sr. No.	Particulars	Installed Capacity (Nos)	Opening Stock		Production	Sales		Closing Stock	
			Qty (Nos)	Value	Qty (Nos)	Qty (Nos)	Value	Qty (Nos)	Value
1	Televisions	3900000	63073	3879.46	1240084	1218740	70998.39	84417	5907.55
		(3900000)	(45634)	(2920.78)	(1030563)	(1013124)	(58055.23)	(63073)	(3879.46)
2	Washing Machines	520000	9469	434.44	118068	114448	4722.21	13089	605.94
		(520000)	(4895)	(159.82)	(99596)	(95022)	(3642.41)	(9469)	(434.44)
3	Air-Conditioners	500000	634	72.28	2292	2531	246.29	395	46.60
		(500000)	(5873)	(740.64)	(6526)	(11765)	(1098.57)	(634)	(72.28)
4	TV Components, Spares and Others	N.A.	N.A.	–	N.A.	N.A.	13333.60	N.A.	48.29
		(N.A.)	(N.A.)	(37.89)	(N.A.)	(N.A.)	(13635.05)	(N.A.)	–
5	Electronic Tuners	3720000	53915	29.02	460273	484600	297.31	29588	21.41
		(3720000)	(108214)	(43.76)	(1283540)	(1337839)	(845.76)	(53915)	(29.02)
	TOTAL A			**4415.20**			**89597.80**		**6629.79**
				(3902.89)			**(77277.02)**		**(4415.20)**

1. Installed capacity is on single shift basis as certified by the Management upon which the Auditors have relied.
2. The licensed capacities are not applicable in view of the exemption from licensing granted under Notification SO 477 (E) dated 25th July,1991, issued under Industries (Development and Regulation Act) , 1951.
3. Sales column is adjusted for loss in transit, internal transfer, salvages and free gifts.
4. Company has production facility, for its captive consumption, from its Injection moulding plant (Plastic parts) having an installed capacity of 10500 MT and EPS plant (articles of packing goods) having an installed capacity of 1000 MT.
5. The purchase cost of spares used in services has been included in ‘Cost of Raw Material Consumed’ schedule.
6. Figures in brackets are in respect of previous year.

₹ in Lacs

B) Quantitative information on Goods Traded:

Sr. No.	Particulars	Opening Stock		Purchases		Sales		Closing Stock	
		Qty (Nos)	Value	Qty (Nos)	Value	Qty (Nos)	Value	Qty (Nos)	Value
1	Televisions	18829	934.29	407207	16735.18	406770	19376.22	19266	932.27
		(23874)	(1368.74)	(363662)	(15806.30)	(368707)	(17848.29)	(18829)	(934.29)
2	Washing Machines	8885	432.74	130764	5082.47	127400	6724.77	12249	600.83
		(10577)	(571.32)	(124815)	(5020.56)	(126507)	(6654.03)	(8885)	(432.74)
3	Air Conditioners	17698	2006.00	307700	35865.76	268101	41656.70	57297	6881.25
		(24710)	(3271.15)	(172108)	(19632.88)	(179120)	(28317.35)	(17698)	(2006.00)
4	DVD	24351	294.80	526864	6316.09	508154	9496.63	43061	569.89
		(32969)	(484.59)	(505494)	(5727.75)	(514112)	(9869.29)	(24351)	(294.80)
5	Microwave Ovens	9947	338.95	110954	3215.15	103508	4653.79	17393	548.70
		(30120)	(1058.58)	(77351)	(2168.24)	(97524)	(4495.30)	(9947)	(338.95)
6	Mobiles	53187	666.61	1684467	20765.32	1527543	24980.48	210111	2530.05
		(30105)	(904.17)	(599668)	(8908.01)	(576586)	(10421.94)	(53187)	(666.61)
7	Service/ Others	N.A.	321.49	N.A.	4460.28	N.A.	3549.68	N.A.	599.22
		(N.A.)	(398.13)	(N.A.)	(1655.32)	(N.A.)	(1951.45)	(N.A.)	(321.49)
	TOTAL B		**4994.89**		**92440.25**		**110438.27**		**12662.21**
			(8056.69)		(58919.05)		(79557.63)		(4994.89)
	TOTAL A + B		**9410.10**		**92440.25**		**200036.07**		**19292.00**
			(11959.58)		(58919.05)		(156834.65)		(9410.10)

1. Figures in brackets are in respect of previous year.
2. The purchase cost of spares used in services has been included in 'Cost of Raw Material Consumed' schedule.

20. Related Party Disclosures

Related parties as defined under Clause-3 of Accounting Standard (AS - 18) "Related Party Disclosures" have been identified on the basis of representation made by key management personnel and information available with the Company.

Names of related parties and description of relationship:

1. Subsidiary	Akasaka Electronics Ltd.
2. Key Management Personnel	Mr. G. L. Mirchandani - Chairman and Managing Director of Mirc Electronics Ltd. Mr. V. J. Mansukhani - Managing Director of Mirc Electronics Ltd.
3. Relatives of Key Management Personnel	Mrs. Gita Mirchandani (Wife of Mr. G. L. Mirchandani) Mrs. Marissa Mansukhani (Wife of Mr. V. J. Mansukhani) Mr. Kaval Mirchandani (Son of Mr. G. L. Mirchandani) Mr. Akshay Mansukhani (Son of Mr. V. J. Mansukhani) Ms. Ayesha Mansukhani (Daughter of Mr. V. J. Mansukhani) G. L. Mirchandani (H.U.F.) V. J. Mansukhani (H.U.F.)
4. Enterprise over which any person described in 2 and 3 is able to exercise significiant influence	Iwai Electronics Pvt. Ltd. Adino Telecom Ltd. Gulita Wealth Advisors Pvt. Ltd.

a) Ordinary course of business

₹ in Lacs

Particulars	Subsidiary (1)	Key management Personnel (2)	Relatives of key management personnel (3)	Enterprise over which any person described in (2) and (3) is able to exercise significant influence (4)
Transactions during 1.4.2010 to 31.03.2011				
Purchase of goods, services, spares and fixed assets				
Akasaka Electronics Limited	933.85	–	–	–
	(841.25)	–	–	–
Iwai Electronics Pvt. Limited	–	–	–	2047.16
	–	–	–	(1298.53)
Adino Telecom Limited	–	–	–	1.11
	–	–	–	(0.86)
Sale of goods, fixed assets, spares and services				
Akasaka Electronics Limited	1.82	–	–	–
	(10.33)	–	–	–
Iwai Electronics Pvt. Limited	–	–	–	761.73
	–	–	–	(7.63)
Adino Telecom Limited	–	–	–	3.06
	–	–	–	(2.66)
Inter Corporate Deposits / Loan given repaid				
Akasaka Electronics Limited	68.25	–	–	–
	–	–	–	–
Gita Mirchandani	–	–	200.00	–
	–	–	–	–
Interest due and received on Inter Corporate Deposits/ loans/ advances				
Akasaka Electronics Ltd.	1.30	–	–	–
	(5.46)	–	–	–
Adino Telecom Limited	–	–	–	18.75
	–	–	–	(18.75)
Ayesha Mansukhani	–	–	35.37	–
	–	–	(35.37)	–
Gita Mirchandani	–	–	69.79	–
	–	–	(69.84)	–
Rent paid				
G.L. Mirchandani	–	4.27	–	–
	–	(4.75)	–	–
Gita Mirchandani	–	–	19.55	–
	–	–	(20.72)	–
Marissa Mansukhani	–	–	4.09	–
	–	–	(4.09)	–
Akshay Mansukhani	–	–	0.89	–
	–	–	(0.89)	–
Ayesha Mansukhani	–	–	0.89	–
	–	–	(0.89)	–
G.L. Mirchandani (HUF)	–	–	9.84	–
	–	–	(10.38)	–
V.J. Mansukhani (HUF)	–	–	2.59	–
	–	–	(2.59)	–
Gulita Wealth Advisors Pvt. Ltd.	–	–	–	30.00
	–	–	–	(30.00)
Rent received				
Adino Telecom Limited	–	–	–	10.84
	–	–	–	(8.16)
Refund of Rent Deposit				
Gita Mirchandani	–	–	1.20	–
	–	–	–	–
Remuneration				
Managerial Remuneration	–	347.82	–	–
	–	(270.22)	–	–
Kaval Mirchandani	–	–	39.86	–
	–	–	(24.00)	–

₹ in Lacs

b) Individual transactions with related parties, which are not in the normal course of business.

