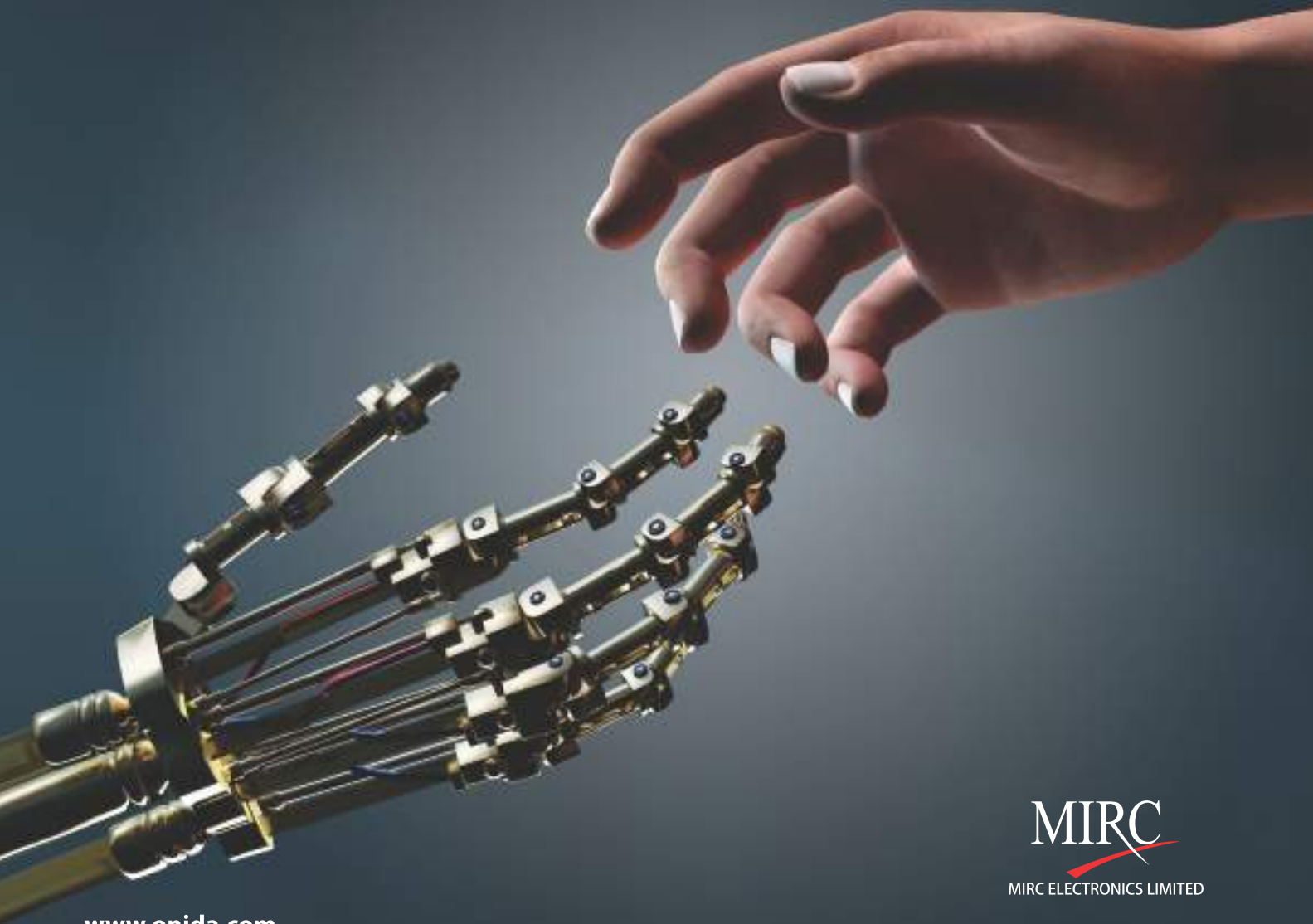


Annual Report
2014-2015

DISRUPTION - THE WAY FORWARD



MIRC
MIRC ELECTRONICS LIMITED

www.onida.com

Vision

Our aim is to make Indians proud of the “Made In India” label by providing highly innovative products, which are better than the competition, which simplify lives and provide an unmatched customer experience.



Corporate Information

Board of Directors

Mr. Gulu L. Mirchandani, Chairman and Managing Director
Mr. Vijay J. Mansukhani, Managing Director
Mr. Shyamsunder Dhoot, Whole-time Director
Mr. Rafique Malik, Independent Director
Mr. Carlton Pereira, Independent Director
Ms. Radhika Piramal, Independent Director

Chief Financial & Compliance Officer

Mr. Muthu Elango

Auditors

M/s. S R B C & Co. LLP, Chartered Accountants

Bankers

- | | |
|------------------------|---------------------------|
| 1. State Bank of India | 6. Royal Bank of Scotland |
| 2. ICICI Bank Limited | 7. Yes Bank Limited |
| 3. HDFC Bank Limited | 8. Axis Bank Limited |
| 4. IDBI Limited | |
| 5. Canara Bank | |

Registered office

Onida House, G-1, M.I.D.C.,
Mahakali Caves Road,
Andheri (East), Mumbai:-400 093
Tel.: +91 22 6697 5777
Fax: +91 22 2820 2002
Email ID: investors@onida.com
Website: www.onida.com
CIN: L32300MH1981PLC023637

Works

1. Village Kudus, Bhiwandi Wada Road, Taluka Wada, Dist.Thane – 421 312.
2. Khasra No.158, Village- Raipur, Pargana - Bhagwanpur, Roorkee, Dist -Haridwar, Uttarakhand.
3. Khasra No.399 to 401 & 405 to 410, 158 KMS Milestone, Delhi-Roorkee Highway – NH 58, Village– Mundiyaiki, Pargana–Manglour, Tehsil- Roorkee, District–Haridwar, Uttarakhand– 247670.

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
Tel.: +91 22 2594 6970-78
Fax: +91 22 2594 6969
Email ID: rnt.helpdesk@linkintime.co.in

Chairman's Note

True Disruption Means Threatening Your Existing Product Line And Your Past Investments. Break Through Products Disrupt Your Current Lines Of Businesses — Peter Diamandis...

Disruption is the need of the hour and it takes guts to do it. We at Onida understood this and have invested our resources in coming—up with products that will disrupt the industry.

Our understanding of the Indian consumer has helped us a great deal, to create products that make a difference to the consumer's life in a positive manner.

ONIDA was launched with a vision of creating a brand which will make Indian's proud of the 'Made in India' label. In the last 33 years ONIDA is among the few Indian brands which have withstood the challenge posed by the MNCs. The plan is to project ONIDA as the largest brand 'By the Indians, For the Indians'.

Over 54% of the Indians are below 25 years of age and after every 5 years India is becoming younger by 2 years. This Young Indian consumer is aspiring for Smart Products of global quality levels. This new age consumer is looking for products which reflect their attitude and define them. ONIDA plans to capture this consumer by launching a wide array of products thereby becoming the single brand to satisfy all needs of Indian Smart Homes within next few years. ONIDA has strong Indian roots and deep understanding of the Indian consumer.

ONIDA R&D and Marketing has a product road map of developing products, specific to the Indian consumer needs. These products are designed based on consumer insights gained by the top management team during visits to the consumer homes. This Consumer Connect will be further emphasized and become focal point to launch more relevant products for Indian consumers. These products besides being innovative will offer first in the world features.

ONIDA has successfully started launching few of these products like SMART AC called as i-Genius and SMART LED TV called Live Genius with dual sided, QWERTY remote for easy operation and latest Android operating system, Microwave Oven with an in-built Weighing Scale for the perfectly cooked dish and a Calorie Meter for the health conscious Indians with 66 Indian Auto Cook Menus.

This year we launched our 'i-Genius' AC with Internet of Things (IoT) technology. This completely changed the manner in which ACs were controlled. The complete control of the ACs is done over the 'Smart Phone'. Hence the entire AC operation can be controlled from anywhere in the world. This disruptive product was launched keeping in mind the Gen—Y, which has quite effortlessly transformed themselves into 'Decision Makers' from being 'Influencers'. The universe of this TG is completely governed by 2 things — Internet & Smart Phone. The i-Genius AC operation largely depends upon these 2 factors, hence it was sufficient enough to motivate this TG to opt for it.

The i-Genius clearly is distinctive with it's features like:

- SMART SLEEP MANAGER — Provides consumer the flexibility to adjust the temperature of his/her choice for 12 hours. This regulates the room temperature as per the customer's choice thus providing an undisturbed peaceful sleep.
- ENERGY CONSUMPTION INDICATOR - Consumer can check the energy consumed by the Air Conditioner as per his/her need (8 hours / day / week / month basis) enabling them to control usage and also help them in budgeting expense.
- SELF DIAGNOSIS MANAGER — In case of any trouble, the AC itself diagnoses it's problem and sends a notification code to the owner immediately.

This Smart AC with it's unmatched features in the category, ensured good numbers for us which created a disruption in this category.

A similar case was that of the 'Smart Chef' Microwave Oven. Indian homes do not have a Weighing Scale which is required to weigh the ingredients of a particular menu. The exact amount of ingredients go a long way in determining the perfect taste of a delicacy. Hence we designed a Microwave Oven with a built-in Weighing Scale thus providing the ease of use to the Indian house-wives. The built-in Weighing Scale helps them cook any kind of Indian, Chinese & Thai menus to perfection without bothering about the dish being over or under cooked.

Our R&D team is working towards launching more consumer specific products like the above, in the next few months, to gain relevance & connect with the young Indian consumer. At ONIDA, we will keep coming-up with products that bring around a revolution in our categories by following the mantra of DISRUPTION...

Managing Director's Note

Today innovation, strategy and speed are the differentiating factors between success and failure. The small fish has to swim faster than the big fish. The internet revolution is sweeping across India. Brick and Mortar consumer outlets have to compete with online sales. With valuations of online companies being a multiple of the revenue and not the profit, there is a paradigm shift of how business is being done in India. We at Onida have understood the demographic profile of online buyers and have formulated a strategy to be present both online and with the regular dealers who have supported us all our lives. We are designing new models in all categories of business to cater to this demographic profile of internet users who want SMART products. Our R&D has innovated products to cater to the needs of this new generation of customers and we have started enjoying success in most of these newly designed product categories.

While the previous two financial years were difficult we have seen a big change with the new government and are confident of going forward rapidly in the future. We have implemented a drive to cut costs where it doesn't affect the quality and satisfaction of our customers and dealers. This has led to a substantial growth in profits. We have focused on customer satisfaction and after sales service for all our customers across India. These initiatives have borne fruit and consumers can see the difference in all that we are doing. After sales service is a key factor in increasing consumer satisfaction. Indian customers are very discerning and expect nothing but the best. We are revamping our after sales experience for the consumer and this will lead to increase sales. We are training our staff to focus on consumer satisfaction, be it the dealer or the end user. We are also one of those few companies which give annual maintenance contract for five years for all our products which has got a lot of appreciation from the trade. We are now focusing on increasing the efficiency output of our staff through interaction and involvement to make us more efficient. Through economies of scale we are looking to leverage our state of the art manufacturing facilities to bring cost of conversion down. Coupled to manufacturing cost reduction we will out source our after sales service where it is not feasible. In our cost reduction program we had also achieved 'just in time' inventory control thereby increasing profitability through lower inventory carrying cost.

In the coming years we are confident of increasing our market share through our superior products, lower costs and speed of delivery. We are focusing on increased output through training and ownership by all our staff. We look forward to the coming financial year with lots of hope and are confident of achieving great success.

Smart LED



ONIDA
LIVE GENIUS

Live Genius

From an entertainment box to a Smart Digital Screen - Introducing ONIDA – LIVE GENIUS

Onida Live Genius - INCREDIBLY SMARTER - SIMPLER - FASTER

Take your big screen entertainment to the next level with the Onida Live Genius - Smart LED TV. This Smart LED TV is designed to give you, what you really want, with Smart Apps that make life at home more fun and full of great experiences.

It comes with Android 4.4 platform, Quad Core Processor, which gives faster web browsing, smoother interaction and allows to switch between content faster than ever before.

Onida Live Genius comes with 4GB internal memory, Built-in Wi-Fi, Screen Mirroring, MHL, Personalised Home Screen with user friendly Home Interface and a whole lot of latest exciting features!

Another exciting feature in Onida Live Genius is the WEB CRUISER. Imagine a full size keyboard and a mouse all rolled into one, slim and stylish Remote Control. With a full built-in keyboard, enter precise keywords and web address you want to search, surf and share more easily than ever.

We are launching in 102 cm (40) & 123 cm (50) in the initial phase and other sizes will be introduced in the near future.

Smart Air Conditioner



SMART APP CONTROL



SMART SLEEP MANAGER



SELF-DIAGNOSIS MANAGER



REGULAR UPGRADATION



ELECTRICITY CONSUMPTION INDICATOR



100% COPPER COIL

i-Genius

This year ONIDA launched an Air Conditioner — i-Genius, catering to the youth of India. The Air Conditioner is based on IoT technology which enables it to be completely controlled from the owner's Smart Phone through Wi-Fi. It gives user the flexibility to control the AC as per his/her needs from wherever he/she is, across the globe.

The AC has been christened as i-Genius based on its super intelligent features which are normally possessed by only a Genius, like:

- a SMART APP MANAGER — consumer can Switch ON or OFF the AC, Set the room temperature, get an indication if their AC is switched ON or OFF at home, from anywhere in the world through their Smart Phone.
- b SMART SLEEP MANAGER — Provides consumer the flexibility to adjust the temperature of his choice for 12 hours. This ensures that the room temperature is regulated as per the customer's choice thus providing an undisturbed peaceful sleep.
- c ENERGY CONSUMPTION INDICATOR - Consumer can check the energy consumed by Air Conditioner as per his/her need (8 hours / day / week / month basis) enabling them to control usage and also help them in budgeting expense.
- d SELF DIAGNOSIS MANAGER — In case of any trouble, the AC itself diagnoses the problem with it and sends a notification code to the owner immediately.
- e POWERFUL COOLING — with its powerful compressor, multi-fold evaporator, hydrophilic aluminium coils, super quality internal threaded copper pipes and gold fins, it has all the ingredients to provide powerful energy efficient cooling.
- f 100% COPPER COIL — 100% Copper Coil, Copper Condenser, CopperPipe and Installation kit ensure faster cooling, better performance and hence better efficiency.
- g REGULAR UPGRADATION - This will help customers get all the upgraded features in the future as soon as they switch-ON their AC which is connected to the Wi-Fi router and the same will be upgraded on their Smart Phone as soon as they update their Onida Air Conditioner App from Google Play store.

Smart Washing Machine



Splendor Ultra 75

The Splendor Ultra 75 is a Fully Automatic Washing Machine with a capacity of 7.5 kg. It is designed with an anti-rust fibre body guaranteed to last for years. This is in sharp contrast to traditional Fully Automatic Washing Machines having a metallic body which are easily prone to rust. It has 14 wash programs to take care of your different washing needs. This includes 4 special programs to save water and for silent wash. It's Fuzzy Logic smartly senses the washing mode and the digital display gives the remaining wash time allowing you to plan accordingly. Its air dry feature is an advanced eco-friendly feature to dry laundry quicker.

The inner tub is made of stainless steel and comes with a powerful motor of 400W. The triple power pulsator generates powerful water flow action to ensure better cleaning of your clothes. The top lid comes with a unique damper which ensures safety of the user even when the lid is released abruptly. The child lock ensures safety of your kid. In short, it's a fully loaded machine to take care of all your laundry needs.

Smart Microwave



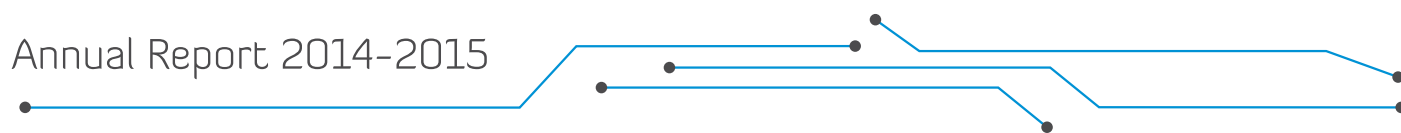
Smart Chef

Onida presents Smart Chef, an innovation in microwave cooking. To cook a perfect meal, it doesn't just require ingredients, but the correct amount of ingredients to be added and Smart Chef takes care of this. Smart Chef weighs ingredients and then cooks it to perfection. Smart Chef helps you keep a strict check on the calories you consume with its built-in Calorie Meter, which empowers you to stay healthy.

Microwave Oven is all about effortless cooking. With 66 types of Indian Auto Cook Menus including North Indian, South Indian, Bengali, Maharashtrian, Gujarati, Rajasthani, Punjabi and lots more, Smart Chef just knows how to cook it to perfection. All you have to do is add the ingredients and let Smart Chef do the work for you.

Smart Chef is a limitless possibility which makes your cooking process easy and healthy.

Go ahead and impress everyone with SMART CHEF.



Financial Highlights	1
Director's Report	2
Management Discussion and Analysis	30
Corporate Governance Report	34
Auditor's Report	53
Balance Sheet	56
Statement of Profit and Loss	57
Cash Flow Statement	58
Notes forming part of Financial Statements	60
Consolidated Financial Statements	91

3 YEAR HIGHLIGHTS

	2014-15	2013-14	2012-13
Balance Sheet			
I. Equity and Liabilities			
Shareholders Funds			
Share capital	19.64	14.19	14.19
Reserves and Surplus	147.24	124.77	184.74
	166.88	138.96	198.93
Non-current Liabilities			
Long-term borrowings	-	-	-
Deferred tax liabilities (Net)	-	-	-
Other Long term liabilities	-	-	-
Long-term provisions	1.60	-	-
	1.60	-	-
Current Liabilities			
Short-term borrowings	211.62	267.55	272.94
Trade payables	252.18	210.78	193.85
Other current liabilities	38.68	48.14	55.30
Short-term provisions	3.07	4.03	4.11
	505.55	530.50	526.20
Total Equity and Liabilities	674.03	669.46	725.13
II. Assets			
Non-current Assets			
Fixed assets			
Tangible assets	126.49	151.45	154.14
Intangible assets	0.10	0.12	0.06
Capital work-in-progress	-	-	7.67
	126.59	151.57	161.87
Non-current investments	26.25	26.25	26.25
Loans and advances	34.74	37.68	40.46
Other non-current assets	0.11	0.46	0.45
Current Assets			
Current investments	-	0.19	0.17
Inventories	282.76	234.00	251.06
Trade receivables	125.42	124.63	132.54
Cash and bank balances	18.79	25.47	30.73
Loans and advances	31.76	34.03	31.59
Other current assets	27.61	35.18	50.01
	486.34	453.50	496.10
Total Assets	674.03	669.46	725.13
Profit and loss statement			
Sales	1124.06	1371.49	1376.82
Excise	53.44	75.65	72.94
Net Sales	1070.62	1295.84	1303.88
Other Income	10.38	1.07	0.91
Total Income	1081.00	1296.91	1304.79
Material Consumed	371.28	498.66	479.24
Purchase of Tranded Goods	449.89	535.37	537.35
(Increase) / Decrease in inventories of Finished Goods, Work-in-progress and Traded Goods	(31.18)	17.60	45.97
Personnel Expenses	73.28	81.89	77.11
Loss on Insurance Claim	6.23	-	-
Freight and Forwarding Expenses	43.24	49.01	46.09
Advertising Expenses	27.19	17.36	30.95
Other Expenses	90.55	104.54	80.45
Total Cost	1030.48	1304.43	1297.16
Profit Before Depreciation, Interest and Tax	50.52	(7.52)	7.63
Interest	32.92	38.13	38.72
Profit Before Depreciation and Tax	17.60	(45.65)	(31.09)
Depreciation	14.15	14.32	15.79
Profit Before Tax	3.45	(59.97)	(46.88)
Tax	2.64	-	(18.24)
Profit after Tax	0.81	(59.97)	(28.64)
Equity Dividend Paid	-	-	-
Year End Price (₹)	9.58	4.86	6.60
Market Capitalisation (₹ in Cr.)	187.99	68.89	93.56



Dear Members,

Your Directors are pleased to present the Thirty Fourth Annual Report along with the audited Financial Statements of the Company for the year ended March 31, 2015.

The financial highlights for the year under review are as under:

Results of Operations

(₹ in Crores)

Particulars	Financial year ended March 31, 2015	Financial year ended March 31, 2014
Gross Turnover	1120.56	1368.90
Gross Profit (before interest, depreciation, tax and writing off of preliminary expense)	50.51	(7.52)
Interest	32.92	38.13
Depreciation	14.15	14.33
Provision for taxation	-	-
Net Profit/(Loss) before tax	3.44	(59.97)
Current Tax	0.45	-
Deferred Tax Liability/(Asset)	2.19	-
Profit/(Loss) After Tax	0.81	(59.97)
Balance in Profit & Loss A/c carried forward from the last year	16.74	76.71
Amounts available for appropriations	12.99	16.74

State of Company's Affairs

During the year under review, your Company has made gross turnover of ₹ 1120.56 crores as against ₹ 1368.90 crores for the previous year. The Company has made a profit before tax of ₹ 3.44 crores as compared to loss of ₹ 59.97 crores in the previous year. The Company has reported a net profit after tax of ₹ 0.81 crores as against loss of ₹ 59.97 crores.

As compared to the past few years, the financial year 2014-2015 was the year of transition for the Company.

The Company believes in changing constantly to adapt to the changing taste of Indian consumer and the market scenario. The Company understands the Indian consumers' psychology in a better manner. The Board of Directors and the senior management of the Company always think out of the box and come up with innovative product proposition and marketing such as:

I GENIUS: The Company has introduced Onida I genius (IOT based technology) "India's first wi-fi AC" which can be operated with smart phone to address the digitalized crowd. It is available in 0.8 ton, 1 ton and 1.5 ton with 2 star, 3 star and 5 star rating.

BIG SCREEN BIG ENTERTAINMENT: To improve the top line of the Company, the Company has undertaken the campaign of "big screen big entertainment" in LED TV segment where the Company has focused and put its resources to sell 32 inch and above screen sized LED TV series. This initiative is a part of "FOCUS PRODUCT FOCUS MARKET STRATEGY", where the Company has capitalized the potential of its brands which has resulted in improving our profitability.

SOCIAL MEDIA CAMPAIGN: In order to get into the consideration set of generation-Y, the Company has realigned its marketing strategy to connect digitally through social media marketing i.e. facebook, twitter and google.

E-COMMERCE: The financial year 2014-2015 has witnessed E-commerce evolution in a much stronger and deeper levels. Rising internet and mobile phone penetration have changed the way doing in business. The Company understands the importance of e-commerce and wisely entered into a partnership with the leading players of e-commerce platform.

Looking forward to the financial year 2015-2016, the Company will continue to innovate and come up with customer delight premium products with path breaking technology and affordable pricing to take its brands to the next level.

Dividend and Transfer to General Reserves

Considering the cash requirement for business growth and debt servicing, your Directors decided, not to propose dividend for the year ended March 31, 2015 and there is no appropriation of any amount to General Reserves during the year under review.

Preferential Issue of Warrants

The Board of Directors of the Company has approved issuance of a warrant upto the size of ₹ 32,50,00,000/- (Rupees Thirty Two Crores Fifty Lakhs only) on preferential basis, to Bennett Coleman & Co. Limited, a non-promoter company. The Board of Directors of the Company has further delegated authority to Committee of Directors to make any changes, modification in the terms and conditions of the Issue and the overall issue size and warrant Subscription amount and / or the number of warrant/s to be issued and the price of shares to be allotted on payment of total subscription amount of the warrant, subject to the approval of the members of the Company through postal ballot. The object of issue of warrant is to meet funding requirements towards brand building of the Company through advertising in the print and non-print medium/media.

Consolidated Financial Statements

In accordance with the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 amended from time to time and Accounting Standard (AS)-21, the consolidated financial statements is provided in the Annual Report.

Subsidiary Company

Your Company is having a subsidiary company i.e. Akasaka Electronics Limited. During the year under review, Akasaka Electronics Limited made revenues of ₹ 6.43 crores as compared to ₹ 13.66 crores in the previous year. Akasaka Electronics Limited has incurred a loss before tax of ₹ 5.42 crores as compared to loss of ₹ 2.52 crores in the previous year. The working of Akasaka Electronics Limited was impacted due to shut down of its business operation due to adverse financial condition, continual losses, increase in operational costs and hostile industrial relations.

The annual accounts of the subsidiary company and the related detailed information are made available to the members of the Company and of the subsidiary company seeking such information. The annual accounts of the subsidiary company are also made available for inspection by any member at the registered office of the Company and of the subsidiary company.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website link at <http://www.onida.com/policies>. The copies of the audited financial statements of the subsidiary company can be sought by any member of the Company by making a written request addressed to the Company Secretary of the Company at the registered office of the Company.

Board of Directors

The Board of Directors of the Company comprises of the following Directors:

- (i) Mr. Gulu L. Mirchandani- Chairman & Managing Director
- (ii) Mr. Vijay J. Mansukhani- Managing Director
- (iii) Mr. Shyamsunder Dhoot- Whole-Time Director
- (iv) Mr. Rafique Malik- Independent Director
- (v) Mr. Carlton Pereira- Independent Director*
- (vi) Ms. Radhika Piramal- Independent Director**

*Mr. Carlton Pereira was appointed as Additional Director and as an Independent Director at the meeting of the Board of Directors of the Company held on May 15, 2014.

**Ms. Radhika Piramal was appointed as Additional Director and as an Independent Director at the meeting of the Board of Directors of the Company held on July 24, 2014.

During the year under review, Mr. Rafique Malik, Mr. Carlton Pereira and Ms. Radhika Piramal were appointed as Independent Directors for five consecutive years, for a term upto September 2, 2019 by the members at the Annual General Meeting of the Company held on September 3, 2014.

During the year under review, Mr. Ranjan Kapur and Mr. Vimal Bhandari, Independent Directors of the Company have resigned as Directors of the Company on April 28, 2014 and June 7, 2014 respectively due to their personal commitments. The Board

places its appreciation for the guidance and advice rendered by them on the Board of Directors of the Company.

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of the Directors) Rules, 2014 amended from time to time, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of the Directors) Rules, 2014 amended from time to time, Mr. Gulu L. Mirchandani, Chairman & Managing Director, shall retire by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment.

Mr. Vijay Mansukhani, Managing Director, was re-appointed by the Board of Directors of the Company in its Board meeting held on March 26, 2015 as Managing Director for a further period of three years with effect from April 1, 2015, subject to approval of the Members of the Company at the ensuing Annual General Meeting.

The notice convening the Annual General Meeting includes the proposal for appointment/re-appointment of the Directors.

Directors' Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 amended from time to time, your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with the requirements set out under Schedule III of the Companies Act, 2013, have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance

Your Company believes in adopting best Corporate Governance practices. The Company has also implemented several best Corporate Governance practices as prevalent globally. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report.

The requisite certificate from the Statutory Auditors of the Company i.e. M/s S R B C & Co. LLP, 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.

The declaration signed by the Chief Executive Officer of the Company regarding compliance of Code of Conduct for Board members and Senior Management personnel forms part of this Report.

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'.

Contracts And Arrangements With Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of the related party transactions.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board of Director of the Company may be accessed on the website of the Company at the link <http://www.onida.com/policies>.

Your Directors draw attention of the members to Note 39 to the standalone financial statement which sets out related party transactions. Form No. AOC-2 as mentioned under the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith Annexure A.

Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company having networth of ₹ 500 crores or more or turnover of ₹ 1000 crores or more or net profit of ₹ 5 crores or

more during any financial year shall ensure that it spends, in every financial year, atleast 2 (Two) percent of the average net profits made during three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The aforesaid requirement will not be applicable to the Company for the financial year 2014-15 as the Company did not have profit during the three immediately preceding financial years.

Risk Management

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Risk Management Policy was reviewed and approved by the Committee constituted by the Board of Directors of the Company.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Company has introduced several improvements to Integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

Extract Of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 amended from time to time, are included in this Report as Annexure-B and forms an integral part of this Report.

Key Managerial Personnel

The Board of Directors of the Company in their meeting held on May 15, 2014 had noted below mentioned persons as Key Managerial Personnel of the Company in terms of the requirement of Section 203 of the Companies Act, 2013 read with rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, within the meaning of Section 2(51) of Companies Act, 2013.



DIRECTORS' REPORT

Sr. No.	Name of the person	Designation
1.	Mr. Gulu Mirchandani	Chairman & Managing Director
2.	Mr. Vijay Mansukhani	Managing Director
3.	Mr. Shyamsunder Dhoot	Whole - Time Director
4.	Mr. Aashay Khandwala	Head - Corporate Affairs, Legal & Company Secretary
5.	Mr. G. Sundar	Chief Executive Officer
6.	*Mr. Predeep Kumar Gupta	Chief Financial Officer

*During the year under review, Mr. Predeep Kumar Gupta, Chief Financial Officer of the Company has resigned on November 07, 2014 and Mr. Muthu Elango was appointed as Chief Financial Officer in his place.

Board Evaluation

Pursuant to the provision of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Company has devised a policy for performance evaluation of Independent Directors, Board of Directors, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors. A structured questionnaire was prepared after taking into consideration of the various aspects such as performance of specific duties, obligations, Board's functioning, composition of the Board and its Committees, culture and governance.

The performance evaluation of the Chairman, Executive Director and Independent Directors was carried out by the entire Board of Directors of the Company excluding the director being evaluated. The Board of Directors expressed their satisfaction with the evaluation process.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company.

The following policies of the Company are annexed herewith marked as Annexure C-I and Annexure C-II:

- Policy on criteria for appointment & evaluation of executive directors and independent directors; and
- Policy on remuneration of directors, key managerial personnel and other senior management employees.