Particulars	Subsidiary (1)	Key management Personnel (2)	Relatives of key management personnel (3)	Enterprise over which any person described in (2) and (3) is able to exercise significant influence (4)
Transactions during 1.4.2010 to 31.03.2011	Nil	Nil	Nil	Nil

c) Individual transactions with related parties, which are not on arms length basis and the justification for such transactions by the management.

Particulars	Subsidiary (1)	Key management Personnel (2)	Relatives of key management personnel (3)	Enterprise over which any person described in (2) and (3) is able to exercise significant influence (4)
Transactions during 1.4.2010 to 31.03.2011	Nil	Nil	Nil	Nil

Closing Balance as at 31st March, 2011

Particulars	Subsidiary (1)	Key management Personnel (2)	Relatives of key management personnel (3)	Enterprise over which any person described in (2) and (3) is able to exercise significant influence (4)
Receivable				
G.L. Mirchandani				
Rent Deposit	–	119.82	–	–
	–	(119.82)	–	–
Gita Mirchandani				
Rent Deposit	–	–	623.22	–
	–	–	(624.42)	–
Interest on Loan	–	–	–	–
	–	–	(7.76)	–
Loan given	–	–	576.00	–
	–	–	(776.00)	–
	–	–	1199.22	–
	–	–	(1408.18)	–
Marissa Mansukhani				
Rent Deposit	–	–	4.09	–
	–	–	(4.09)	–
Akshay Mansukhani				
Rent Deposit	–	–	0.89	–
	–	–	(0.89)	–
Ayesha Mansukhani				
Rent Deposit	–	–	0.89	–
	–	–	(0.89)	–
Interest on Loan	–	–	–	–
	–	–	(3.93)	–
Loan given	–	–	393.00	–
	–	–	(393.00)	–
	–	–	393.89	–
	–	–	(397.82)	–
G.L. Mirchandani (HUF)				
Rent Deposit	–	–	345.60	–
	–	–	(345.60)	–

NOTES FORMING PART OF ACCOUNTS

₹ in Lacs

Particulars	Subsidiary (1)	Key management Personnel (2)	Relatives of key management personnel (3)	Enterprise over which any person described in (2) and (3) is able to exercise significant influence (4)
V.J. Mansukhani (HUF)				
Rent Deposit	–	–	2.59	–
	–	–	(2.59)	–
Gulita Wealth Advisors Pvt. Ltd.				
Rent Deposit	–	–	–	1000.00
	–	–	–	(1000.00)
Adino Telecom Limited				
Creditors	–	–	–	0.02
	–	–	–	–
Debtors	–	–	–	–
	–	–	–	(9.48)
Inter corporate deposit given	–	–	–	125.00
	–	–	–	(125.00)
	–	–	–	124.98
	–	–	–	(134.48)
Payable				
Akasaka Electronics Limited				
Creditors payable	80.21	–	–	–
	(116.31)	–	–	–
Inter corporate deposit – receivable	–	–	–	–
	(68.25)	–	–	–
	80.21	–	–	–
	(48.06)	–	–	–
Iwai Electronics Pvt. Ltd.				
Creditors payable	–	–	–	86.98
	–	–	–	–

Note : Figures in brackets are in respect of previous years.

21. Previous year's figures have been rearranged and regrouped wherever necessary.

Signatures to Schedule '1' to '21' forming part of the Balance Sheet and Profit and Loss Account.

As per our Report attached
For N.M. RAIJI & CO.,
Chartered Accountants
Firm Registration No. 108296W

For and on behalf of the
BOARD OF DIRECTORS

J.M. GANDHI
Partner
Membership No. 37924

MANISH DESAI
Vice President - Finance

G.L. MIRCHANDANI
Chairman and Managing Director

ANOOP PILLAI
Company Secretary and Head - Corporate Affairs

V.J. MANSUKHANI
Managing Director

Mumbai, May 5, 2011

22. Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. L32300MH1981PLCO2363

Balance Sheet Date: 3 1 | 0 3 | 2 0 1 1
(Date / Month / Year)

II. Capital Raised during the period (Amount in ₹`000s)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in ₹`000s)

Total Liabilities	8918594	Total Assets	8918594
Sources of Fund			
Paid-Up Capital	141938	Reserves and Surplus	2523167
Secured Loans	1104480	Unsecured Loans	450000
Deferred Tax Liability (Net)	181223		
Application of Funds			
Net Fixed Assets	2073225	Investments	265439
Net Current Assets	2062144	Accumulated Losses	NIL

IV. Performance of Company (Amount in ₹`000s)

Gross Revenue (including other income)	19159437	Total Expenditure	18807334
Profit/ Loss Before Tax	352103	Profit/ Loss After Tax	272925
Earning Per Share in ₹	1.93	Dividend Rate %	100

V. Generic Names of three Principal Products/ Services of Company (As per Monetary Terms)

Item Code No. (ITC Code)	Product Description
8528	COLOUR TELEVISION RECEIVERS
8415	AIR CONDITIONERS
8521	DVD PLAYERS

For and on behalf of the
BOARD OF DIRECTORS

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Chairman and Managing Director

ANOOP PILLAI
Company Secretary and Head - Corporate Affairs

V.J. MANSUKHANI
Managing Director

Mumbai, May 5, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED

₹ in lacs

	31st March, 2011		31st March, 2010	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Extraordinary Item		3521.03		2265.06
Adjustments for :				
Depreciation	2160.42		1977.15	
Unrealised Foreign Exchange Fluctuations	(714.45)		(242.80)	
(Increase)/ Dimunition in value of Investments	–		(29.86)	
Interest	1773.03		1735.23	
Interest Income	(156.69)		(172.22)	
Dividend Income	(44.69)		(25.32)	
(Profit)/ Loss on Sale of Fixed Assets (Net)	94.12		0.05	
(Profit)/ Loss on Sale of Investments (Net)	(36.40)		-	
		3075.34		**3242.23**
Operating Profit before Working Capital changes		**6596.37**		**5507.29**
Adjustments for :				
Trade and Other receivables	(5784.83)		583.07	
Inventories	(9746.30)		(3858.41)	
Trade Payables	12569.89		15327.40	
		(2961.24)		**12052.06**
Cash Generated from Operations		**3635.13**		**17559.35**
Direct Taxes (Paid)/ Refund Received		(648.19)		(427.98)
NET CASH USED IN OPERATING ACTIVITIES......(A)		**2986.94**		**17131.37**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment for Purchase of Fixed Assets		(1450.69)		(5105.98)
Purchase of Investments		(13807.66)		(1306.03)
Proceeds from Sale of Fixed Assets		19.94		1.63
Proceeds from Sale of Investments		15203.67		–
Movement of Capital Advances		(48.68)		2525.33
Interest Received		156.69		172.22
Dividend Received		44.69		25.32
NET CASH USED IN INVESTING ACTIVITIES......(B)		**117.96**		**(3687.51)**

CASH FLOW STATEMENT FOR THE YEAR ENDED

₹ in lacs

	31st March, 2011		31st March, 2010	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Equity Shares		–		0.02
Issue of Preference Shares		–		(1891.51)
Movement in Term Loans		5000.00		(8000.00)
Movement in Short Term Loans		(2819.98)		843.03
Interest Paid		(1769.62)		(1759.96)
Dividends paid (including taxes)		(1567.19)		(801.26)
NET CASH USED IN FINANCING ACTIVITIES......(C)		**(1156.79)**		**(11609.68)**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		**1948.11**		**1834.18**
CASH AND CASH EQUIVALENTS AS AT 01.04.2010 (OPENING BALANCE)		**2764.39**		**930.21**
CASH AND CASH EQUIVALENTS AS AT 31.03.2011 (CLOSING BALANCE)		**4712.50**		**2764.39**

As per our Report attached
For N.M. RAIJI & CO.,
Chartered Accountants
Firm Registration No. 108296W

For and on behalf of the
BOARD OF DIRECTORS

J.M. GANDHI
Partner
Membership No. 37924

MANISH DESAI
Vice President - Finance

G.L. MIRCHANDANI
Chairman and Managing Director

ANOOP PILLAI
Company Secretary and Head - Corporate Affairs

V.J. MANSUKHANI
Managing Director

Mumbai, May 5, 2011

SECTION 212

₹ in lacs

Statement Pursuant to Section 212 of the Companies Act 1956, relating to Subsidiary Company

1.	Name of the Subsidiary	Akasaka Electronics Ltd.	Akasaka Electronics Ltd.
2.	Financial Year of the Subsidiary ended on	31st March, 2011	31st March, 2010
3.	Share of the Subsidiary held by the Company on the above date :		
	(a) Number and Face Vale	81,48,000 ₹ 10	81,48,000 ₹ 10
	(b) Extent of holding	99.88%	99.88%
4.	Profit/ (Loss) of the subsidiary for the above financial year so far as they concern members of the Company		
	(a) Dealt with in the accounts of the Company for the year ended 31st March, 2011	–	–
	(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2011	168.48	178.92
5.	Net aggregate amount of profits/ (losses) of the subsidiary for the previous years of the subsidiary, since it became a subsidiary so far as they concern members of the Company		
	(a) Dealt with in the accounts of the Company for the year ended 31st March, 2011	–	–
	(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2011	789.91	611.06
	* Statement regarding Subsidiary Company as at 31st March, 2011		
	(a) Issued, Subscribed & paid up Share Capital	815.75	815.75
	(b) Reserves	1266.32	1097.64
	(c) Total Assets	2909.21	2684.14
	(d) Total Liabilities	827.14	770.75
	(e) Investments	–	–
	(f) Turnover	3653.51	3312.63
	(g) Profit/ (Loss) Before Taxation	212.94	216.17
	(h) Provision for Taxation	44.26	37.05
	(I) Profit After Taxation	168.68	179.12
	(j) Proposed Dividend	–	–

* Statement Containing information in compliance of Circular No. 2/2011 Dtd. 8th February 2011 issued by Ministry of Corporate Affairs U/S 212 (8) of the Companies Act, 1956.

CONSOLIDATED AUDITORS' REPORT

To the Board of Directors of MIRC Electronics Limited

1. We have examined the attached Consolidated Balance Sheet of MIRC Electronics Limited ('the parent'), and its Subsidiary (together 'Group') as at March 31, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the parent's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with generally accepted standards on auditing in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for opinion.

3. We did not audit the financial statements of the subsidiary company, whose financial statements reflect total assets (net) of ₹ 2144.39 lacs as at March 31, 2011, total revenue of ₹ 3844.04 lacs and net cash inflow of ₹ 14.97 lacs for the year ended on that date. These financial statements have been audited by other auditors whose report has been furnished to us; and our opinion, in so far as it relates to the amounts included in respect of the said subsidiary, is based solely on their report.

4. We report that the consolidated financial statements have been prepared by the parent in accordance with the requirements of Accounting Standard (AS-21), "Consolidated Financial Statements", notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of the parent and its subsidiary included in the Consolidated Financial Statements.

5. On the basis of the information and explanation given to us and on the consideration of separate audit report on individual audited financial statements of the parent and its subsidiary, we are of the opinion that the said consolidated financial statements give true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;

   (b) in the case of Consolidated Profit and Loss Account, of the consolidated profit of the Group for the year ended on that date; and

   (c) in the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For **N.M. Raiji & Co.**
Chartered Accountants
Firm Registration No.108296W

J. M. Gandhi
Partner
Membership No: 37924

Place: Mumbai
Date: May 5, 2011

CONSOLIDATED BALANCE SHEET AS AT

₹ in lacs

	Schedule	31st March, 2011		31st March, 2010	
SOURCES OF FUNDS					
Shareholders Funds					
Capital	1	1419.38		1419.38	
Reserves and Surplus	2	24641.24		23387.54	
			26060.62		24806.92
Minority Interest			2.32		2.12
Loan Funds					
Secured	3	11107.12		5726.95	
Unsecured	4	4500.00		7638.00	
			15607.12		13364.95
Deferred Tax Liability (Net)			1812.23		1552.63
TOTAL			**43482.29**		**39726.62**
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		44667.96		43439.82	
Less: Depreciation		23438.78		21338.67	
Net Block		21229.18		22101.15	
Capital Work-in-Progress including Capital Advances		223.65		138.88	
			21452.83		22240.03
Investments	6		29.54		1389.15
Current Assets, Loans and Advances					
Inventories	7	35181.44		25258.78	
Sundry Debtors	8	16987.47		9391.79	
Cash and Bank Balances	9	5375.63		3412.55	
Loans and Advances	10	10317.19		11357.21	
		67861.73		49420.33	
Less: Current Liabilities and Provisions					
Liabilities	11	43891.88		31515.14	
Provisions	12	1969.93		1807.75	
		45861.81		33322.89	
Net Current Assets			21999.92		16097.44
TOTAL			**43482.29**		**39726.62**
Notes Forming Part of the Accounts	21				

As per our Report attached
For N.M. RAIJI & CO.
Chartered Accountants
Firm Registration No. 108296W

For and on behalf of the
BOARD OF DIRECTORS

J.M. GANDHI
Partner
Membership No. 37924

MANISH DESAI
Vice President - Finance

G.L. MIRCHANDANI
Chairman and Managing Director

Mumbai, May 5, 2011

ANOOP PILLAI
Company Secretary and Head - Corporate Affairs

V.J. MANSUKHANI
Managing Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

₹ in lacs

	Schedule	31st March, 2011	31st March, 2010
INCOME			
Gross Sales	13	203160.73	159603.39
Less: Excise Duty		9186.30	6934.12
Net Sales		193974.43	152669.27
Other Income	14	527.01	433.70
TOTAL		**194501.44**	**153102.97**
EXPENDITURE			
Materials Consumed	16	67056.87	55857.23
Cost of Traded Goods Sold	17	84772.93	61980.85
Personnel Expenses	18	9663.15	7908.94
Depreciation		2388.54	2195.43
Financial Expenses	19	1803.31	1765.15
Other Expenses	20	27481.63	21849.93
		193166.43	151557.53
(Less)/ Add: (Accretion)/ Decretion in Stocks	15	(2402.41)	(919.24)
TOTAL		**190764.02**	**150638.29**
PROFIT BEFORE TAX		**3737.42**	**2464.68**
Fringe Benefit Tax		(24.97)	8.66
Current Tax		601.41	454.41
Deferred Tax		259.60	1.95
PROFIT AFTER TAX		**2901.38**	**1999.66**
Less: Minority Interest		0.20	0.20
		2901.18	**1999.46**
Surplus Brought Forward from Previous Year		12215.90	13925.72
TOTAL		**15117.08**	**15925.18**
APPROPRIATIONS			
Dividend on Shares			
Preference Dividend		–	51.04
Equity Dividend		1417.52	1345.65
Tax on Dividend		229.96	237.37
Transfer to General Reserve		272.93	183.71
Transfer to Capital Redemption Reserve		–	1891.51
Surplus carried to Balance Sheet		13196.67	12215.90
TOTAL		**15117.08**	**15925.18**
Basic and diluted earnings per share (Face value of ₹1 each)		2.05	1.37
Notes Forming Part of the Accounts	21		

As per our Report attached
For N.M. RAIJI & CO.
Chartered Accountants
Firm Registration No. 108296W

For and on behalf of the
BOARD OF DIRECTORS

J.M. GANDHI
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MANISH DESAI
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ANOOP PILLAI
Company Secretary and Head - Corporate Affairs

V.J. MANSUKHANI
Managing Director

Mumbai, May 5, 2011

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT

₹ in lacs

	31st March, 2011		31st March, 2010	
SCHEDULE 1 – SHARE CAPITAL				
Authorised				
16,80,20,000 Equity Shares of ₹ 1 each (Previous year 16,80,20,000 Equity Shares of ₹ 1 each)		1680.20		1680.20
20,00,000 5% Cumulative Redeemable Preference Shares of ₹ 100 each (Previous year 20,00,000 5% Cumulative Redeemable Preference Shares of ₹ 100 each)		2000.00		2000.00
10,000 8% Cumulative Redeemable Preference Shares of ₹ 100 each (Previous year 10,000 8% Cumulative Redeemable Preference Shares of ₹ 100 each)		10.00		10.00
10,00,000 11% Non-Cumulative Redeemable Preference Shares of ₹100 each (Previous year 10,00,000 11% Non-Cumulative Redeemable Preference Shares of ₹ 100 each)		1000.00		1000.00
		4690.20		4690.20
Issued, Subscribed and Paid-up				
14,17,51,678 Equity Shares of ₹ 1 each fully paid up (Previous year 14,17,51,678 Equity Shares of ₹ 1 each fully paid up)	1417.52		1417.52	
Add: 2,48,000 Forfeited Equity Shares of ₹ 1 each partly paid up (Previous year 2,48,000 Forfeited Equity Shares of ₹ 1 each partly paid up)	1.86		1.86	
		1419.38		1419.38
Notes: Of the above • 9,36,95,620 Equity Shares were allotted as fully paid Bonus Shares by capitalisation of General Reserve and Capital Redemption Reserve • 14,59,464 Equity Shares were allotted as per the Scheme of Amalgamation of Onida Savak Ltd. with the Company • 7,48,96,669 Equity Shares were allotted and 7,48,96,575 Equity Shares were cancelled as per the Scheme of Amalgamation of Guviso Holdings Pvt. Ltd. with the Company				
TOTAL		**1419.38**		**1419.38**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT

₹ in lacs

	31st March, 2011		31st March, 2010	
SCHEDULE 2 – RESERVES AND SURPLUS				
Capital Reserve		7.07		7.07
Capital Redemption Reserve				
As per last Balance Sheet	1990.74		99.23	
Add : Transfer from Profit and Loss Account	–		1891.51	
		1990.74		1990.74
Capital Reserve on Amalgamation		207.55		207.55
Capital Reserve on Consolidation		340.97		340.97
Share Premium		1.39		1.39
General Reserve				
As per last Balance Sheet	8623.92		8440.21	
Add : Transfer from Profit and Loss Account	272.93		183.71	
		8896.85		8623.92
Profit and Loss Account		13196.67		12215.90
TOTAL		**24641.24**		**23387.54**

SCHEDULE 3 – SECURED LOANS				
From Banks:				
– Cash Credit		4107.12		1358.00
– Long Term Loan		5000.00		–
– Short Term Loan		2000.00		1400.00
– Foreign Currency Loan		–		2968.95
TOTAL		**11107.12**		**5726.95**
Of the above an amount of ₹ 7607.06 (Previous year : ₹ 5726.95) is repayable within one year.				
Note:				
Cash Credit and Term Loan is secured by first pari passu charge in favour of the bankers by hypothecation of Company's current assets and on the Company's immovable and movable properties except the Land and Building and Plant and Machinery embedded to the earth in Roorkee.				

SCHEDULE 4 – UNSECURED LOANS				
From Banks:				
– Short Term Loan		4500.00		7600.00
Sales Tax Deferment Loan		–		38.00
TOTAL		**4500.00**		**7638.00**
The above amount of ₹ 4500 (Previous year : ₹ 7638.00) is repayable within one year.				

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT

₹ in lacs

SCHEDULE 5 – FIXED ASSETS [Refer Note A (IV) of Schedule 21]

	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK
		As at 01.04.2010	Additions / Adjustments	Deletions / Adjustments	As at 31.03.2011	Up to 01.04.2010	For the year	Deletions / Adjustments	Upto 31.03.2011	As at 31.03.2011
	INTANGIBLE ASSETS									
1.	R & D Software	55.27	–	–	55.27	41.62	4.28	–	45.90	9.37
		(55.27)	–	–	(55.27)	(35.33)	(6.29)	–	(41.62)	(13.65)
	TANGIBLE ASSETS									
2.	Leasehold land	770.78	–	–	770.78	109.41	9.78	–	119.19	651.59
		(770.78)	–	–	(770.78)	(99.62)	(9.79)	–	(109.41)	(661.37)
3.	Freehold land	1776.68	–	–	1776.68	–	–	–	–	1776.68
		(1755.94)	(20.74)	–	(1776.68)	–	–	–	–	(1776.68)
4.	Buildings	10484.14	77.37	–	10561.51	2526.56	341.56	–	2868.12	7693.39
		(9476.50)	(1007.64)	–	(10484.14)	(2210.51)	(316.05)	–	(2526.56)	(7957.58)
5.	Plant and Machinery	28004.70	1337.47	362.14	28980.03	17015.11	1940.83	257.68	18698.26	10281.77
	and Electrical Fittings	(23889.70)	(4115.04)	(0.04)	(28004.70)	(15262.43)	(1752.73)	(0.05)	(17015.11)	(10989.59)
6.	Furniture, Fixtures	1177.38	55.92	2.64	1230.66	882.39	46.33	2.40	926.32	304.34
	and Equipments	(1141.75)	(37.44)	(1.81)	(1177.38)	(827.02)	(56.46)	(1.09)	(882.39)	(294.99)
7.	Motor Vehicles	249.43	132.64	36.72	345.35	205.28	10.73	27.37	188.64	156.71
		(262.27)	–	(12.84)	(249.43)	(195.82)	(17.67)	(8.21)	(205.28)	(44.15)
8.	R & D - Building	157.08	–	–	157.08	80.01	5.24	–	85.25	71.83
		(157.08)	–	–	(157.08)	(74.76)	(5.25)	–	(80.01)	(77.07)
9.	R & D - Plant and Machinery	636.57	24.99	–	661.56	386.04	26.48	–	412.52	249.04
	and Electrical Fittings	(616.30)	(20.27)	–	(636.57)	(360.01)	(26.03)	–	(386.04)	(250.53)
10.	R & D - Furniture, Fixture	127.79	2.23	0.98	129.04	92.25	3.31	0.98	94.58	34.46
	and Equipments	(127.79)	–	–	(127.79)	(87.09)	(5.16)	–	(92.25)	(35.54)
	Total	**43439.82**	**1630.62**	**402.48**	**44667.96**	**21338.67**	**2388.54**	**288.43**	**23438.78**	**21229.18**
		(38253.38)	(5201.13)	(14.69)	(43439.82)	(19152.59)	(2195.43)	(9.35)	(21338.67)	(22101.15)
	Capital Work-in-Progress									**223.65**
										(138.88)
	TOTAL									**21452.83**
										(22240.03)

Note : Figures in brackets are in respect of previous year.

SCHEDULE 6 – INVESTMENTS

	Face Value in Rupees	31st March, 2011 No. of Units	31st March, 2011	31st March, 2010 No. of Units	31st March, 2010
Current Investments (At Cost)					
Non-Trade Investments (In Equity Shares)					
Kongarar Textiles Limited	10.00	2600	1.17	2600	1.17
Menon Pistons Limited (Quoted)	10.00	42067	29.45	118745	83.12
Onida Finance Limited	10.00	468400	139.60	468400	139.60
Mutual Funds					
UTI Liquid Cash Plan Institutional		8.850	0.09	–	–
LIC Mutual Fund Floating Rate Fund		–	–	5043361	504.34
UTI Short Term Income Fund		–	–	4209593	500.75
Birla Sun Life Savings Fund		–	–	1921	0.19
Birla Sun Life Floating Rate Fund		–	–	3000565	300.75
Total Investments			170.31		1529.92
Less: Provision for diminution in the value of Investments			140.77		140.77
TOTAL			**29.54**		**1389.15**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT

₹ in lacs

SCHEDULE 6 – INVESTMENTS (Contd.)	31st March, 2011		31st March, 2010
Notes :			
During the period following units were purchased and sold.	Units Purchased	Units Sold	
ICICI Prudential Liquid Super Institutional Plan - Daily Dividend reinvestment	799936	799936	
ICICI Prudential Internal Fund I - Monthly Interval Plan - Institutional Dividend	8040375	8040375	
Birla Sunlife Cash Plus - Instl. - Daily Dividend - Reinvestment	13887879	13887879	
Birla Sun Life Savings Fund - Instl. - Daily Dividend - Reinvestment	15015617	15015617	
UTI Liquid Cash Plan Institutional - Daily Income Option - Re-investment	137350	137341	
UTI - Treasury Advantage Fund - Institutional Plan - Daily Dividend Option	140087	140087	
Kotak Floater Long Term - Daily Dividend	9939520	9939520	
Kotak Flexi Debt Scheme Institutional - Daily Dividend	3985012	3985012	
Birla Sun Life Saving Fund - Daily Dividend - Reinvestment	23074585	23076506	
Birla Sun Life Floating Rate Fund - Long Term Institutional	5028702	8029267	
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	568012	568012	
Reliance Money Manager Fund - Institutional Option - Daily Dividend	170223	170223	
LIC MF - Floating Rate Fund - Short Term Plan	6335	5049696	
LIC MF - Income Plus Fund - Daily Dividend	4003942	4003942	
LIC MF - Floating Rate Fund - Short Term Plan - Daily Dividend	2505390	2505390	
LIC MF - Savings Plus Fund - Daily Dividend Plan	27092326	27092326	
UTI - Short Term Income Fund - Income option - Reinvestment	–	4209593	
UTI - Treasury Advantage Fund - Institutional Plan	50431	50431	
Menon Pistons Limited	–	76678	