Public Deposits

During the year under review, the Company has neither invited nor accepted any public deposit within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 amended from time to time.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

The members of the Company at the Annual General Meeting of the Company held on September 3, 2014, has appointed M/s. S R B C & Co. LLP., Chartered Accountants, as Statutory Auditors of the Company, to hold the office till the conclusion of the thirty seventh Annual General Meeting of the Company. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. S R B C & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the members of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Cost Auditors

Pursuant to amended rules dated December 31, 2014 issued by Ministry of Corporate Affairs (MCA) and in compliance with the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 amended from time to time, the Board of Directors of the Company, on the recommendation of Audit Committee, has appointed Mr. Suresh D. Shenoy as the Cost Auditor of the Company for the financial year 2015-2016.

Secretarial Auditors

Ms. Ragini Chokshi of M/s. Ragini Chokshi & Co, Practicing Company Secretaries, was appointed to conduct the secretarial audit of the Company for the financial year 2014-2015, as required under Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Personnel) Rules, 2014 amended from time to time. The secretarial audit report for financial year ended March 31, 2015 is annexed herewith marked as Annexure-D to the this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Disclosures

Corporate Social Responsibility (CSR) Committee

The CSR Committee comprises Mr. Gulu L. Mirchandani, Chairman, Mr. Vijay J. Mansukhani and Mr. Rafique Malik as other members.

Audit Committee

The Audit Committee comprises Mr. Carlton Pereira, Chairman, Mr. Rafique Malik and Ms. Radhika Piramal as other members.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of Mr. Rafique Malik, Chairman and Mr. Gulu L. Mirchandani and Mr. Vijay J. Mansukhani as other members.



DIRECTORS' REPORT

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Mr. Rafique Malik, Chairman and Mr. Carlton Pereira and Ms. Radhika Piramal as other members.

Whistle Blower Policy / Vigil Mechanism

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the Company has adopted a vigil mechanism policy. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Accordingly, 'Whistle Blower Policy' has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Chairman of the Audit Committee of the Company.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

The policy also been posted on the website of Company i.e. www.onida.com.

Meeting of the Board

The details of the number of meeting of the Board held during the financial year / tenure forms part of the Corporate Governance Report.

Particulars of Loan given, Investment made, Guarantee given and Securities provided by the Company

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 amended from time to time, are provided in the standalone financial statement (Please refer to Note 9 and 10 to the standalone financial statement).

Significant and Material order passed by the Regulatory or Courts

There were no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operation.

Listing fees

The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The Company has paid the applicable listing fees to the above Stock Exchanges till date.

Clause 5A of the Listing Agreement

Pursuant to clause 5A of the Listing Agreement the details of the shares lying with the Company in Unclaimed Suspense Account as on March 31, 2015 are as under:

Sr. No.	Description	No. of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the financial year	4691	102435
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the financial year	11	100
3	Number of shareholders to whom shares were transferred from suspense account during the financial year	11	100
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the financial year	4680	102335

All the unclaimed shares are credited to a Demat Unclaimed Suspense Account and all the corporate benefits in terms of securities, accruing on these unclaimed shares shall be credited to such account. The Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Transfer of Unpaid and Unclaimed Dividend

Pursuant to Section 205A(5) of the Companies Act, 1956, the dividend declared for the financial year 2005-2006 (Final) and 2006-2007 (Interim) 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 Companies Act, 1956.

The shareholders who have not claimed dividend for the financial year 2007-2008, which is due for transfer to IEPF on expiry of seven years on July 31, 2015 are requested to write to the Registrar & Share Transfer Agent of the Company for claiming their unpaid/unclaimed dividend.

Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures pertaining to remuneration and other details as required is appended as Annexure E to the Board's report.

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of



DIRECTORS' REPORT

₹ 60 lakh or more, or employed for part of the year and in receipt of ₹ 5 lakh or more a month, under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for the inspection at the registered office of the Company.

Having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

Internal Control System

The Company has adequate internal control system commensurate with its size and business. The Internal Auditors of the Company reviewed and confirmed that all the financial transactions of the Company are in line with the compliance of laws, policies and procedures and have been correctly recorded and reported. The Internal Audit is conducted on regular basis and the reports are submitted to the Audit Committee at their quarterly meetings. The Audit Committee actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same.

Research and Development

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

The Company is proud to have a team of dedicated engineers at the Onida Research and Development Centres in Mumbai 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 Design
- Electrical Circuit Design

Conservation of Energy, Research and Development, Technological Absorption, Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in the [Annexure-F](#) and forms part of this Report.

Environment

The Company continues to strive to address matters related to environment through number of initiatives. The E-Waste resulting

from end of life of electronic products and its rudimentary recycling leads to pollution resulting in environmental degradation. To address some of the concerns the Ministry of Environment and Forests has passed E-waste (Management & Handling) Rules, 2011. Based on Extended Producer Responsibility (EPR) principle the rules assign the responsibility to Producers for end of life management of toxic waste. The Company understands its EPR and has instituted necessary compliance mechanism and systems. The Company has established at manufacturing plants e-waste collection centers/points to process e-waste. The Company has also tied up with a professional e-waste management company to address the disposal challenge and has necessary certifications from certifying authority.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Neither the Managing Director nor the Whole-time Director of the Company receive any remuneration or commission from any of its subsidiaries.

Your Directors further state that during the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgement

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

Your Directors 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 the support and look forward for the continued support from them in the future.

On behalf of the Board of Directors

Place : Mumbai
Date : May 07, 2015

Gulu L. Mirchandani
Chairman and Managing Director

MIRC

MIRC ELECTRONICS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Annexure-A

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-Section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto;

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2015, which were not at arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. No	Name(s) of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in Lacs)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Akasaka Electronics Limited	Subsidiary Company	MoU dated 24.03.2014 entered for the purchase and sale of goods from time to time in ordinary course of business with subsidiary company	3 (Three) Years	308.15	10.02.2014	NO
2	Iwai Electronics Pvt. Limited	Entity over which Key Managerial Personnel (KMP) or Relative of KMP is having significant influence	MoU dated 10.02.2014 entered for: Purchase of goods, spares and services Sale of goods, spares and services	3 (Three) Years	611.09 1.92	10.02.2014	NO
3	Mr. Gulu L. Mirchandani	KMP	Leave & License Agreement of property situated at: Gala 3 Apollo Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai 400 093 with effect from 01.08.12 Gala No 1, Sheetal Industrial Estate No. 5 Village Navghar Road, Vasai, Thane with effect from 01.08.12	3 (Three) Years	1.44 2.59	06.08.2012	NO
4	Mrs. Gita G. Mirchandani	Relative of KMP	Leave & License Agreement of property situated at: G-31 & 32 Akshay Complex FP No 187 TP Scheme Sangamwadi Off Dhole patil Road Pune, with effect from 01.04.14 13A Nand Bhavan Mahakali Caves Road Andheri East, Mumbai 400 093 with effect from 01.08.12 14A Nand Bhavan Mahakali Caves Road Andheri East, Mumbai 400 093 with effect from 01.08.12 B3, Nand Kishore, Mahakali Caves Road, Andheri East, Mumbai 400 093 with effect from 01.08.2012	3 (Three) Years	10.42 3.67 3.67 4.03	15.05.2014 06.08.2012	NO NO
5	Mrs. Marissa V. Mansukhani	Relative of KMP	Leave & License Agreement of property situated at G-31 & 32 Akshay Complex FP No 187 TP Scheme Sangamwadi Off Dhole Patil Road Pune, with effect from 01.04.14	3 (Three) Years	5.21	15.05.2014	NO

ANNEXURE TO THE DIRECTORS' REPORT

Sl. No	Name(s) of the related party	Nature of relationship	Nature of contracts /arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in Lacs)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
6	Mr. Akshay V. Mansukhani	Relative of KMP	Leave & License Agreement of property situated at Gala no 2 Sheetal industrial Estate No. 5, Navaghar Village, Vasai, Thane with effect from 01.08.12	3 (Three) Years	0.89	06.08.2012	NO
7	Ms. Ayesha V. Mansukhani	Relative of KMP	Leave & License Agreement of property situated at Gala no 2 Sheetal industrial Estate No. 5, Navaghar Village, Vasai with effect from 01.08.12	3 (Three) Years	0.89	06.08.2012	NO
8	G. L. Mirchandani (HUF)	Entity over which KMP is having significant influence	Leave & License Agreement of property situated at:	3 (Three) Years			
			Gala no 28 Akshay Complex FP No 187 TP Scheme, Sangamwadi, off Dhole Patil Road Pune, with effect from 01.04.14		5.21	15.05.2014	NO
			B-4 Nand Kishore, Mahakali Caves Road, Andheri East, Mumbai 400 093 with effect from 01.08.12		4.03	06.08.2012	NO
			Gala 39, Apollo Industrial Estate, Mahakali Caves Road, Andheri East, Mumbai 400 093 with effect from 01.08.12		1.44		
9	V.J.Mansukhani (HUF)	Entity over which KMP is having significant influence	Leave & License Agreement of property situated at Gala 8, Sheetal Industrial Estate No. 5, Navghar Village, Vasai, Thane with effect from 01.08.12	3 (Three) Years	2.59	06.08.2012	NO
10	Gulita Wealth Advisors Private Limited	Entity over which KMP is having significant influence	Leave & License Agreement of property D-131 Tahnee Heights, Petit Hall, Nepeansea Road, Mumbai, with effect from 01.08.12	3 (Three) Years	30.00	06.08.2012	NO

For MIRC Electronics Ltd.

Gulu L. Mirchandani
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Annexure-B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:		
i)	CIN	L32300MH1981PLC023637
ii)	Registration Date	01.01.1981
iii)	Name of the Company	MIRC Electronics Ltd.
iv)	Category / Sub-Category of the Company	Consumer Durable Manufacturing
v)	Address of the Registered office and contact details	Onida House, G-1, MIDC, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Contact No : 022-6697 5777
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-13 Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai - 400078. Contact No.: 022 2596 3838

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Display Devices	3661	49.80
2	Airconditioners	3552	31.56

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	NAME OF THE COMPANY	ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Akasaka Electronics Ltd.	C-107, MIDC, TTC Industrial Area, Pawane, Navi Mumbai - 400705.	U64200MH2002PLC136009	Subsidiary	99.89%	Section 2 (87)(ii) of Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	50968193	0	50968193	35.96	54330820	0	54330820	27.69	-8.27
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	1435160	0	1435160	1.01	27700901	0	27700901	14.12	13.10
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	25688283	0	25688283	18.12	40160917	0	40160917	20.47	2.34



MIRC ELECTRONICS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (A) (1):-	78091636	0	78091636	55.09	122192638	0	122192638	62.27	7.18
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
b) Other – Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any Other....	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	78091636	0	78091636	55.09	122192638	0	122192638	62.27	7.18

B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	700	2000	2700	0.00	700	2000	2700	0.00	0.00
b) Banks / FI	985	223	1208	0.00	985	223	1208	0.00	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	800000	0	800000	0.56	800000	0	800000	0.41	-0.16
g) FII/FFIs	6806822	16500	6823322	4.81	198500	16500	215000	0.11	-4.70
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(1):-	7608507	18723	7627230	5.38	1000185	18723	1018908	0.52	-4.86
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	10110497	37479	10147976	7.16	10253181	37449	10290630	5.24	-1.91
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	29527629	5065529	34593158	24.40	35655025	5007882	40662907	20.72	-3.68
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	9180703	0	9180703	6.48	13991341	0	13991341	7.13	0.65
c) Others (specify)									
Clearing Members	643759	0	643759	0.45	909637	0	909637	0.46	0.01
Non-resident Indians	1007468	8	1007476	0.71	674049	8	674057	0.34	-0.37
Foreign Portfolio Investors (Corporate)	0	0	0	0.00	6492322	0	6492322	3.31	3.31
Trusts	458914	0	458914	0.32	110	0	110	0.00	-0.32
Hindu Undivided family	0	826	826	0.00	0	826	826	0.00	0.00
Sub-total (B)(2):-	50928970	5103842	56032812	39.53	67975665	5046165	73021830	37.21	-2.32
Total Public Shareholding (B)=(B)(1)+(B)(2)	58537477	5122565	63660042	44.91	68975850	5064888	74040738	37.73	-7.18

C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	136629113	5122565	141751678	100.00	191168488	5064888	196233376	100.00	0.00

ANNEXURE TO THE DIRECTORS' REPORT

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Gulita Securities Limited	1091160	0.77	0	27227372	13.87	0	13.11
2	Adino Electronics Limited	344000	0.24	0	473529	0.24	0	0.00
3	Mr. Gulu L. Mirchandani	15785348	11.14	0	20640250	10.52	0	-0.62
4	Mr. G L Mirchandani J/w Mrs. Gita G Mirchandani	976010	0.69	0	1343515	0.68	0	0.00
5	Mrs. Gita Gulu Mirchandani	9211256	6.50	0	7879650	4.02	0	-2.48
6	Mr. Kaval G Mirchandani	12502829	8.82	0	12240628	6.24	0	-2.58
7	Mr. Kaval G. Mirchandani J/w Mr. Gulu L. Mirchandani	14000	0.01	0	19271	0.01	0	0.00
8	Mr. Sasha G. Mirchandani	12478370	8.80	0	12206959	6.22	0	-2.58
9	Mr. Sasha G. Mirchandani J/w Mr. Gulu L. Mirchandani	380	0.00	0	523	0.00	0	0.00
10	Mr. Vijay Mansukhani	0	0.00	0	24	0.00	0	0.00
11	IIFL Investment Adviser & Trustee Services Ltd. (Formerly IIFL Trustee Services Ltd.) :- Trustee for Tamarind Family Private Trust	25688283	18.12	0	40160917	20.47	0	2.34
	Total	78091636	55.09	0.00	122192638	62.27	0	7.18

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Vijay J. Mansukhani				
	At the beginning of the year	0	0.00	0	0.00
	Buy on 02.04.2014	10	0.00	10	0.00
	Rights Issue Allotment	14	0.00	24	0.00
	At the End of the year			24	0.00
2	Mr. Gulu L. Mirchandani				
	At the beginning of the year	15785348	11.14	15785348	11.14
	Rights Issue Allotment	20640250	10.52	36425598	18.56
	Interse Transfer on 28.01.2015 (Sale)	15785348	8.04	20640250	10.52
	At the End of the year			20640250	10.52
3	Mr. Gulu L. Mirchandani & Mrs. Gita Mirchandani				
	At the beginning of the year	976010	0.69	976010	0.69
	Rights Issue Allotment	367505	0.19	1343515	0.68
	At the End of the year			1343515	0.68