SCHEDULE 7 – INVENTORIES				
Raw Materials including Packing Materials and Service Spares		8575.02		6940.97
Stores and Spares		304.47		283.18
Semi Finished Goods		2471.54		2310.54
Finished Goods:				
– Manufactured		6686.01		4444.60
– Traded		12662.21		4994.89
Goods in transit		4482.19		6284.60
TOTAL		**35181.44**		**25258.78**

SCHEDULE 8 – SUNDRY DEBTORS				
Over six months				
Secured - considered good	–		–	
Unsecured - considered good	93.58		134.42	
- considered doubtful	642.55		833.33	
	736.13		967.75	
Less: Provision for Doubtful Debts	642.55		833.33	
		93.58		134.42
Others - considered good				
Secured	396.83		106.29	
Unsecured	16497.06		9151.08	
		16893.89		9257.37
TOTAL		**16987.47**		**9391.79**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT

₹ in lacs

SCHEDULE 9 – CASH AND BANK BALANCES	31st March, 2011		31st March, 2010	
Cash on hand		21.47		7.64
Cheques on hand		36.12		41.15
Bank Remittances in Transit		3539.01		2048.15
Balances with Scheduled Banks:				
– Current Accounts		590.70		590.07
– Fixed Deposit Accounts		1084.86		617.55
Balances with Non-Scheduled Banks:				
– HSBC Bank Middle East - AED Current Account		1.83		13.88
(Maximum amount outstanding during the period ₹ 41.68 lacs)				
– HSBC Bank Middle East - USD Call Deposit Account		101.64		94.11
(Maximum amount outstanding during the period ₹ 164.58 lacs)				
TOTAL		**5375.63**		**3412.55**

SCHEDULE 10 – LOANS AND ADVANCES				
(Refer Note 4 (a) of Schedule 21)				
(Unsecured - considered good unless otherwise stated)				
Loans		1143.67		1380.69
Advances recoverable in cash or kind or for value to be received		8499.20		9712.85
Advance Income-tax (Net of Provisions)		135.47		41.19
Balance with Excise and Custom Authorities		538.85		222.48
TOTAL		**10317.19**		**11357.21**

SCHEDULE 11 – CURRENT LIABILITIES				
Acceptances		21049.22		10113.14
Sundry Creditors (Refer Note 4 (b) of Schedule 21)		11040.79		13392.48
Advances from Customers		418.32		576.19
Unclaimed Dividend Accounts (Refer Note 4 (c) of Schedule 21)		126.43		118.12
Other Liabilities:				
– Expenses		7701.78		4785.36
– Others		3219.97		2199.49
Interest accrued but not due		57.10		53.69
Deposits from Dealers		278.27		276.67
TOTAL		**43891.88**		**31515.14**

SCHEDULE 12 – PROVISIONS				
Proposed Dividend		1417.52		1346.64
Tax on Proposed Dividend		229.96		228.86
Provision for Retirement Benefits		322.45		232.25
TOTAL		**1969.93**		**1807.75**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

₹ in lacs

SCHEDULE 13 – SALES	31st March, 2011		31st March, 2010	
Sales		203094.46		159557.34
Export Benefits		66.27		46.05
TOTAL		**203160.73**		**159603.39**
SCHEDULE 14 – OTHER INCOME				
Dividend Income		44.69		25.32
Interest Income - Gross (Tax Deducted At Source ₹ 5.03 (Previous year ₹ 1.89))		193.76		198.83
Profit on Sale of Assets		0.97		0.50
Profit on Sale of Investment		36.40		–
Interest on Income Tax Refund		–		1.84
Sales tax Refund		23.79		5.39
Write Back of Provision against Investments		–		29.86
Miscellaneous Income		227.40		171.96
TOTAL		**527.01**		**433.70**
SCHEDULE 15 – (ACCRETION)/ DECRETION IN STOCKS				
Opening Stock:				
– Semi-Finished Goods	2310.54		1836.43	
– Finished Goods	4444.60		3999.47	
		6755.14		5835.90
Less: Closing Stock:				
– Semi-Finished Goods	2471.54		2310.54	
– Finished Goods	6686.01		4444.60	
		9157.55		6755.14
TOTAL		**(2402.41)**		**(919.24)**
SCHEDULE 16 – MATERIALS CONSUMED				
Opening Stock		6940.97		6862.90
Add: Purchases		68690.92		55935.30
		75631.89		62798.20
Less: Closing Stock		8575.02		6940.97
TOTAL		**67056.87**		**55857.23**
SCHEDULE 17 – COST OF TRADED GOODS SOLD				
Opening Stock		4994.89		8056.69
Add: Purchases		92440.25		58919.05
		97435.14		66975.74
Less: Closing Stock		12662.21		4994.89
TOTAL		**84772.93**		**61980.85**
SCHEDULE 18 – PERSONNEL EXPENSES				
Salaries, Wages and Bonus		8131.12		6430.64
Contribution to Provident Fund and other Funds		457.76		382.58
Staff Welfare Expenses		1074.27		1095.72
TOTAL		**9663.15**		**7908.94**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

₹ in lacs

SCHEDULE 19 – FINANCIAL EXPENSES	31st March, 2011		31st March, 2010	
Interest:				
– Fixed Loans		950.22		1319.19
– Others		286.00		169.19
Bank Charges		567.09		276.77
TOTAL		**1803.31**		**1765.15**

SCHEDULE 20 – OTHER EXPENSES	31st March, 2011		31st March, 2010	
Power and Fuel		1276.17		942.33
Rent		787.73		824.95
Rates and Taxes		455.74		335.33
Repairs to:				
– Plant and Machinery		329.30		275.55
– Building		45.35		35.99
– Others		589.65		494.22
Insurance Charges		124.54		107.34
Freight and Forwarding Expenses		6347.42		5180.28
Advertisement		9039.98		7435.41
Sales Commission		221.81		175.45
Service Charges		2630.28		1644.36
Travelling and Conveyance		1173.72		992.74
Loss on Sale of Assets		95.09		1.81
Bad debts written off	224.15		231.79	
Less: Provision for Doubtful Debts written back	224.15	–	223.89	7.90
Provision for Doubtful Debts		33.37		279.82
Research and Development Expenditure		1088.75		965.19
Miscellaneous Expenses		3242.73		2151.26
TOTAL		**27481.63**		**21849.93**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 21

₹ in lacs

A. Significant Accounting Policies

I. Principles of consolidation :

The Consolidated financial statements relates to MIRC Electronics Limited ("the Company") and its subsidiary company, Akasaka Electronics Ltd. The Consolidated Financial statements have been prepared on the following basis:

a) The subsidiary is consolidated on line by line basis in accordance with the principles laid down in Accounting Standard (AS)–21 on "Consolidated Financial Statements". Inter-company transactions and balances resulting in unrealised profits are eliminated in full. Unrealised losses resulting from such transactions are also eliminated unless cost cannot be recovered.

b) The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the parent company i.e. 31st March, 2011

c) The excess of the Company's portion of equity and reserve of the subsidiary as at the date of its' investment is treated as Capital Reserve.

d) Minority interest in the net assets of consolidated financial statement consists of:

(i) The amount of equity attributable to minorities at the date on which Investment in subsidiary is made; and

(ii) the minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.

e) The subsidiary company considered in consolidated statement is:

Name of the Company	Percentage of Holding as on 31st March, 2011
Akasaka Electronics Ltd.	99.88

II. Basis of Accounting

The financial statements have been prepared on an accrual basis under the historical cost convention and in accordance with the generally accepted accounting principles in India and materially comply with the mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

III. Revenue Recognition

i) Income from sale of goods is recognised upon transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of goods sold. Sales are recorded net of sales tax/ value added tax. Turnover includes related export benefits. The excise duty recovered is presented as a reduction from gross turnover.

ii) Interest income is recognised on accrual basis.

iii) Dividend income is accounted when the right to receive the payment is established.

iv) Claims which are not of material nature / Insurance Claims, Export benefits, Government Grants, refund of Sales tax/ Excise/ Customs duty are accounted for when no significant uncertainties are attached to their eventual receipt.

v) The Company is entitled to refund of Special Additional Duty (SAD) paid on imported traded goods on sale of such goods within the prescribed time. Accordingly the refund is accrued on sale of such goods. Till such time it is treated as part of inventory cost.

IV. Fixed Assets and Depreciation

i) Fixed Assets are stated at cost of acquisition or construction, net of modvat/ cenvat, less accumulated depreciation and accumulated impairment losses, if any. Cost of aquisition comprises of all costs incurred to bring the assets to their location and working condition up to the date assets are put to use. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from exchange rate variations upto 31st March, 2007 attributable to the fixed assets acquired from a country outside India are capitalised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in lacs

ii) Machinery/ Insurance spares which are specific and identifiable to the assets are capitalised.

iii) Preoperative expenditure during construction period/ trial run, direct expenses as well as clearly identifiable indirect expenses incurred on the projects during the period of construction are being capitalised alongwith the respective assets.

iv) The Company provides depreciation as under:

a) For assets acquired on or after 01/01/1987 on straight line method, in accordance with Schedule XIV of the Companies Act, 1956.

b) For assets acquired prior to 01/01/1987 on Written Down Value basis, in accordance with Schedule XIV of the Companies Act,1956.

c) Accelerated depreciation has been provided on Fixed Asset which have become obselete, to reduce the value to estimated realisable value.

d) Capital items costing less than ₹ 5000 have been charged to Profit and Loss Account at the time of purchase itself.

e) Leasehold Land is amortised over the period of lease.

f) The Company capitalises software where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over an estimated useful life of 5 years.

V. Impairment of Assets

An asset is considered as impaired in accordance with Accounting Standard (AS)-28 on “Impairment of Assets”. Impairment is ascertained at each balance sheet date in respect of Cash Generating Units. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

VI. Investments

Investments are classified as current or long-term in accordance with Accounting Standard (AS)-13 on “Accounting for Investments”.

Current Investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversal of such reductions are charged or credited to the Profit and Loss Account.

Long-term investments are stated at cost. Provision is made to recognize a decline , other than temporary , in the value of such Investments.

VII. Accounting for Taxes on Income

Tax expenses charged to Profit and Loss account is after considering deferred tax impact for the timing difference between Accounting Income and Tax Income.

Deferred Tax Assets on timing differences are recognised when there is a reasonable certainty that they will be realised.

Deferred Tax Assets relating to unabsorbed business losses are recognised when there is a virtual certainty that there will be sufficient taxable profits to utilise them.

VIII. Inventories

Stock in trade is valued at lower of cost and net realisable value. Stock of Consumable stores, spares and furnace oil are valued at cost.

Cost is computed based on moving weighted average in respect of all procurred materials and comprises of materials and appropriate share of utilities and other overheads in respect of work-in-process and finished goods. Costs also includes all charges incurred for bringing the inventories to their present location and condition.

IX. Sales Promotion

Articles procured for sales promotion are charged to the Profit and Loss Account at the time of purchase itself.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in lacs

X. Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at transaction date.

i) Exchange differences relating to fixed assets arising during the year has been charged off to the Profit and Loss Account pursuant to the notification issued by ICAI.

ii) Monetary foreign currency assets and liabilities are translated into rupees at the exchange rate prevailing at the Balance sheet date. Exchange differences are dealt with in the Profit and Loss Account.

iii) Non-monetary items such as investments are carried at historical cost using exchange rates on the date of transaction.

iv) In case of forward contracts (for hedging purposes) the premium or discount arising at inception is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Profit and Loss account .

Transactions relating to overseas branch have been translated as follows:

i) Additions to fixed assets are capitalised at rates prevailing on the date of acquisition. Depreciation is accounted for on the value at which assets are converted.

ii) Monetary assets and liabilities at the rates prevailing on the balance sheet date.

iii) Revenue items at the weighted average rate for the month

XI. Research and Development

Revenue expenditure on research and development is charged to the Profit and Loss Account.

Capital expenditure on research and development is shown as an addition to fixed assets.

XII. Miscellaneous Expenditure

Preliminary expenses and pre-operative expenses to the extent not capitalised is amortised equally over a period five years starting from the commencement of commercial operations.

XIII. Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been allocated to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis, have been included under “unallocated revenue/ expenses/ assets/ liabilities”.

B. Notes to Accounts:

1. Contingent Liabilities

	31st March, 2011	31st March, 2010
i) Guarantees given to Bank against which ₹ Nil (previous year ₹ Nil) has been deposited as margin money	585.51	213.98
ii) Guarantees given to bank on behalf of subsidiary company	1870.00	1670.00
iii) Income tax demands in respect of which appeals have been filed	82.16	505.92
iv) Excise and Customs Duty in respect of which appeals have been filed	618.24	821.02
v) Claims made against the Company not acknowledged as debts	5468.98	5541.81

2. Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	205.05	323.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in lacs

3. Employee benefits

a) Description of the Plan:

Gratuity -

Company has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India. Under the plan, employee at retirement is eligible for benefit which will be equal to 15 days salary for each completed year of service. In other words, the policy is a defined benefit plan. Accordingly, the aforesaid insurance policy is the plan asset.

Leave encashment -

The leave encashment benefit scheme is a defined benefit plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation.

b) Principal actuarial assumptions:

Particulars	**2010-11**		2009-10	
	Gratuity	**Leave Encashment**	Gratuity	Leave Encashment
Discount rate (in case of Subsidiary CY-8.25% and PY-8.25%)	8.25%	8.25%	8.00%	8.00%
Rate of Return on Plan Assets (in case of Subsidiary CY-8.00% and PY-8.00%)	8.25%	8.25%	8.00%	8.00%
Salary Escalation (in case of Subsidiary CY-5.00% and PY-5.00%)	5.00%	5.00%	5.00%	5.00%

c) Reconciliation of Benefit Obligation :

Particulars	**2010-11**		2009-10	
	Gratuity	**Leave Encashment**	Gratuity	Leave Encashment
Liability at the beginning of the year	759.80	200.74	650.61	194.73
Interest cost	60.87	16.06	61.27	15.09
Current Service Cost	67.03	16.81	65.36	18.72
Benefit Paid	(109.40)	(83.14)	(31.04)	(47.82)
Actuarial (Gain)/ Loss on Obligations	65.84	69.92	13.60	20.03
Liability at the end of the year	844.14	220.39	759.80	200.74
Fair Value of Plan Assets at the end of the year	758.65	–	747.33	–
Liability at the end of the year recognised and disclosed under the head "Provisions for Employee Benefits"	85.49	220.39	12.47	200.74

d) Reconciliation of Fair value of Plan Assets :

Particulars	**2010-11**		2009-10	
	Gratuity		Gratuity	
Fair Value of Plan Assets at the beginning of the year	747.33		612.19	
Expected Return on Plan Assets	59.78		56.56	
Contributions	60.52		110.70	
Benefit Paid	(109.40)		(31.04)	
Actuarial Gain/ (Loss) on Obligations	(0.42)		1.08	
Fair Value of Plan Assets at the end of the year	757.81		749.49	
Total Actuarial Gain/ (Loss) recognised	(65.42)		(14.68)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lacs

e) **Return on Plan Assets:**

Particulars	**2010-11**		2009-10	
	Gratuity		Gratuity	
Expected Return on Plan Assets	59.78		56.56	
Actuarial Gain/ (Loss) on Plan Assets	0.42		(1.08)	
Actual Return on Plan Assets	60.20		55.48	

f) **Expenses recognised in the Profit and Loss Account under the head Personnel Expenses:**

Particulars	**2010-11**		2009-10	
	Gratuity	**Leave Encashment**	Gratuity	Leave Encashment
Current Service Cost	67.03	16.81	65.36	18.72
Interest Cost	60.87	16.06	61.27	15.09
Expected Return on Plan Assets	(59.78)	–	(56.56)	–
Net Actuarial (Gain)/ Loss recognised	65.42	69.92	14.68	20.03
Expenses recognised in Profit and Loss Account	133.54	102.79	84.75	53.84

4. a) Balances of Sundry Debtors, Creditors, Loans and Advances and Deposits are subject to confirmation and reconciliation.

   b) There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company

   c) There is no amount due and outstanding, as at 31st March, 2011 to be credited to Investor Education and Protection Fund.