ANNEXURE TO THE DIRECTORS' REPORT

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Gulita Securities Limited				
	At the beginning of the year	1091160	0.77	1091160	0.77
	Rights Issue Allotment	410864	0.21	1502024	0.77
	Interse Transfer on 28.01.2015 (Buy)	15785348	8.04	17287372	8.81
	Interse Transfer on 25.03.2015 (Buy)	9940000	5.07	27227372	13.87
	At the End of the year			27227372	13.87
5	Adino Electronics Limited				
	At the beginning of the year	344000	0.24	344000	0.24
	Rights Issue Allotment	129529	0.07	473529	0.24
	At the End of the year			473529	0.24
6	Mrs. Gita Gulu Mirchandani				
	At the beginning of the year	9211256	6.5	9211256	6.5
	Rights Issue Allotment	3468394	1.77	12679650	6.46
	Interse Transfer on 06.01.2015 (Sale)	4800000	2.45	7879650	4.02
	At the End of the year			7879650	4.02
7	Mr. Kaval Gulu Mirchandani				
	At the beginning of the year	12502829	8.82	12502829	8.82
	Rights Issue Allotment	4707799	2.40	17210628	8.77
	Interse Transfer on 25.03.2015 (Sale)	4970000	2.53	12240628	6.24
	At the End of the year			12240628	6.24
8	Mr. Kaval G. Mirchandani J/w Mr. Gulu L. Mirchandani				
	At the beginning of the year	14000	0.01	14000	0.01
	Rights Issue Allotment	5271	0.00	19271	0.01
	At the End of the year			19271	0.01
9	Mr. Sasha Gulu Mirchandani				
	At the beginning of the year	12478370	8.80	12478370	8.80
	Rights Issue Allotment	4698589	2.39	17176959	8.75
	Interse Transfer on 25.03.2015 (Sale)	4970000	2.53	12206959	6.22
	At the End of the year			12206959	6.22
10	Mr. Sasha G. Mirchandani J/w Mr. Gulu L. Mirchandani				
	At the beginning of the year	380	0.00	380	0.00
	Rights Issue Allotment	143	0.00	523	0.00
	At the End of the year			523	0.00
11	IIFL Investment Adviser & Trustee Services Ltd. (Formerly IIFL Trustee Services Ltd.) :- Trustee for Tamarind Family Private Trust				
	At the beginning of the year	25688283	18.12	25688283	18.12
	Rights Issue Allotment	9672634	4.93	35360917	18.02
	Interse Transfer on 06.01.2015 (Buy)	4800000	2.45	40160917	20.47
	At the End of the year			40160917	20.47

ANNEXURE TO THE DIRECTORS' REPORT

iv Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Hypnos Fund Limited				
	At the beginning of the year	6492322	4.58	6492322	4.58
	Transaction during the year	0	0	0	0.00
	At the End of the year			6492322	3.31
2	Adonis Electronics Pvt Ltd				
	At the beginning of the year	6345849	4.48	6345849	4.48
	Transaction during the year	0	0	0	0
	At the End of the year			6345849	3.23
3	Mr. Vivek Chand Burman				
	At the beginning of the year	1200000	0.85	1200000	0.85
	Transaction during the year	0	0	0	0
	At the End of the year			1200000	0.61
4	Mr. Shashank S Khade				
	At the beginning of the year	628279	0.44	628279	0.44
	Transactions from April 1, 2014 up to Rights issue allotment (Sale)	74926	0.05	703205	0.50
	Rights Issue Allotment	400000	0.20	1103205	0.56
	Post Rights issue up to March 31, 2015 (Sale)	31000	0.02	1134205	0.58
	At the End of the year			1134205	0.58
5	General Insurance Corporation of India				
	At the beginning of the year	800000	0.56	800000	0.56
	Transaction during the year	0	0.00	0	0.00
	At the End of the year			800000	0.41
6	Mr. Mohammed Fayazuddin				
	At the beginning of the year	756833	0.53	756833	0.53
	Transaction during the year	0	0.00	0	0.00
	At the End of the year			756833	0.39
7	Mr. Dipak Sen				
	At the beginning of the year	40000	0.03	40000	0.03
	Rights Issue Allotment	20000	0.01	60000	0.03
	Sale	-290226	-0.15	350226	0.18
	Buy	149774	0.08	500000	0.25
	At the End of the year			500000	0.25
8	Mr. G. Sundar				
	At the beginning of the year	243040	0.17	243040	0.17
	Rights Issue Allotment	169960	0.09	413000	0.21
	At the End of the year			413000	0.21

ANNEXURE TO THE DIRECTORS' REPORT

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	Mr. Madhusudan Heda				
	At the beginning of the year	167000	0.12	167000	0.12
	Buy	214000	0.11	381000	0.19
	At the End of the year			381000	0.19
10	Ms. Mamta Devi Heda				
	At the beginning of the year	167000	0.12	167000	0.12
	Buy	200000	0.10	367000	0.19
	At the End of the year			367000	0.19

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Gulu L. Mirchandani				
	Chairman & Managing Director				
	At the beginning of the year	15785348	11.14	15785348	11.14
	Rights Issue Allotment	20640250	10.52	36425598	18.56
	Interse Transfer on 28.01.2015 (Sale)	15785348	8.04	20640250	10.52
	At the End of the year			20640250	10.52
2	Mr. Vijay J. Mansukhani				
	Managing Director				
	At the beginning of the year	0	0.00	0	0.00
	Buy on 02.04.2014	10	0.00	10	0.00
	Rights Issue Allotment	14	0.00	24	0.00
	At the End of the year			24	0.00
3	Mr. Shyamsunder Dhoot				
	Whole Time Director				
	At the beginning of the year	0	0	0	0.00
	Transaction during the year	0	0	0	0.00
	At the End of the year			0	0.00
4	Mr. G. Sundar				
	Chief Executive officer				
	At the beginning of the year	243040	0.17	243040	0.17
	Rights Issue Allotment	169960	0.09	413000	0.21
	At the End of the year			413000	0.21

ANNEXURE TO THE DIRECTORS' REPORT

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Mr. Aashay Khandwala				
	Company Secretary				
	At the beginning of the year	0	0	0	0.00
	Transaction during the year	0	0	0	0.00
	At the End of the year			0	0.00
6	Mr. Predeep Kumar Gupta				
	(Resigned as CFO on 07.11.2014)				
	At the beginning of the year	0	0	0	0.00
	Transaction during the year	0	0	0	0.00
	At the End of the year			0	0.00
7	Mr. Muthu Elango				
	(Appointed as CFO on 07.11.2014)				
	At the beginning of the year	0	0	0	0.00
	Transaction during the year	0	0	0	0.00
	At the End of the year			0	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2355534000	3200000000	0	2675534000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	1501000	0	0	1501000
Total (i+ii+iii)	2357035000	3200000000	0	2677035000
Change in Indebtedness during the financial year				
• Addition	4667000	0	0	4667000
• Reduction	239391000	3200000000	0	(5593910000)
Net Change	(234724000)	(3200000000)	0	(554724000)
Indebtedness at the end of the financial year				
i) Principal Amount	2116143000	0	0	2116143000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	6168000	0	0	6168000
Total (i+ii+iii)	2122311000	0	0	2122311000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WT/Manager			Total Amount
		Mr. Gulu Mirchandani	Mr. Vijay Mansukhani	Mr. Shyamsunder Dhoot	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	8990004	10107000	3321812	22418816
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3009996	192000	32400	3234396
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	12000000	10299000	3354212	25653212
	Ceiling as per the Companies Act	12000000	12000000	*-	24000000

ANNEXURE TO THE DIRECTORS' REPORT

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amounts
	3. Independent Directors	Mr. Rafique Malik	Mr. Carlton Pereira	Ms. Radhika Piramal	**Mr. Vimal Bhandari	
	• Fee for attending board / committee meetings	210000	210000	90000	40000	550000
	• Commission	0	0	0	0	0
	• Others					
	Conveyance	6500	6000	2500	1000	16000
	Total (1)	216500	216000	92500	41000	566000
	4. Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	216500	216000	92500	41000	566000
	Total Managerial Remuneration	216500	216000	92500	41000	566000
	Overall Ceiling as per the Act (per Board Meeting)	100000	100000	100000	100000	400000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. G Sundar (CEO)	Mr. Ashay Khandwala (Company Secretary)	***Mr. Predeep Kumar Gupta (CFO)	****Mr. Muthu Elango (CFO)	
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	18504412	3141406	5417457	2483019	11041882
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	44350	306600	320930	141570	769100
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
	- as % of profit	0	0	0	0	0
	- others, specify...	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total	18548762	3448006	5738387	2624589	11810982

* Mr. Shyamsunder Dhoot was appointed as a Whole Time Director of the Company vide General Circular No. 46/2011 No. 14/03/2011/CL 7 dated July 14, 2011 issued by Ministry of Corporate Affairs, Government of India.

** Mr. Vimal Bhandari has resigned as Director of the Company with effect from June 7, 2014.

*** Mr. Predeep Kumar Gupta has resigned as Chief Financial Officer (CFO) of the Company with effect from November 7, 2014.

**** Mr. Muthu Elango has been appointed as Chief Financial Officer (CFO) of the Company with effect from November 7, 2014.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority[RD /NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	Nil				
Punishment					
Compounding					
C OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-C-I

POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER SENIOR MANAGEMENT EMPLOYEES

1. OBJECTIVES :

- (i) The terms of appointment and remuneration of Managing Director ("MD"), Whole Time Director ("WTD"), Key Managerial Personnel ("KMPs") and Senior Management ("SMPs") shall be competitive in order to ensure that the Company can attract and retain competent talent.
- (ii) The remuneration Policy shall ensure that :
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors / KMPs and SMPs to run the Company successfully.
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - (c) Remuneration to Directors, KMP and SMP involves a balance between fixed and variable pay reflecting short and long term performance objectives and goals set by the Company.
 - (d) Remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.
 - (e) The pay structures are appropriately aligned across levels in the Company.

2. APPLICABILITY:

- (i) This Remuneration Policy shall apply to all existing and future appointment agreements with Managing and Whole Time Director, KMPs and SMPs and also with the Non-Executive Directors.
- (ii) The Remuneration Policy shall be subject to overall guidance of the Board of Directors.
- (iii) Any change or amendment in the Act or the Listing Agreement will prevail over this policy and will be applicable in so far from the date of its notification or date specified therein.

3. DEFINITIONS:

- i) Employees Stock Option mean as defined in section 2(37) of Companies Act, 2013 as 'the option given to the Directors, officers or employees of a Company or of its holding Company or subsidiary Company or companies, if any, which gives such Directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price'

ii) Independent Director

Means a Director other than a Managing Director or a Whole-time Director or a Nominee Director,—

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
- (ii) who is not related to promoters or Directors in the Company, its holding, subsidiary or associate Company;
- (c) who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) who, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (iv) is a Chief Executive or Director, by whatever name called, of any non profit organisation that receives

ANNEXURE TO THE DIRECTORS' REPORT

twenty-five per cent. or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or

- (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- (vi) who is less than 21 years of age.
- (f) who possesses such other qualifications as may be prescribed.

iii) Key Managerial Personnel means

- (i) The Chief Executive Officer or the Managing Director or the Manager;
- (ii) The Company secretary;
- (iii) The Whole-time Director; and
- (iv) The Chief Financial Officer

(iv) Non-Executive Director shall mean

Director not in full time employment of the Company.

v) Nomination and Remuneration Committee

Nomination and Remuneration Committee means as defined in Section 178 of the Act consisting of three or more non Executive Directors out of which not less than an half shall be Independent Director.

vi) Remuneration means as defined in section 2 (78) of Companies Act, 2013 'Any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961'

vii) Senior Management

Senior Management shall mean personnel of the Company who are members of its core Management Team excluding the Board of Directors. This would also include all members of the management one level below the Executive Directors including all functional heads.

viii) Whole-Time Director

Includes a Director in the whole-time employment of the Company.

2.0 REMUNERATION POLICY:

CRITERIA FOR FIXING THE REMUNERATION TO MD / WTD, NON EXECUTIVE DIRECTOR AND INDEPENDENT DIRECTORS, KMPs & SMPs.

1. Financial position of the Company
2. Remuneration or commission drawn by him from any other Company.

3. Professional qualifications and experience of the individual concerned.
4. Industry's pay standards and pay structure data studies undertaken by consultancy Firm.
5. Attract and retaining talent and motivation for KMP/ SMP.
6. Special consideration for attracting top notch hi flier in case of KMP/SMP.
7. Past performance, past remuneration and special accreditation or meritorious performance.
8. Bring a balance between the interest of the Company and the shareholder.

3.0 REMUNERATION TO MANAGING DIRECTOR / WHOLE TIME DIRECTOR:

- (i) Remuneration to the MD and WTD shall be proposed by the Nomination and Remuneration Committee ("NRC") and subsequently approved by the Board of Directors and the Shareholders of the Company/Central Government, whenever required.
- (ii) Total remuneration for the MD and WTD shall comprise of the following :
 - (a) Salary (both fixed and variable salary based on Performance hiked incentive).
 - (b) Perquisites like House Rent Allowance, Leave Travel Allowance, Medical Expenses and Soft Furnishing Allowance, etc.
 - (c) (i) Retirals, contribution to Provident Fund, Superannuation Fund, and Gratuity and other funds
 - ii) Encashment of Leave at end of the tenure.
 - (d) Reimbursement or payment of all expenses incurred in connection and business of the Company.
 - (e) Other perquisites (as may be recommended by the NRC and approved by the Board).
 - (f) The variable salary shall be in form of a Performance Bonus linked to their individual performance and also the performance of the Company and the individual, as per criteria set by the NRC or the Company.
 - (g) The total remuneration to MD and WTD shall be in accordance with the provisions of the Companies Act 2013, and rules as amended from time to time.
 - (h) The Company shall enter into contract of service and for remuneration.

ANNEXURE TO THE DIRECTORS' REPORT

- (i) If any Directors draws or receives directly or indirectly by way of remuneration any sums in excess of the limits prescribed by the Act or without prior sanction of the Central Government where it is required he/she shall refund such sums to the Company and until such sums are refunded held in trust for the Company.

3.1 REMUNERATION TO NON EXECUTIVE DIRECTORS (NED)

a) Non Independent

- i) NEDs shall be entitled to such sitting fees as may be decided by the Board of Directors from time to time for attending the meeting of the Board and of the Committee thereof.
- ii) NEDs shall also be entitled for payment of profit related or commission, as up to the limits prescribed in Section 197 of the Companies Act, 2013 and approved by the Shareholders from time to time.

b) Independent Directors (ID)

- i) an IDs shall not be eligible for any Stock Options, and may receive remuneration by way fee provided under Section 197 of the Companies Act, 2013 reimbursement of expenses for participation in the Board and other meetings and profit related commission as approved by the members.
- ii) The NED and ID shall be paid all traveling, total and other expenses properly incurred by them on attending and returning from meetings of the Board or any Committee thereof or General Meeting or other connection with business of the Company.