5. **Miscellaneous Expenses charged to Profit and Loss Account includes:**

Particulars	**2010-11**		**2009-10**	
Remuneration to Auditors :				
Audit fees		22.00		18.85
Other Services (Certification, Tax Audit etc.)		10.61		8.39
Out of pocket expenses		0.40		0.57
Total		**33.01**		**27.81**

6. **Payments to Directors**

Particulars	**2010-11**		**2009-10**	
Remuneration to Directors				
a) Salaries		192.00		192.00
b) Commission to Chairman and Managing Director and Managing Director		77.60		–
c) Professional fees to Additional Director		31.30		4.01
d) Commission to Non-Executive Directors		6.00		6.00
e) Contribution to Provident Fund and other funds		32.40		32.40
f) Other Perquisites		45.82		45.82
Total		**385.12**		**280.23**

7. Provision for Taxation comprises of current tax ₹ 601.41 (previous year ₹ 454.41), deferred tax ₹ 259.60 (previous year ₹ 1.95) and Fringe Benefit tax of earlier year written back of ₹ 24.97 (previous year short paid ₹ 8.66). The current tax includes wealth tax of ₹ 2.34 (previous year ₹ 1.02).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lacs

The breakup of Deferred Tax Asset/Liability as at the balance sheet date is as follows:

Nature of expenses/ Income	31st March, 2011	31st March, 2010
Deferred Tax Liabilities		
Related To Fixed Assets	2303.82	2259.36
Related To Others		343.77
Total (A)	**2303.82**	**2603.13**
Less: Deferred Tax Assets		
Disallowed expenses as per Income Tax Act-1961	60.17	319.56
Provision for Doubtful Debts	207.07	487.53
Related to Leave Encashment	224.35	243.41
Total (B)	**491.59**	**1050.50**
Net Liability (A) - (B)	**1812.23**	**1552.63**

In accordance with the Accounting Standard 22 on "Accounting for Taxes", deferred tax assets and deferred tax liabilities should be recognised for all timing differences. However in case of Akasaka Electronics Limited, the subsidiary of the company, considering the present financial position and the requirement of AS 22 regarding certainity/ virtual certainity, the amount of ₹ 167.92 lacs is not provided for as an asset (net). The same will be reassessed at a subsequent balance sheet and will be accounted for in the year in which conditions of certainity/ virtual certainity will be met.

8. Following are the details of forward exchange contracts outstanding on the balance sheet date which are entered to hedge foreign exchange exposures of the Company.

Sr. No.	Hedged Items	Currency	Amount in foreign currency (in lacs)	Forward Exchange Rate per unit of foreign currency	Amount in Indian Rupees (in lacs)
a)	Secured Loans	Nil	Nil	Nil	Nil
	(Previous year)	USD	(60.00)	(49.48)	(2968.95)

The year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are given below.

Sr. No.	Particulars	Currency	Amount in foreign currency (in lacs)	Amount in Indian Rupees (in lacs)
a)	Amount payable in foreign currency on account of import of goods and its equivalent Indian Rupees	USD	329.86	14711.13
		JPY	642.59	345.84
	(Previous year)	USD	(12.15)	(557.06)
		JPY	(598.11)	(287.69)
b)	Amount receivable in foreign currency on export of goods and its equivalent Indian Rupees	USD	3.56	158.76
	(Previous year)	USD	(0.84)	(37.91)

9. Disclosure pursuant to Accounting Standard 24 - 'Discontinuing Operations'

The Board of Directors of the Subsidiary Company in their meeting held on 29th January, 2007 has decided to discontinue operations of Business Process Management and Customer Contract services (hereinafter referred to as 'Services Division'), which was a separate business segment of the Company. Pursuant thereto, no activities of Services Division were carried during the current financial year. The impact of the discontinuing of these operations being insignificant is not seperately disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in lacs

10. Related party Disclosure:

Related parties as defined under Clause -3 of Accounting Standard (AS - 18) " Related Party Disclosures " have been identified on the basis of representation made by key management personnel and information available with the company.

Names of related parties and description of relationship:

1. Key Management Personnel	Mr. G. L. Mirchandani - Chairman & Managing Director of Mirc Electronics Ltd. Mr. V. J. Mansukhani - Managing Director of Mirc Electronics Ltd.
2. Relatives of Key Management Personnel	Mrs. Gita Mirchandani (Wife of Mr. G. L. Mirchandani) Mrs. Marissa Mansukhani (Wife of Mr. V. J. Mansukhani) Mr. Kaval Mirchandani (Son of Mr. G. L. Mirchandani) Mr. Akshay Mansukhani (Son of Mr. V. J. Mansukhani) Ms. Ayesha Mansukhani (Daughter of Mr. V. J. Mansukhani) G. L. Mirchandani (H.U.F.) V. J. Mansukhani (H.U.F.)
3. Enterprise over which any person described in 1 & 2 is able to exercise significiant influence	Iwai Electronics Pvt. Ltd. Adino Telecom Ltd. Gulita Wealth Advisors Pvt. Ltd.

a) Ordinary course of business:

Particulars	**Key Management Personnel (1)**	**Relatives of Key Management Personnel (2)**	**Enterprise over which any person described in (1) and (2) is able to exercise significant influence (3)**
Transactions During 1.4.10-31.03.11			
Purchase of Goods, Services, Spares and Fixed Assets			
Iwai Electronics Pvt. Limited	–	–	2047.16
	–	–	(1298.53)
Adino Telecom Limited	–	–	1.11
	–	–	(0.86)
Sale of Goods, Fixed Assets, Spares and Services			
Iwai Electronics Pvt. Limited	–	–	761.73
	–	–	(7.63)
Adino Telecom Limited	–	–	3.06
	–	–	(2.66)
Inter Corporate Deposits/ Loan Given Repaid			
Gita Mirchandani	–	200.00	–
	–	–	–
Interest Due & Received on Inter Corporate Deposits/ Loans/ Advances			
Adino Telecom Limited	–	–	18.75
	–	–	(18.75)
Ayesha Mansukhani	–	35.37	–
	–	(35.37)	–
Gita Mirchandani	–	69.79	–
	–	(69.84)	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in lacs

Particulars	Key Management Personnel (1)	Relatives of Key Management Personnel (2)	Enterprise over which any person described in (1) and (2) is able to exercise significant influence (3)
Rent Paid			
G.L.Mirchandani	4.27	–	–
	(4.75)	–	–
Gita Mirchandani	–	19.55	–
	–	(20.72)	–
Marissa Mansukhani	–	4.09	–
	–	(4.09)	–
Akshay Mansukhani	–	0.89	–
	–	(0.89)	–
Ayesha Mansukhani	–	0.89	–
	–	(0.89)	–
G.L. Mirchandani (HUF)	–	9.84	–
	–	(10.38)	–
V.J. Mansukhani (HUF)	–	2.59	–
	–	(2.59)	–
Gulita Wealth Advisors Pvt. Ltd.	–	–	30.00
	–	–	(30.00)
Rent Received			
Adino Telecom Limited	–	–	10.84
	–	–	(8.16)
Refund of Rent Deposit			
Gita Mirchandani	–	1.20	–
	–	–	–
Remuneration			
Managerial Remuneration	347.82	–	–
	(270.22)	–	–
Kaval Mirchandani	–	39.86	–
	–	(24.00)	–

b) Individual transactions with related parties, which are not in the normal course of business.

Particulars	Key Management Personnel (1)	Relatives of Key Management Personnel (2)	Enterprise over which any person described in (1) and (2) is able to exercise significant influence (3)
Transactions During 1.4.10-31.3.11	Nil	Nil	Nil

c) Individual transactions with related parties, which are not on arms length basis and the justification for such transactions by the management.