3.2 REMUNERATION TO KEY MANAGERIAL PERSONNEL (KMP) & SENIOR MANAGERIAL PERSONNEL (SMP)

- (i) Remuneration packages shall be designed in such manner that :
 - (a) motivates delivery of key business strategies, creates a strong performance – oriented environment and rewards achievement of the Company's objectives and goals over the short and long term.
 - (b) attracts talent and high achievers in a competitive global market and remunerate executives fairly and responsibly.
- (ii) Remuneration shall be competitive and shall include salary comprising of both fixed and variable components, performance incentives and other benefits such as retiral benefits, health care, insurance and hospitalization benefits, telephone reimbursement, etc.

- (iii) Remuneration shall be evaluated annually and annual increase shall be decided considering the performance of the individual / and also of the Company. Industry practices / trends Companies, which are similar in size and complexity to the Company. Benchmark information shall be obtained from recognized compensation service consultancies shall also be given due consideration.

- (iv) Remuneration can be reset at any time keeping with the meritorious performance or for special work assignment or recognition. Benchmark information shall be obtained from recognized compensation service consultancies shall also be given due consideration.

- (v) The remuneration to be paid to KMP/SMP shall be recommended by the NRC considering relevant qualification and experience of the individual as well as the prevailing market condition.

- (vi) The NRC may consider to grant Stock Options to KMP and SMPs pursuant to a Stock Option Plan adopted by the Company, if any.

4.0 DIRECTOR AND OFFICERS LIABILITY INSURANCE:

- (i) The Company may introduce and provide an insurance cover to Directors, KMPs and SMPs for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust shall not be treated as a part of remuneration paid to them. Provided that if such person is proved to be guilty the premium paid on such insurance shall be treated as part of remuneration.
- (ii) The premium paid by the Company for such insurance cover, called for Directors and Officers Liability Insurance Policy, taken for the above purpose shall be paid by the Company without any charge to the Directors, KMPs and SMPs.

5.0. DISCLOSURES:

The Company shall disclose the following in the Board's report and the Financial Statements.

- (a) In the Board's Report, such particulars as are prescribed under the Companies Act, 2013 and rules made there under ; and
- (b) In the Corporate Governance Report, the particulars as prescribed in Clause 49 of the Listing Agreement.

6.0. DISSEMINATION:

The Company's Remuneration Policy shall be uploaded on its website.

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-C-II

CRITERIA FOR APPOINTMENT & EVALUATION OF EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS

Purpose of this Policy

- a) Board consists of members with the range of skills and qualities to meet its primary responsibility for promoting the success of the Company in a way which ensures that the interests of shareholders and stakeholders. Performance evaluation of Directors annually will help to know the effectiveness of the Board so as to enable the board to discharge their functions and duties effectively.
- b) To ensure compliance of the applicable provisions of the Companies Act, 2013 and Listing Agreement entered with the Stock Exchanges as amended from time to time.
 - i) As per section 178 of the Companies Act 2013 it is necessary to have an evaluation of the performance of each director.
 - ii) As per Clause 49(5) of the Listing Agreement mandates that there has to be Evaluation criteria for performance evaluation of Independent Directors and shall be done by entire Board.
- c) To adopt the best practices to manage the give direction to the Company and achieve good Corporate Governance.

Process for reviews

The Nomination and Remuneration Committee shall adopt a Evaluation criteria for performance evaluation of the Directors. The evaluation of performance of director shall be carried by entire Board of Directors excluding the Director being evaluated. The evaluation will be carried at least once a year. The evaluation will be carried out by a Director or any other persons or professional agencies nominated by the Board.

Criteria and Evaluation of Executive Directors, Independent Directors.

I. Executive Directors

A. Criteria for Appointment

- 1) Executive Directors will be appointed based on the Qualifications, experience, skills, and expertise on related matters.
- 2) The value addition and the contribution to the Company's vision and growth.
- 3) Favorable Industry reports and corporate standing and integrity and ability to manage and motivate employees.

The following persons shall be not eligible to be appointed as Executive Director if:

- 1) He/She is disqualified to act as a Director under the provisions of Section 164(1) and other applicable provisions, if any, of the Companies Act 2013. If the disqualification is subsequently removed, then the said person shall be eligible to be appointed as Executive Director.
- 2) He/She does not satisfy requirements as prescribed in Part I of Schedule V of the Companies Act, 2013. But the person who does not meet the criteria prescribed in Part I of Schedule V of the Companies Act, can be appointed as Executive Director if the approval of Central Government is taken.

Evaluation

An annual appraisal / evaluation of Executive Directors namely Managing Director and Whole time Director shall be carried out by all the other Directors of the Company. The Company shall consider appropriate industry benchmarks and standards. The annual evaluation shall be carried out in the form of questionnaire as mentioned herein below, to be circulated among other Directors except the Executive Director being evaluated.

II Independent Directors

A. Criteria for Appointment

- I. The Committee shall consider the following factors while appointing a person as an Independent Director on the Board:
 1. Integrity and relevant expertise and experience.
 2. Requisite qualification so that he/she will exercise his/her role effectively.
 3. Have an expert knowledge in field of the Company where the company operates and shall provide his/her suggestions to the Board members of the Company to arrive at final decision which is in the best interest of the Company.
 4. Not be a promoter or related to promoter of the Company or its holding, subsidiary or associate company;
 5. Must not have any material pecuniary relationship during the two immediately preceding financial years or during the current financial year with the Company, its holding, subsidiary or associate company or their promoters or directors.

ANNEXURE TO THE DIRECTORS' REPORT

6. The relatives of such person should not have had any pecuniary relationship or transaction with the Company or its subsidiaries or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or ₹ 50 lacs or such higher amount as may be prescribed, whichever is less, during the two immediately preceding financial years or in the current financial year;
7. He or his relatives must not:
 - (i) hold or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceeding the financial year in which he is proposed to be appointed.
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company; or
 - (v) is not a material supplier, service provider or customer or a lessor or lessee of the Company;
 - (vi) is not less than 21 years of age.
8. Such person who is proposed to be appointed as Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

9. Other important factors to be considered while appointment of Independent Directors are as follows:

1. He/She understands the financial statements like balance sheet, Statement of Profit and loss and Cash flows.
2. He/She shall not be disqualified under section 164, sub-section (1) and (2) of the Companies Act, 2013.
3. He/She shall give his/her declaration as provided in section 149(7) of the Companies Act, 2013.

Evaluation

An annual performance evaluation of an Independent Director shall be carried out by all other Directors at the end of the financial year in the form of questionnaire.

III Non Executive and Non Independent Directors.

Evaluation

An annual performance evaluation of an Non Executive Non Independent Director shall be carried out by all other Directors at the end of the financial year in the form of questionnaire.

IV Board of Directors.

Evaluation

Evaluation of Board of Directors shall be carried out in the form of questionnaire.

SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

The independent directors of the Company shall hold at least one meeting in a year:

The independent directors in the meeting shall, inter-alia:

1. review the performance of non-independent directors and the Board as a whole;
2. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
3. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTOR

The Company shall familiarize the Independent Directors with their roles, responsibilities, rights, nature of the business in which the Company operates, etc. through various programmes. The details of such familiarization programmes shall be disclosed on the website of the Company and a web link thereto shall also be given in the Annual Report.

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-D

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

For the Period April 01, 2014 to March 31, 2015

To, The Members

MIRC Electronics Limited
ONIDA HOUSE, G-1 MIDC, MAHAKALI CAVES ROAD,
ANDHERI (EAST),
MUMBAI - 400093

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MIRC ELECTRONICS LIMITED (CIN : L32300MH1981PLC023637)** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Management's Responsibility for secretarial Compliances

The Company's management is responsible for preparation and maintenance of secretarial records and for devising systems to ensure compliances with the provision of applicable laws and regulations.

Auditors Responsibility

Our responsibility is to express an opinion on the secretarial records, standard and procedures followed by the company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for to provide a basis for our opinion.

Based on our verification of the **MIRC ELECTRONICS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period **April 01, 2014 to March 31, 2015 ("the reporting period")** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for

the period **April 01, 2014 to March 31, 2015** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Complied**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992- **Complied**
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Complied**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not applicable as the Company did not have any scheme for its employees during the financial year under review.**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issued any debt securities during the financial year under review.**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client- **Not applicable as the Company is not registered**

MIRC

MIRC ELECTRONICS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

as Registrar to an Issue and Share Transfer Agent during the financial year under review.

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.**
 - h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- **Not applicable as the Company has not bought back any of its securities during the financial year under review.**
- (vi) We have relied on the certificates obtained by the Company from the Management Committee/Function heads and based on the report received, there has been due compliance of all laws, orders, regulations and other legal requirements of the central, state and other Government and Legal Authorities concerning the business and affairs of the company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:-

1. Factories Act, 1948
2. MIDC, Nashik and other local municipal Authorities & Act framed thereunder
3. Legal Metrology Act, 2009
4. Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices (Amendment) Act, 1997
5. Negotiable Instruments Act, 1881
6. Works Contract rules, 2007
7. Industrial Disputes Act, 1947
8. Employee State Insurance Act
9. Environment (Protection) Act, 1986
10. Water (Prevention and Control of pollution) Act, 1981
11. Air (Prevention and Control of pollution) Act, 1974
12. Hazardous Waste (Management and handling) Rules, 1989
13. Minimum Wages Act, 1948

We have also examined compliance with applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India. **Not applicable since these Secretarial Standards will come into effect from July 1, 2015 hence not applicable to the Company during the audit period under review**
- b) Listing Agreement with Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulation and guidelines.

For **Ragini Chokshi & Co.**

Mrs. Ragini Chokshi
(Partner)
C.P.No. 1436
FCS No. 2390

Place : Mumbai
Date : May 07, 2015

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-E

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

[Pursuant to Section 197 sub-section 12 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Employee relations and

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Disclosure	
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year;	Mr. Gulu L. Mirchandani, CMD Mr. Vijay J. Mansukhani, MD Mr. Shyamsunder Dhoot, WTD	38 : 1 33 : 1 10 : 1
II	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial Year;	Mr. Gulu L. Mirchandani, CMD Mr. Vijay J. Mansukhani, MD Mr. Shyamsunder Dhoot, WTD Mr. G. Sundar, CEO Mr. Muthu Elango, CFO Mr. Aashay Khandwala, CS	No Increase No Increase No Increase No Increase No Increase No Increase
III	The percentage increase in the median remuneration of employees in the financial year;	The median remuneration of the employees in the financial year was increased by 4%.	
IV	The number of permanent employees on the rolls of the Company;	There were 1225 employees as on March 31, 2015.	
V	The explanation on the relationship between average increase in remuneration and Company performance;	There has been no increase in the remuneration of the employees of the Company during the financial year.	
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	During financial year 2014-2015, KMPs were paid approximately 724% of net profit of the Company.	
VII	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	The Market capitalization of the Company has increased from ₹ 68.89 crores as of March 31, 2014 to ₹ 187.99 crores as of March 31, 2015. Over the same period, the price to earnings ratio moved from (1.22) to 191.6. The stock price of the equity shares of the Company as at March 31, 2015 has increased by 59.67 % to ₹ 9.58 over the last public offering, i.e. Rights Issue in the month of October 2014 at the price of ₹ 6 per share.	
VIII	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There has been no increase in the remuneration of the managerial personnels and employees of the Company during the financial year.	

ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	Requirements	Disclosure	
IX	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;	The comparison of remuneration of each of the Key Managerial personnel against the performance of the Company is as under :	
		KMPs	% of Net Profit for financial year 2014-2015
		Mr. Gulu L. Mirchandani, CMD	157%
		Mr. Vijay J. Mansukhani, MD	137%
		Mr. Shyamsunder Dhoot, WTD	43%
		Mr. G. Sundar, CEO	245%
		Mr. Muthu Elango, CFO	91%
		Mr. Aashay Khandwala, CS	51%
X	The key parameters for any variable component of remuneration availed by the directors;	There were no variable components in the remuneration of Directors.	
XI	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Mr. G. Sundar, CEO of the Company who is not a director but receive remuneration in excess of the highest paid director during the year.(Ratio:- 0.64:1)	
XII	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, it is confirmed.	

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-F

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014]

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, for the year ended March 31, 2015 is given here below and forms part of Directors Report.

A. CONSERVATION OF ENERGY**i) The steps taken or impact on conservation of energy**

The 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. The Company has set an objective of 3 RC Rule (Reuse, Recover, Recycle & Compliance). The Company strives to ensure environment friendly initiatives when implementing various projects on energy saving at its units. Gist of initiatives taken in this regard are as under:

- Energy efficiency of boiler unit is well maintained above 85%. The power consuming units like HVAC chillers energy efficiency is verified in energy audit and is found with very good Energy Efficiency Ratio.
- Installed LED signages in banks and installed LED indoor and outdoor lightings in various buildings and industries.
- Conducted Wada factory complete energy audit from certified energy auditor M/s Ecosun Energy Company and came out with various low, medium and long-term investment recommendations to benefit annual saving of approximately ₹ 100 lacs.
- Maximum Demand Reduction (from 3300Kva to 2950Kva) resulting in 2% Saving in Power cost.
- Maintained Unity Power Factor which reduces Maximum Demand and Cable losses.
- Saving due to unity Power Factor in Billed Demand.
- Saving due to unity Power Factor in Units consumption cost.
- Boiler Furnace oil saving by using in-house developed Heat Exchanger and Solar system for feed water resulted in increase in Steam/Furnace oil Ratio.

- With Zero investment initiatives for saving by rearrangements & awareness.
- Injection Moulding office 2 & 3rd shift AC saving by using a 24 hrs timer (21000 units per yr).
- Energy saving done by introducing Variable Frequency Drive for paint shop no 4 by two nos. (6440 units/yr).
- With Zero investment initiatives for saving by Air leakage arrest and Kaizen improvements.
- 10% Energy saving in Package AC units by using SIGNET energy saver.
- Energy Saving done by inhouse use of ONIDA LED lights and changing Mercury lamp fittings to CFL fittings.
- The change of overhead factory shed sheets to transparent type in Roorkee Unit-I, resulted in reduction in use of tube lights during the day hence there was saving of around 10% on electrical consumption.
- The Company has taken 'Zero investment' initiative with stringent measures to arrest various air leakages that resulted in annual savings of ₹ 2.5 Lacs.
- Domestic sewage water is treated 100% and reuse to develop lush green garden. Process water is treated and 100% recycled in same process.

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. Further on-the-job training to production team members is also given in order to conserve energy.

(ii) Steps taken by the Company for utilising alternate sources of energy.

- Provision of introducing Solar Panel for process heating and installation of poly carbonate transparent sheet for Natural light.
- The Company has used LED lights in few locations as an initiative to green energy. Further there is boiler

ANNEXURE TO THE DIRECTORS' REPORT

furnace oil savings by use of an house developed Heat Exchanger and Solar System for feed water.

(iii) The capital investment on energy conservation equipment

There were no capital investment made by the Company on energy conservation equipment during financial year 2014-2015.

B. TECHNOLOGY ABSORPTION:

i. The efforts made towards technology absorption.

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.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution.

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.

The specific areas in which Research and Development was carried out by the Company, benefited in product improvement, cost reduction and product development.

Flat panel TV:

The Company introduced the complete range of LCD/LED TVs ranging from 19" model to the 50" model. Nearly 25 new models were developed this year. The new MARQUE, NJOY, SUPERB, FOCUS & SUPERZ series models were launched during the year. The R series models in the smaller LED TV segment have been raised to new heights with colorful trendy cabinets. As per market requirements, The Company caters to the customer needs in terms of basic, mid-end & high end models. The 50" segment was specially made to newer marketing methods of special channel marketing and online marketing/sales with appreciable market acceptance. Appreciable growth was seen in terms of export models in the Marque and Superb series models.

Washing Machines:

The following new models and technologies were developed:

- Semi Automatic (SA) machines with a new attractive Tray design for easy handling of clothes for transferring the

clothes from wash tub to spin drying basket or taking clothes to drying zone after spin drying.

- A new more efficient pulsator design to improve the washing of clothes by generating good turbulence in wash cycle.
- Launched new variants with cosmetic changes including new vibrant colors, body graphics, knobs etc;
- Launching of Cost Improved model of SA machine based on customer feedback & research.
- New top loading Automatic machine with a very attractive Glass top and special Brush finish cabinet. The opening & closing of Top lid is smooth with a new damper mechanism.

Air Conditioners:

Innovative application of Internet of Thing Technology (IoT) was developed and applied to AC products with new Embedded system, Cloud connectivity and Smartphone App.

The SMH-W series of iGenius Air conditioners were developed using IoT system to control and monitor Air conditioners using Wi-Fi and state of the art OnidaAircon App.

Smart features like Monitoring Energy consumption and Cost provides very useful data to consumers. The AC continuously feeds Consumption Data to Cloud server and retrieves it to display in a very intelligent way on the Smartphone.

Smart Sleep is another novel feature by which the user may programme the temperature in an hourly pattern during the night. Provision to Switch Off and On the Compressor at predetermined time is available. This feature provides required Comfort and Cost Saving at the same time.

Smart Diagnostic is another useful feature. The Smartphone App displays Error code to inform the likely cause of failure. The App also has built in Service centre phone Dialer which helps customer to contact nearest service centre.

There are Three Operation modes:

Direct Connection: The customers can operate AC within their room, If the customer does not have a home Wi-Fi network, Onida Aircon will act as a Wi-Fi access point, so the customer can connect a single smartphone or tablet directly to his/her air conditioner when in range within his/her home.

Wi-Fi Connection: If the customers have a home or local Wi-Fi network, then OnidaAircon WiFi enabled air conditioner can be joined to their network by entering their network credentials in the Wi-Fi control app. Once connected to the Wi-Fi network of the customer, the customer can control his/her air conditioner from any network Smartphone device.

Remote Access: If the customer's Wi-Fi network has a permanent internet connection then he/she can control his/her air conditioner from anywhere using his/her smartphone or tablet when connected to the internet.

ANNEXURE TO THE DIRECTORS' REPORT

Onida Aircon WiFi's Remote Access means the customer can monitor and control his/her system from virtually anywhere, switching it on and off, or adjusting their in-home temperature and modes settings, for a comfortable environment ready for use when he/she arrives home. With remote access, Onida Aircon also receives the latest Wi-Fi system Firmware upgrades automatically, so the customer will always have access to the latest features as they're developed.

- Introduced new range of indoor unit with Unique design and Aesthetics.
- Introduced technologically advanced Inverter AC series with Environment friendly R410a Gas, which saves more than 40% power when compared to the conventional AC.

Microwave Ovens:

The Company has further strengthened its number of products in this category to suit the market demand.

- Many new initiatives were taken to modify and improve last year's weighing scale microwave oven model to provide great features to the customer in terms of ready recipes based on weighing feature.
- New Black beauty plus model was developed with bigger size and attractive control display in 27 and 30 liter category.
- Expanding the Auto cook menu to 256 recipes with altogether new software algorithm and emphasis to Indian and International dishes. This new software helps to cook food quickly and better control over taste, color & texture;
- New six Models from 20 lt. to 30 lt. capacity segments were introduced in addition to the current fleet of models.

Mobile Phones:

- The Company understood the dynamic market changes and drastic growth of smart phone segment. In line to this, the Company expanded the smart phone range with introduction of 7 new smart models in wide spectrum of screen sizes. This has led to an increase of smart phone share to a tune of 30% of the overall volume. The Company also

launched the slimmest feature phone of 2.4" in the Indian industry.

- In the coming year, catching with the technological advancements, the Company has planned 4G (LTE) smart phones that will be launched as one of the early birds of the industry.

iii) Information regarding imported technology (Imported during last three years):

The 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 customized ERP module, at all its branches and manufacturing facilities.

iv) Expenditure on research and development :

(₹ in lacs)

	Particulars of expenditures	Financial year 2014-2015	Financial year 2013-2014
A	Capital	0	7.65
B	Recurring	455	563.34
C	Total	455	570.99
D	Total Expenditure as a % of total Turnover	0.40	0.42

(₹ in lacs)

	Particulars	Financial year 2014-2015	Financial year 2013-2014
A	Foreign exchange earnings	911.05	1702.81
B	Foreign exchange outgo	62542.24	75092.82

MANAGEMENT DISCUSSION AND ANALYSIS

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 (SEBI) under Clause 49 of the Listing Agreement.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

MIRC Electronics Limited ("MIRC" or 'the Company') is one of the oldest Indian Electronics and Consumer Durables Company having its presence for more than 34 years and enjoying the patronage of customers with superior technology, innovation and differentiation.

India is expected to become the fifth largest consumer electronics market in the world by year 2025. This market is expected to increase to US\$ 400 billion by financial year 2020-2021 from US\$ 69.6 billion in financial year 2011-2012. Urban markets account for the major share (65 per cent) of total revenues in the consumer durables sector in the country. Demand in urban markets is expected to increase for the products such as LED TVs, laptops, split ACs and beauty and wellness products. In rural markets, consumer electronic goods are likely to witness growing demand in the coming years as the government plans to invest significantly in rural electrification.

The Government of India has increased liberalization which has favored foreign direct investments (FDI). Also, policies such as National Electronics Mission and digitization of television and setting up of Electronic Hardware Technology Parks (EHTPs) is expected to boost the growth of this sector.

Make in India Policy is a step towards utilizing the country's enormous economic potential. This initiative will transform India into a global manufacturing hub. Consumer durable companies, both domestic and foreign will be keen to setup and enlarge their manufacturing base in India considering the large domestic market, the depth of skills and the ability to scale. The various incentives by way of reduction in customs duty on raw materials will lead to availability of raw material at cheaper rates. The emphasis on the proposed "Digital India" program by ensuring broadband connectivity at village level will fuel additional growth in the digital space. We, at MIRC have also geared ourselves towards achieving the vision of our progressive nation.

The initiative will help us in developing a revolutionary product which will set new benchmarks in the industry, supported by better infrastructure we should be able to synergies the supply chain hence assuring price efficiency to the customer.

Recent years have seen a remarkable transformation in the way India shops and trades. E-commerce has taken the world of retail by storm and captivated the imagination of an entire generation of entrepreneurs, with e-commerce ventures with various business and commercial models.

The explosive growth in the last few years has already catapulted the biggest firms among these ventures past the billion-dollar territory. The sector has grown three times in four years to nearly US\$ 12.6 billion in 2013.

Various industry estimates project that the sector will further grow five to seven times over the next four to five years. Online retail, while today representing a small fraction of the e-commerce space is one of the fastest growing segments. It is also the most challenging in fulfilling its fundamental proposition of transcending physical boundaries to deliver a variety of products to the customer's doorstep.

Logistics and infrastructure in e-retailing becomes the very backbone of the fulfillment network and the basis on which stringent service level expectations are set and met, and customer mind-space among competing alternatives is won.

The big hurdle of infrastructure is the main reason for the current brick and mortar stores to not have penetrated beyond Tier 1. Hence the current generation in these cities and towns faces accessibility problem. Since this TG is net savvy, they prefer to go online to cater to their purchase needs. Most of them surf the net via their Smart Phones. To cater to this TG, E-commerce players are giving their convenience of reach and discounts and making it easier for the customer to buy online. The reviews by existing customers on the E-commerce sites, makes it easier for the buyers to read reviews thus helping them take a decision.

Taking the above into consideration, we foresee this market to grow faster than the traditional market and hence want to be a part of the trend, but without disturbing the general trade relations, which we have accomplished over the past 33 years.

The four main area of consumer appliance served by the Company are:

LED TVs:

Era of digitization opens new opportunities for the Indian TV industry. Digitization will lead to complete switchover from analogue cable to Digital Addressable Systems in a phased manner. The number of DTH subscribers in India is expected to increase from 56.5 million to 200 million by 2018. By 2018, the television industry in India is expected to expand to US\$ 14.7 billion from US\$ 8 billion in 2014. TV innovation is evolving around bigger and bigger screen sizes, improved picture quality from 4K and OLED panels, the emergence of ultra slim and Curved form factors, significantly improved audio reproduction and the strengthening of the various Smart TV platforms. In financial year 2014-2015, 43 per cent of TVs sold in developed western markets had Smart functionality, 12 per cent were 50-inch and above and 3 per

MANAGEMENT DISCUSSION AND ANALYSIS

cent were 4K Ultra HD. A similar trend is being noticed in Indian markets.

Air Conditioners:

The size of the Indian Air Conditioner market in financial year 2014-2015 was around USD 1.6 billion. Current penetration of ACs stands at 6.8 per cent. According to a recently published Tech Sci Research report "India Air Conditioners Market Forecast & Opportunities, 2020", the country's air conditioners market is projected to grow at a CAGR of over 10% during 2015-2020. The Indian air conditioning market is divided into two major segments: Commercial Air Conditioners (VRF, Chillers & Others) and Room Air Conditioners (Split and Window air conditioners), among which, residential air conditioners segment witnessed a higher revenue share in financial year 2014-2015. This domination of room air conditioners segment is expected to continue over the next five years. Significant increase in discretionary income and easy financing schemes have led to shortened product replacement cycles and evolving life styles where consumer durables, such as ACs are perceived as utility items rather than luxury possessions. Recent innovations like wi-fi air conditioners has added various utility features including a messaging feature through which it can receive recommendations and control settings even when the user is away from home.

Washing Machines:

Washing Machines are the second largest contributor to the consumer appliances market. It is available from a normal large-sized look to more portable and stylish look such as top loading, front loading, fully automatic, and semi-automatic. New innovative washing machines include bluetooth technology and a messaging feature through which it can receive recommendations and control settings even when the user is away from home. According to 'India Residential Washing Machine Forecast & Opportunities, 2017', the Indian washing machine market is expected to witness healthy growth rates in the coming years. The revenues of this market segment have witnessed an average growth rate of more than 20% year on year. The market revenues are expected to reach US\$ 1.5 billion by 2017.

Microwave Ovens:

Rising disposable income coupled with changing lifestyle will have a favourable impact on the Indian microwave ovens market. The increasing urbanization and decreased number of subsidized gas cylinders for cooking from 12 per year to 9 per year have also helped the sales of microwaves in financial year 2014-2015 overall. Some innovations like in built cooking settings depending on the weight of the food items are likely to have favourable impact on the microwave market.

2. OPPORTUNITIES AND THREATS

Opportunities

- a) India would rise from the twelfth to the fifth largest position in the consumer durables market in the world by 2025; the market is expected to reach US\$ 12.5 billion by financial year 2015-2016.
- b) Currently, there is a huge untapped rural market. Increasing electrification of rural areas and easy availability of credit would aid growth in demand.
- c) Advancement in technology and higher competition are driving price reductions across various consumer durable product segments such as computers, mobile phones, refrigerators and TVs.
- d) Focusing on energy-efficient, environment-friendly products and reducing e-waste by promoting product recycling would also aid growth in demand.
- e) The 'Make in India' policy is the first of its kind for the manufacturing sector as it addresses areas of regulation, infrastructure, skill development, technology, availability of finance, exit mechanism and other pertinent factors related to the growth of the sector.

Threats

- a) The sector faces intense competition from multinational players due to homogeneity in products, low switching costs, a big spend on advertisement and brand display.
- b) Bargaining power of customers is very high. Use of internet to get all the information enables customers to be powerful. Thus, buyer's switching cost is very less.
- c) Bargaining power of supplier is very low due to low product differentiation.
- d) The cheap imports of consumer durable products from countries like China, Thailand etc is a major concern. Statutory levies should also support the "Make in India" by extending concessions with respect to the duty structure.
- e) E-commerce is changing traditionally accepted economic practices and making competition even fiercer than it has ever been in the past. As the internet opens up larger markets, more and more flexible competitors are entering the market, all offering better priced value propositions in order to steal market share.

3. RISKS & CONCERNS:

- a) Major challenges facing the Indian electronic manufacturing market are an infrastructure that needs to be improved at the earliest possibility, easing of foreign investment procedures, which are underway

MANAGEMENT DISCUSSION AND ANALYSIS

and a restructured government tariff that makes domestically manufactured goods cheaper than imported goods with zero tariffs.

- b) Expenditure on the area of Research & Development is very less which in turn, is hampering the growth of the Indian electronics industry.
- c) The consumer durables sector faces the challenge of a continuous change in technology and the inability to cope with it. High-end consumers prefer changing their goods along with the up-gradation of technology and manufacturers have to make sure they cater to this requirement.
- d) Currently, rupee is stable and India possesses higher foreign exchange reserve. However, the trade imbalance could result in higher risk of rupee depreciating.

4. PRODUCT-WISE PERFORMANCE

Television: During the year under review, the Company has focused on the large scale value added products and hence, even though the turnover of this segment is down by 21% as compared to previous year, the Company has able to grow its gross margin in value terms by 7%.

Air Conditioner: During the year under review, the turnover of this segment is marginally down by 10%.

Washing Machine: During the year under review, despite the turnover of this segment is down by 23% as compared to previous year, the Company was able to increase its gross margin by 4.7%.

The Company has consciously focused on margins and therefore even on a lower volume, the Company has able to achieve a higher profitability.

5. OUTLOOK

India's consumer confidence continues to remain highest globally and showed improvement in the fourth quarter of calendar year 2014 (Q4), riding on positive economic environment and lower inflation.

The ensuing optimism among consumers and the slowdown in China have combined to help India unseat China at the top of Credit Suisse Research Institute's Emerging Consumer Survey study released recently. The survey conducted across nine emerging economies has seen India jump four ranks. Average household incomes increased 10 per cent in India in 2014 after remaining nearly the same for two years, the study claimed. This revival in consumer sentiment has primarily been driven by urban India.

Global corporations view India as a vital market for the future. India has a young demographic and a middle class with rising disposable income. If the country can sustain its current pace

of growth for some time and that is likely, then the average household incomes will triple over the next 20 years and India will become the fifth largest consumer economy in the world by 2025, as per a study by the McKinsey Global Institute (MGI).

The Government of India has also played a major role in the growth of this segment. It has enacted policies that have attracted foreign direct investment (FDI) and as a result boosted economic growth.