Particulars	Key Management Personnel (1)	Relatives of Key Management Personnel (2)	Enterprise over which any person described in (1) and (2) is able to exercise significant influence (3)
Transactions During 1.4.10-31.3.11	Nil	Nil	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in lacs

Closing Balance as at 31st March, 2011

Particulars	**Key Management Personnel (1)**	**Relatives of Key Management Personnel (2)**	**Enterprise over which any person described in (1) and (2) is able to exercise significant influence (3)**
Receivable			
G.L.Mirchandani			
Rent Deposit	119.82	–	–
	(119.82)	–	–
Gita Mirchandani			
Rent Deposit	–	623.22	–
	–	(624.42)	–
Interest On Loan	–	–	–
	–	(7.76)	–
Loan Given	–	576.00	–
	–	(776.00)	–
	–	1199.22	–
	–	(1408.18)	–
Marissa Mansukhani			
Rent Deposit	–	4.09	–
	–	(4.09)	–
Akshay Mansukhani			
Rent Deposit	–	0.89	–
	–	(0.89)	–
Ayesha Mansukhani			
Rent Deposit	–	0.89	–
	–	(0.89)	–
Interest On Loan	–	–	–
	–	(3.93)	–
Loan Given	–	393.00	–
	–	(393.00)	–
	–	393.89	–
	–	(397.82)	–
G.L.Mirchandani (HUF)			
Rent Deposit	–	345.60	–
	–	(345.60)	–
V.J.Mansukhani (HUF)			
Rent Deposit	–	2.59	–
	–	(2.59)	–
Gulita Wealth Advisors Pvt. Ltd.			
Rent Deposit	–	–	1000.00
	–	–	(1000.00)
Adino Telecom Limited			
Creditors	–	–	0.02
	–	–	–
Debtors	–	–	–
	–	–	(9.48)
Inter Corporate Deposit Given	–	–	125.00
	–	–	(125.00)
	–	–	124.98
	–	–	(134.48)
Payable			
Iwai Electronics Pvt. Ltd.			
Creditors Payable	–	–	86.98
	–	–	–

Note: Figures in brackets are in respect of previous years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in lacs

11. (i) The Management has identified two Reportable Business Segments as the primary segment, namely:

- Consumer Durable and Components:- Colour Television including Liquid Crystal Display (LCD) and Light Emitting Diode (LED), Air Conditioners, Washing Machines, Digital Video Disk Player (DVD Player) and Microwave Ovens and certain components related to these products.

- Mobile Communication Device: - Mobile Handsets.

These segments have been identified and reported taking into account the nature of products, the differing risks and returns, the organisation structure.

(ii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Sr. No.	Particulars	Consumer Durables And Components		Mobile Communication Device		Total	
		Year Ended		Year Ended		Year Ended	
		31.03.2011	**31.03.2010**	**31.03.2011**	**31.03.2010**	**31.03.2011**	**31.03.2010**
1.	Segment Revenue						
	External Sales	168993.95	142247.33	24980.48	10421.94	193974.43	152669.27
	Inter Segment Revenue	–	–	–	–	–	–
	Net Sales/ Income from Operations	**168993.95**	**142247.33**	**24980.48**	**10421.94**	**193974.43**	**152669.27**
2.	Segment Results	16454.57	15494.99	1676.45	285.79	18131.02	15780.78
	Less : Finance Cost					1803.31	1765.15
	Other Unallocable Expenses					12590.29	11550.95
	(Net off Other Un-Allocable Income)						
	Total Profit Before Tax	**16454.57**	**15494.99**	**1676.45**	**285.79**	**3737.42**	**2464.68**
3.	**Assets and Libilities**						
	Segment Assets	70114.56	55421.28	2945.87	767.09	73060.43	56188.37
	Segment Liabilities	29654.58	22354.11	6214.14	2852.24	35868.72	25206.35
	Unallocated Assets Net Off Unallocated Liabilities					4478.01	7191.97
	Other Information						
4.	Capital Expenditure	1440.67	5174.06			1440.67	5174.06
	Unallocated Capital Expenditure					189.96	27.07
5.	Depreciation	2269.63	2066.81			2269.63	2066.81
	Unallocated Depreciation					118.91	128.62

12. Figures pertaining to the subsidiary company have been reclassified wherever necessary to bring them in line with the parent company's financial statements.

Signature to Schedule '1' to '21' forming part of the Balance Sheet and Profit and Loss Account.

As per our Report attached
For N.M. RAIJI & CO.,
Chartered Accountants
Firm Registration No. 108296W

For and on behalf of the
BOARD OF DIRECTORS

J.M. GANDHI
Partner
Membership No. 37924

MANISH DESAI
Vice President - Finance

G.L. MIRCHANDANI
Chairman and Managing Director

ANOOP PILLAI
Company Secretary and Head - Corporate Affairs

V.J. MANSUKHANI
Managing Director

Mumbai, May 5, 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

₹ in lacs

	31st March, 2011		31st March, 2010	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax & Extraordinary Item		3737.42		2464.68
Adjustments for :				
Depreciation	2388.55		2195.43	
Unrealised Foreign Exchange Fluctuations	(714.45)		(242.80)	
(Increase)/ Dimunition in value of Investments	–		(29.86)	
Interest	1803.31		1765.15	
Interest Income	(193.76)		(198.83)	
Dividend Income	(44.69)		(25.32)	
(Profit)/ Loss on Sale of Fixed Assets (Net)	94.12		1.31	
(Profit)/ Loss on Sale of Investments (Net)	(36.40)		–	
		3296.68		**3465.08**
Operating Profit before Working Capital changes		**7034.10**		**5929.76**
Adjustments for :				
Trade and Other receivables	(5843.22)		494.17	
Inventories	(9922.64)		(3706.59)	
Trade Payables	12507.22		15602.83	
		(3258.64)		**12390.41**
Cash Generated from Operations		**3775.46**		**18320.17**
Direct Taxes (Paid)/ Refund Received		(626.46)		(449.93)
NET CASH USED IN OPERATING ACTIVITIES......(A)		**3149.00**		**17870.24**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment for Purchase of Fixed Assets		(1630.63)		(5201.13)
Purchase of Investments		(13807.66)		(1306.03)
Proceeds from Sale of Fixed Assets		19.94		4.03
Proceeds from Sale of Investments		15203.67		–
Movement of Capital Advances		(84.77)		2488.09
Interest Received		195.06		198.83
Dividend Received		44.69		25.32
NET CASH USED IN INVESTING ACTIVITIES......(B)		(59.70)		(3790.89)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

₹ in lacs

	31st March, 2011		31st March, 2010	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Equity Shares		–		0.02
Issue of Preference Shares		–		(1891.51)
Movement in Term Loans		5000.00		(8000.00)
Movement in Short Term Loans		(2757.83)		786.20
Interest Paid		(1801.20)		(1794.10)
Dividends paid (including taxes)		(1567.19)		(801.26)
NET CASH USED IN FINANCING ACTIVITIES……(C)		**(1126.22)**		**(11700.65)**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		**1963.08**		**2378.70**
CASH AND CASH EQUIVALENTS AS AT 01.04.2010 (OPENING BALANCE)		**3412.55**		**1033.85**
CASH AND CASH EQUIVALENTS AS AT 31.03.2011 (CLOSING BALANCE)		**5375.63**		**3412.55**

As per our Report attached
For N.M. RAIJI & CO.,
Chartered Accountants
Firm Registration No. 108296W

For and on behalf of the
BOARD OF DIRECTORS

J.M. GANDHI
Partner
Membership No. 37924

MANISH DESAI
Vice President - Finance

G.L. MIRCHANDANI
Chairman and Managing Director

Mumbai, May 5, 2011

ANOOP PILLAI
Company Secretary and Head - Corporate Affairs

V.J. MANSUKHANI
Managing Director

MIRC ELECTRONICS LIMITED

Regd. Office: Onida House, G-1, MIDC, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093

PROXY FORM

I/We ____ of _______________ being a member of **MIRC ELECTRONICS LIMITED, MUMBAI** and having Regd. Folio No. / DP & Client ID No. ________________________. holding ______ equity shares and hereby appoint __________________________ of __________________________ or failing him ________________________ of __________________________ as my / our proxy to attend and vote for me / us on my / our behalf at the 30th Annual General Meeting of the Company to be held on Friday, the June 24, 2011 at 3.00 p.m. and at any adjournment thereof.

Signed this ______________ day of ___________ 2011.

Affix Re. 1
Revenue
stamp

(Signature of the Shareholder)

Note : The proxy must be deposited duly filled and stamped at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

MIRC ELECTRONICS LIMITED

Regd. Office: Onida House, G-1, MIDC, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093

ATTENDANCE SLIP

(Please present this slip at the entrance of the Meeting Hall)

I hereby record my presence at the 30th Annual General Meeting of the Company held at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Friday, the June 24, 2011 at 3.00 p.m.

Regd. Folio No./DP & Client ID ______________________ No. of Shares ____________________

Name of Shareholder ____________________________

Address ____________________________________

____

____

____

(Signature of the Shareholder / Proxy)
(To be signed at the time of meeting
over at the Meeting Hall)

Creating new benchmarks with our range of consumer-led innovations.

ONIDA™

DESIGNED WITH YOU IN MIND

Registered Office:
Onida House, G-I, MIDC, Mahakali Caves Road, Andheri (E), Mumbai - 400 093.
Visit us at www.onida.com