The Government of India has allowed 100 per cent FDI in the electronics hardware-manufacturing sector through the automatic route. It has also enabled 51 per cent FDI in multi-brand retail and 100 per cent in single-brand retail to attract more foreign investment into the country.

Demand growth is likely to accelerate with rising disposable income, easy access to credit and better climatic conditions in rural areas. Smart cities development will have further impetus for growing demand in consumer electronics.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUENCY

The Company has established a matured internal audit process for the Company as a whole covering the corporate office and the branches all over India. Agenda for the audit /scope is finalized and approved by the Audit Committee. The audit is carried out by reputed audit firms across head office, plant, branches. The internal audit department of the Company coordinates with the internal auditors and auditees and ensures proper follow up for closure of audit concerns.

The Company has standardized SOPs in place in form of various manuals, policies and procedures for all critical and important activities as recommended by the management.

Audit finding are placed in the audit committee and directions of the committee are followed to improve internal control and avoid recurrence of events.

There is an evolved risk management strategy with standard operating procedures placed before and approved by the Board and are legitimately followed by the Company for the reporting and compliance purposes.

There are certain policies adopted by the Company for maintaining internal control within the organization, which are as follows:-

a) Risk Management Policy

This policy sets out Company's risk oversee, management of material business risks and internal control. The purpose of this policy is to encourage an appropriate level of risk tolerance throughout the Company; establish procedures to analyze risks within agreed parameters across the Company; establish

MANAGEMENT DISCUSSION AND ANALYSIS

appropriate risk delegations and corresponding risk management framework across the Company and ensure MIRC has a risk management framework that can noticeably respond the risk profile of the Company.

b) Whistle Blower Policy

This policy is formulated to provide opportunity to all employees to have access to the Management or the Chairman of the Audit Committee, in case they observe any unethical and improper practice or behaviour or wrongful conduct in the Company and to prohibit any Senior from taking adverse personnel action against such employee.

c) Policy on Related Party transactions

This policy is framed to ensure compliance of the applicable provisions of the Companies Act, 2013 & rules made there under and Clause 49 of the Listing Agreement as amended or re-enacted from time to time and intended to ensure the proper approval and reporting of transactions between the Company and related parties. Such transactions are appropriate only if they are in best interest of the Company and the shareholders.

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

The Company had a stellar performance in the financial year 2014-2015. After three years of successive losses, the Company has turnaround and was able to report a full year profit of ₹ 81 lacs. This is against the back drop of ₹ 60 crores loss reported in the preceding year.

This has been made possible by focusing on profitable products and profitable segments.

The gross margins have improved by 8%, from 19% to 27% and through the effective cost control measures the cost structure has been brought down by ₹ 33 crores.

The profit would have been much higher but for the management deciding to invest more into the brand, thereby enhancing the brand investment by 57%. With this turnaround the management is confident of growing profitably in the coming years.

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

Human Capital is the most valuable resource of the business at MIRC. People are nurtured, developed, motivated and rewarded for business growth.

The demand for Human Capital drives talent management. The Company focuses on attracting the right and competent talent, developing and retaining employees with continuous

effort in developing them by providing on the job and need based training.

Employee engagement is best fostered here which creates an environment of stimulation, learning and recognition. The Company strive to constantly keep the employees motivated through implementation of HR processes and policies.

We also take a proactive role in responding to the grievances of employees to foster a positive and healthy relationship between the Management and employees.

The women friendly policies of MIRC ensure that women employees are able to maintain the work-life balance as well as meet the organizational goals and objective.

The Management is always working on the development of Human Capital to enhance responsiveness and effectiveness in an ever-changing and dynamic business environment.

MIRC has 1225 employees on its payroll as on March 31, 2015.

9. MATERIAL FINANCIAL & 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.

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

Place : Mumbai
Date : May 07, 2015

Gulu L. Mirchandani
Chairman and Managing Director

MIRC

MIRC ELECTRONICS LIMITED

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 March 31, 2015 is set out below for the information of shareholders and investors of MIRC Electronics Limited ("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 & adequate control system.
- Make a clear distinction between personal conveniences and corporate resources.

The Company 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

The Board of Directors of the Company has an optimum combination of executive and non executive directors with one woman director and not less than fifty percent of the Board comprising of non executive directors. As at March 31, 2015, the Board of Directors of the Company comprises of six Directors, out of which two directors are Promoters cum Executive Directors, one Non-Promoter Executive Director and three are Non-Executive Independent Directors. Ms. Radhika Piramal is woman director appointed on the Board of the Company. The Chairman is a Promoter & Executive Director. Thus, 50% of the Board comprises of Independent Directors.

During the financial year 2014-2015, five Board Meetings were held on May 15, 2014, July 24, 2014, November 7, 2014, February 13, 2015 and March 26, 2015. The maximum time gap between any two meetings was less than 120 days. The constitution of the Board of Directors of the Company, the details of meetings attended by the Directors of the Company and the information with regard to their membership of Committees are as under:

Name	Category	Attendance Particulars			No. of Directorships and Committee Chairmanships / Memberships (including Company)			
		Number of Board Meetings		Last AGM				
		Held during tenure	Attended		Directorship	Directorship in Listed companies	Committee Chairmanship	Committee Membership
Mr. Gulu L. Mirchandani	Promoter [CMD]	5	5	Yes	4	3	0	2
Mr. Vijay J. Mansukhani	Promoter [MD]	5	5	Yes	2	1	0	1
Mr. Shyamsunder Dhoot	Non Promoter [WTD]	5	5	Yes	1	1	0	0
Mr. Rafique Malik	I & NED*	5	4	No	3	2	1	3
Mr. Carlton Pereira	I & NED*	5	5	No	4	2	1	0
Ms. Radhika Piramal	I & NEWD**	4	3	Yes	5	2	0	1
Mr. Vimal Bhandari	I & NED*	1	1	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Ranjan Kapur	I & NED*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* Independent & Non Executive Director

** Independent and Non Executive women Director

CORPORATE GOVERNANCE REPORT

Dates on which Board Meeting were Held	Total Strength of the Board	No of Directors Present
May 15, 2014	6	6
July 24, 2014	6	6
November 7, 2014	6	5
February 13, 2015	6	6
March 26, 2015	6	5

Notes:

1. As detailed above, none of the Directors is a member of more than 10 Board level Committees of Public Companies in which they are Directors, nor as Chairman of more than five such committees.
2. Only directorship in public limited Companies (listed or unlisted) has been considered.
3. Membership / Chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies have been considered.
4. Mr. Ranjan Kapur resigned as a director of the Company with effect from April 28, 2014.
5. Mr. Carlton Pereira was appointed as an Additional Director of the Company with effect from May 15, 2014 and subsequently appointed as an Independent & Non Executive Director in the Annual General Meeting Of the Company held on September 3, 2014.
6. Mr. Vimal Bhandari resigned as director of the Company with effect from June 07, 2014.
7. Ms. Radhika Piramal was appointed as an Additional Director of the Company with effect from July 24, 2014 and subsequently appointed as an Independent & Non Executive Director in the Annual General Meeting of the Company held on September 3, 2014.

B] Information placed before the Board of Directors

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, Annual operating plans and budgets, Minutes of meetings of audit committee and other committees of the Board, Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material. It monitors overall operating performance and reviews such other items which require Board's attention. It directs and guides the activities of the management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The agenda for the Board meeting covers items set out in Clause 49 of the Listing Agreement to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

C] 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 uploaded on the website of the Company i.e. www.onida.com. The Code of Conduct has been modified to incorporate the duties of Independent Directors as laid down in the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013. 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 as required under Clause 49 of the Listing Agreement is annexed herewith.

D] Independent Directors

The Independent Directors were appointed for a period of 5 years from September 3, 2014 by the shareholders at the thirty third Annual General Meeting of the Company. The Company has issued a formal letter of appointment containing their duties, terms and conditions of appointment. The same is also disclosed on the website of the Company i.e. www.onida.com.

E] 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 field of finance, management and public policy. The Independent Directors satisfy the criteria of

CORPORATE GOVERNANCE REPORT

independence as defined in Clause 49 of the Listing Agreement and the Companies Act, 2013. They perform the duties as stipulated in the Companies Act, 2013.

The Independent Directors had a separate meeting on March 26, 2015 without the attendance of non independent directors and members of the management to review:

- performance of non independent directors and the Board as a whole.
- review the performance of the Chairman.
- assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Company has familiarised the Independent Directors with their roles, rights, responsibilities in the Company, business model of the Company. This is also disclosed on the website of the Company i.e. www.onida.com and the link is <http://www.onida.com/policies>.

Committees of the Board:

The Board has established various committees such as Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee as per the requirement of Clause 49 of the Listing Agreement. The minutes of Committee meetings are circulated and discussed in the meetings of the Board of Directors of the Company.

III Audit Committee

A] Constitution:

The composition, role and powers of the Audit Committee meet the requirements of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

As at March 31, 2015, the Audit Committee comprised of:

- 1) Mr. Carlton Pereira, Chairman,
- 2) Mr. Rafique Malik, and
- 3) Ms. Radhika Piramal.

The Company Secretary acts as the Secretary to the Committee.

Mr. Ranjan Kapur resigned as Director of the Company and as Member of the Audit Committee on April 28, 2014 and Mr. Vimal Bhandari resigned as Director of the Company and as Chairman of the Audit Committee on June 7, 2014.

Mr. Carlton Pereira, Independent & Non Executive Director of the Company and Chairman of the Audit Committee is a Chartered Accountant by profession. All the members of Audit Committee are Independent Non-Executive Directors of the Company. All the members of the Audit Committee are financially literate and possess accounting and financial management expertise. Ms. Radhika Piramal, Director of the Company was appointed as alternate Chairperson of the Audit Committee to attend the Annual General Meeting held on September 3, 2014. The alternate Chairperson of the audit committee was present at the Annual General Meeting of the Company to reply to the queries raised by the shareholders of the Company.

B] Meetings of Audit Committee

During the financial year 2014-2015, the Audit Committee met four times on May 15, 2014, July 24, 2014, November 7, 2014 and February 13, 2015. Mr. Gulu L. Mirchandani, Chairman and Managing Director, Mr. Vijay J. Mansukhani, Managing Director and Mr. G. Sundar, the Chief Executive Officer are permanent invitees to the Audit Committee meetings. The Chief Financial Officer, 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:-

CORPORATE GOVERNANCE REPORT

Name	Audit Committee Meetings (Financial Year 2014-2015)	
	Held during tenure	Attended
Mr. Carlton Pereira (Chairman) I & NED*	4	4
Mr. Rafique Malik (Member) I & NED*	4	4
Ms. Radhika Piramal (Member) I & NEWD**	2	1
Mr. Vimal Bhandari (Chairman) I & NED*	1	1
Mr. Ranjan Kapur (Member) I & NED*	N.A.	N.A.

* Independent & Non-Executive Director

** Independent & Non-Executive Women Director

Dates on which Audit Committee Meeting were Held	Total Strength of the Committee	No of Members Present
May 15, 2014	3	3
July 24, 2014	2	2
November 7, 2014	3	2
February 13, 2015	3	3

Notes:

1. Mr. Ranjan Kapur resigned as director of the Company and the member of Audit Committee with effect from April 28, 2014.
2. Mr. Vimal Bhandari resigned as director of the Company and the Chairman of Audit Committee with effect from June 7, 2014.
3. Mr. Carlton Pereira, Director of the Company was appointed as a Chairman of Audit Committee with effect from July 24, 2014.
4. Ms. Radhika Piramal, Director of the Company was appointed as a Member of Audit Committee with effect from July 24, 2014.

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 outside 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. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.

CORPORATE GOVERNANCE REPORT

- b. changes, if any, in accounting policies and practices and reasons for the same.
 - c. major accounting entries involving estimates based on the exercise of judgment by management.
 - d. significant adjustments made in the financial statements and information arising out of audit findings.
 - e. compliance with 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, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
 7. review and monitor the auditor's independence and performance and effectiveness of audit process;
 8. approval or any subsequent modification of transactions of the company with related parties;
 9. scrutiny of inter-corporate loans and investments;
 10. valuation of undertakings or assets of the Company, wherever it is necessary;
 11. evaluation of internal financial controls and risk management systems;
 12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. discussion with internal auditors of any significant findings and follow up there on;
 15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. to review the functioning of the Whistle Blower mechanism;
 19. approval of appointment of Chief Financial Officer (CFO) (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
 20. carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

E] Review of information by Audit Committee

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

1. Management discussion and analysis of the financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;

CORPORATE GOVERNANCE REPORT

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.

IV. Nomination and Remuneration Committee

The committee was formerly known as 'Remuneration Committee' and with effect from May 15, 2014 its name and scope was expanded and nomenclature was changed to 'Nomination and 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 of the Company.
- To recommend the commission payable to the non-executive director(s) in accordance with and upto the limits laid down under the Companies Act, 2013.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.
- To recommend to the Board the appointment and removal of the director and shall carry out evaluation of every director performance.
- To formulate criteria for determining qualifications, positive attributes and independence of the director.
- To recommend to the Board of a 'policy' relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- To devise a policy on Board diversity;
- To carry out such other functions as delegated by the Board from time to time.

As at March 31, 2015 the Nomination and Remuneration Committee consisted of the following members:

1. Mr. Rafique Malik, (Chairman)
2. Mr. Carlton Pereira, and
3. Ms. Radhika Piramal

The attendance of each Committee member in the meeting during the financial year ended March 31, 2015 is given below:

Name	Nomination and Remuneration Committee meetings	
	Held during tenure	Attended
Mr. Rafique Malik, I & NED* (Chairman)	4	3
Mr. Carlton Pereira, I & NED* (Member)	3	3
Ms. Radhika Piramal, I & NEWD** (Member)	2	1
Mr. Vimal Bhandari, I & NED* (Member)	1	1

* Independent & Non – Executive Director

** Independent & Non-Executive Women Director

CORPORATE GOVERNANCE REPORT

Dates on which Nomination and Remuneration Committee Meetings were Held	Total Strength of the Committee	No of Members Present
May 15, 2014	2	2
July 24, 2014	2	2
November 07, 2014	3	2
March 26, 2015	3	2

Notes:

1. Mr. Ranjan Kapur resigned as director of the Company and Chairman of Nomination and Remuneration Committee (Formerly known as Remuneration Committee) with effect from April 28, 2014.
2. Mr. Vimal Bhandari resigned as director of the Company and Member of Nomination and Remuneration Committee with effect from June 7, 2014.
3. Mr. Rafique Malik, Director of the Company was appointed as a Chairman of Nomination and Remuneration Committee with effect from May 15, 2014.
4. Mr. Carlton Pereira, Director of the Company was appointed as a Member of Nomination and Remuneration Committee with effect from May 15, 2014.
5. Ms. Radhika Piramal, Director of the Company was appointed as a Member of Nomination and Remuneration Committee with effect from July 24, 2014.

Remuneration Policy

The Board has adopted Policy on Remuneration of Directors, Key Managerial Personnel and other Senior Management Employees of the Company. Based on the policy, remuneration package of the Executive Directors is determined by the Nomination and Remuneration Committee within the permissible limits, subject to approval by the Board and Shareholders in the general meeting of the Company and as per applicable provisions of the Companies Act, 1956 and Companies Act, 2013 as notified till date. The remuneration to Executive Directors comprises of basic salary, allowances, perquisites and commissions etc. The Nomination and Remuneration Committee decides and recommends annual increments for executive directors within the limits stipulated by the Board of Directors/Shareholders and other applicable approvals.

The Remuneration Policy ensures that:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors / Key Management Personnel (KMP) and Senior Management Personnel (SMP) to run the Company successfully.
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- (c) remuneration to Directors, KMP and SMP involves a balance between fixed and variable pay reflecting short and long term performance objectives and goals set by the Company.
- (d) remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.
- (e) the pay structures are appropriately aligned across levels in the Company.

Criteria for fixing the remuneration of Managing Director / Whole Time Director, Non Executive Director and Independent Directors, KMPs & SMPs.

1. Financial position of the Company.
2. Remuneration or commission drawn by him from any other company.
3. Professional qualifications and experience of the individual concerned.

CORPORATE GOVERNANCE REPORT

4. Industry's pay standards and pay structure data studies undertaken by consultancies.
5. Attract and retaining talent and motivation for KMP/SMP.
6. Special consideration for attracting top notch hi flier in case of KMP/SMP.
7. Past performance, past remuneration and special accreditation or meritorious performance.
8. Bring a balance between the interest of the Company and the shareholders.

i) Remuneration to Executive Directors

The Nomination and Remuneration Committee (formerly known as Remuneration Committee) and the Board of Directors of the Company at their board meeting held on May 14, 2013 approved the re-appointment of Mr. Gulu L. Mirchandani as Chairman & Managing Director of the Company for a period of three years with effect from December 01, 2013 to November 30, 2016 and was approved by the shareholders on July 31, 2013. The Central Government vide its letter dated July 25, 2014 approved his re-appointment for a period of 3 years with effect from December 01, 2013 upto November 30, 2016. However, the remuneration was approved only for ₹ 1,20,00,000/- p.a. for the period commencing from December 01, 2013 till March 31, 2014.

The Nomination and Remuneration Committee and Board of Directors of the Company in their board meeting held on March 26, 2015 partially modified the remuneration of Mr. Gulu L. Mirchandani, Chairman & Managing Director of the Company in conformity with the provisions of Schedule V of the Companies Act, 2013 for the balance period from April 01, 2015 to November 30, 2016 which is subject to approval of Shareholders in the ensuing Annual General Meeting of the Company.

Mr. Vijay J. Mansukhani, Managing Director of the Company was re-appointed by the Board of Directors of the Company at their board meeting held on January 25, 2012 and approved by the shareholders at the Annual General Meeting of the Company held on July 24, 2012. The Central Government has vide letter dated September 05, 2013 accorded its approval for his appointment and remuneration for a period of three years with effect from April 01, 2012 to March 31, 2015.

The Nomination and Remuneration Committee and Board of Directors of the Company in their board meeting held on March 26, 2015 approved the re-appointment and remuneration of Mr. Vijay Mansukhani, Managing Director of the Company pursuant to the provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013 which is subject to approval of Shareholders in the ensuing Annual General Meeting of the Company.

Mr. Shyamsunder Dhoot, Director of the Company was appointed as Whole time Director of the Company for the period of three years with effect from February 16, 2013 and approved by the shareholders at the Annual General Meeting of the Company held on July 31, 2013 at the remuneration as per Schedule XIII of the Companies Act, 1956.

ii) Non-executive Directors' Compensation and disclosures

All fees/compensation paid to the non-executive directors, including independent directors as recommended by the Nomination and Remuneration Committee, are approved by the Board of Directors and are subject to approval by the shareholders, if applicable.

The elements of the remuneration package of the Non-Executive Directors consist of profit based commission in addition to sitting fees. The same has been approved by the shareholders in the Annual General Meeting of the Company held on June 24, 2011, which is valid till March 31, 2016. However, due to inadequate profit made during the financial year 2014-2015 no commission has been paid to any Director.

The Company is availing professional expertise of Non-executive Directors through their participation in the Board meetings. The Non-executive Directors are paid sitting fees of ₹ 20,000/- per meeting for attending Board Meetings and Audit Committee Meetings and ₹ 10,000/- for attending every meeting of the Nomination and Remuneration Committee, Stakeholders Relationship Committee and other Committees of the Board.

None of the Non-executive Directors are holding any shares in the Company.

CORPORATE GOVERNANCE REPORT

The details of remuneration paid/ payable to the Directors for the financial year 2014-2015 are as follows:

(Amount in ₹)

Sr. No.	Director	Relation with the Company	Inter-se Relation	Remuneration for Financial Year 2014-2015				
				Sitting fees	Salary allowance & perquisites	Commission	Provident Fund & Super-annuation/ Gratuity	Total
1	Mr. G. L. Mirchandani (Note 5)	Promoter [CMD]	Brother in law of sr. no. 2	Nil	1,20,00,000	Nil	6,84,000	1,26,84,000
2	Mr. V. J. Mansukhani	Promoter [MD]	Brother in Law of sr. no.1	Nil	1,02,99,000	Nil	7,56,000	1,10,55,000
3	Mr. Shyamsunder Dhoot	Non Promoter [WTD]	NA	Nil	33,54,212	Nil	1,04,088	34,58,300
4	Mr. Rafique Malik	I & NED*	NA	2,10,000	N.A.	Nil	N.A.	2,10,000
5	Mr. Carlton Pereira	I & NED*	NA	2,10,000	N.A.	Nil	N.A.	2,10,000
6	Ms. Radhika Piramal	I & NEWD**	NA	90,000	N.A.	Nil	N.A.	90,000
7	Mr. Vimal Bhandari	I & NED*	NA	40,000	N.A.	Nil	N.A.	40,000
8	Mr. Ranjan Kapur	I & NED*	NA	N.A.	N.A.	Nil	N.A.	Nil

* Independent & Non Executive Director

** Independent & Non-Executive Women Director

Note:

1. Mr. Ranjan Kapur resigned as director of the Company with effect from April 28, 2014.
2. Mr. Vimal Bhandari resigned as director of the Company with effect from June 07, 2014.
3. Mr. Carlton Pereira was appointed as Independent & Non Executive Director of the Company with effect from May 15, 2014.
4. Ms. Radhika Piramal was appointed as Independent & Non Executive Director of the Company with effect from July 24, 2014.
5. The remuneration paid to Mr. Gulu L. Mirchandani, Chairman and Managing Director of the Company is within the limit prescribed under Schedule V of the Companies Act, 2013.

V Stakeholders Relationship Committee

The Committee was formerly known as Shareholders' and Investors' Grievance Committee and with effect from May 15, 2014 its nomenclature was changed to Stakeholders Relationship Committee. As at March 31, 2015 the Stakeholders Relationship Committee consisted of the following members:

1. Mr. Rafique Malik, (Chairman)
2. Mr. Gulu L. Mirchandani, and
3. Mr. Vijay J. Mansukhani

Mr. Ranjan Kapur resigned as Director of the Company and the Chairman of Stakeholders Relationship Committee (formerly known as Shareholders' and Investors' Grievance Committee) with effect from April 28, 2014. Mr. Rafique Malik, Director of the Company was appointed as a Chairman of Stakeholders Relationship Committee with effect from May 15, 2014.

Mr. Aashay Khandwala, Head Corporate Affairs, Legal and Company Secretary, has been nominated as the Compliance Officer of the Company.

CORPORATE GOVERNANCE REPORT

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 March 31, 2015 is given hereunder:-

Name	Stakeholders Relationship Committee	
	Held during tenure	Attended
Mr. Rafique Malik (Chairman) I & NED*	3	3
Mr. Gulu L. Mirchandani (Member) Promoter (CMD)	3	3
Mr. Vijay J. Mansukhani (Member) Promoter (MD)	3	3

* Independent & Non-Executive Director

Dates on which Stakeholders Relationship Committee Meetings were Held	Total Strength of the Committee	No of Members Present
July 24, 2014	3	3
November 07, 2014	3	3
February 13, 2015	3	3

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	:	45
No. of complaints resolved	:	45
No. not solved to the satisfaction of shareholders	:	Nil
No. of complaints pending	:	Nil

VI. General Body Meetings

The location, time and date where General Meetings of the Company (in previous 3 years) were held are given hereunder:-

Financial Year	Location	Type of meeting	Date	Time	No. of Special Resolutions passed at AGM/EGM
2013-2014	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai -400 018	Annual General Meeting	September 03, 2014	03.00 p.m.	No special resolution was passed
	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai -400 018	Extra Ordinary General Meeting	January 20, 2014	03.00 p.m.	2
2012-2013	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai -400 018	Annual General Meeting	July 31, 2013	03.00 p.m.	3
2011-2012	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai -400 018	Annual General Meeting	July 26, 2012	03.00 p.m.	2

CORPORATE GOVERNANCE REPORT

Postal Ballot

During the year, 3 (Three) special resolutions were passed by the Shareholders of the Company through Postal Ballot.

The Board had appointed Mr. Nilesh G. Shah, Practising Company Secretary, as the scrutinizer to conduct the Postal Ballot process. The results of the postal ballot were declared on December 22, 2014. Details of the voting pattern were as under:

Item No.	Brief Particulars of the Special Resolutions	No. of total, valid, invalid votes received by the Scrutinizer			No. of shares & % of total votes cast in favour of the Resolution		No. of shares & % of total votes cast against the Resolution	
		Total No. of votes received	Total No. of valid votes	Total No. of invalid votes	No. of shares	% of total votes	No. of shares	% of total votes
1	Borrowing limit of the Company under Section 180(1)(c) of the Companies Act, 2013.	148	118	30	129856420	99.98	22195	0.02
2	Creation of charge (s) on Company's properties under Section 180(1)(a) of the Companies Act, 2013.	148	118	30	129856904	99.98	21711	0.02
3	Re-appointment of Mr. Kaval G. Mirchandani, relative of Director as Vice President – Corporate Strategy for period of 5 years with effect from 01.04.2015.	148	115	33	112622155	99.98	26561	0.02

The Company has proposed two resolution regarding (i) re-appointment and remuneration of the Mr. Vijay J Mansukhani as Managing Director of the Company for the further period of 3 years with effect from April 01, 2015 and (ii) approval of modification of terms of remuneration of Mr Gulu L Mirchandani, Chairman and Managing Director of the Company with effect from April 1, 2015 till November 30, 2016 at the ensuing Annual General Meeting of the Company by way of a special resolution.

The Board of Directors of the Company in its board meeting held on April 24, 2015 had approved Preferential Issue of warrant, upto ₹ 32,50,00,000 (Issue Size). The Board of Directors of the Company has further authorised Committee of Directors to make any changes, modification in the terms and conditions of the Issue and the overall issue size and warrant Subscription amount and /or the number of warrant/s to be issued and the price of shares to be allotted on payment of total subscription amount of the warrant, subject to the approval of the members of the Company.

VII. Disclosures**A] Material 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.

There are no material related party transactions in the Company, however the Company places all related party transactions before the Audit Committee and Board of Directors of the Company for their respective approvals. A register of contracts containing the transactions in which the directors are interested are placed regularly before the Board of Directors of the Company for their approval.

The Company had adopted policy on Related Party Transactions and the same is available on the website www.onida.com and the link is <http://www.onida.com/policies>.

CORPORATE GOVERNANCE REPORT

B] Subsidiary

The Company is having only one subsidiary viz. Akasaka Electronics Limited which is not a 'material non-listed Indian subsidiary'. The Clause 49 of the Listing Agreement defines a 'material non-listed Indian subsidiary' as an unlisted subsidiary incorporated in India, whose income or net-worth [i.e. paid-up capital and free reserves] exceeds 20 percent of the consolidated income 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 Board of Directors of the Company for its regular review.

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 Securities and Exchange Board of India (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] Vigil Mechanism/ Whistle Blower Policy

The Board of Directors of the Company in its meeting held on November 07, 2014 has established a Vigil Mechanism by establishing a Whistle Blower Policy for its Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct or ethics policy. The mechanism provides adequate safeguards against victimisation of director(s)/employee(s) who avail of the mechanism and also provide direct access to the Chairman of the Audit Committee in exceptional cases.

The details of the establishment of such mechanism are disclosed by the Company on its website www.onida.com and the link is <http://www.onida.com/policies>.

E] Risk management Committee.

The Company has formed a Risk Management Committee and defined its role and responsibilities. The majority of Committee consists of the members of the Board of Directors of the Company. The Committee has formulated a risk management policy of the risk assessment and minimisation procedures.

F] Management Discussion and Analysis Report.

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

G] Details of Director seeking appointment/reappointment as required under Clause 49[VIII][E] of the Listing Agreement.

As required under Clause 49[VIII][E], particulars of Director seeking appointment/reappointment are given in the explanatory statements annexed to the Notice of the Annual General Meeting of the Company.

H] 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 of the Company. 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.

CORPORATE GOVERNANCE REPORT

I] CEO & CFO certification

The certificate in terms of Clause 49(IX) of the Listing Agreement with Stock Exchanges for the financial year ended March 31, 2015 was placed before the Board of Directors of the Company in their meeting held on May 07, 2015 and is annexed to this Report.

VIII. 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 2014-2015. In respect of last quarter of financial year 2014-2015, the Company has opted to furnish audited financial results within 60 days from the end of financial year and accordingly, the meeting of the Board of Directors of the Company for considering the results of last quarter and for the full financial year was held on May 07, 2015.

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 of the Company is situated. The audited annual results for financial year 2014-2015 were published in "Financial Express" 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 meetings of the Board of Directors of the Company.

In terms of Clause 54 of the Listing Agreement, the 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 is updated on the website viz. www.onida.com within the prescribed time limit.

IX. General Shareholders Information:

AGM date, time and venue	Friday, August 21, 2015 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:	Friday, August 14, 2015 to Friday, August 21, 2015 (Both days inclusive)
Dividend payment date: [if declared]	Not Applicable
Listing on Stock Exchange	BSE Limited and National Stock Exchange of India Limited. Listing fees for the year 2015-16 have been paid.
Stock code at BSE	500279
Stock symbol at NSE	MIRCELECTR
ISIN of the Company	INE831A01028
Website	www.onida.com
Email ID	investors@onida.com
Corporate Identification No. (CIN)	L32300MH1981PLC023637

CORPORATE GOVERNANCE REPORT

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.

Financial Year	Dividend	Date of declaration	Date of transfer to the Investor Education & Protection Fund
2007-2008	Final	June 30, 2008	July 31, 2015
2008-2009	Final	August 18, 2009	September 18, 2016
2009-2010*	Interim	October 14, 2009	November 14, 2016
2009-2010	Final	June 28, 2010	July 29, 2017
2010-2011	Final	June 24, 2011	July 25, 2018

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

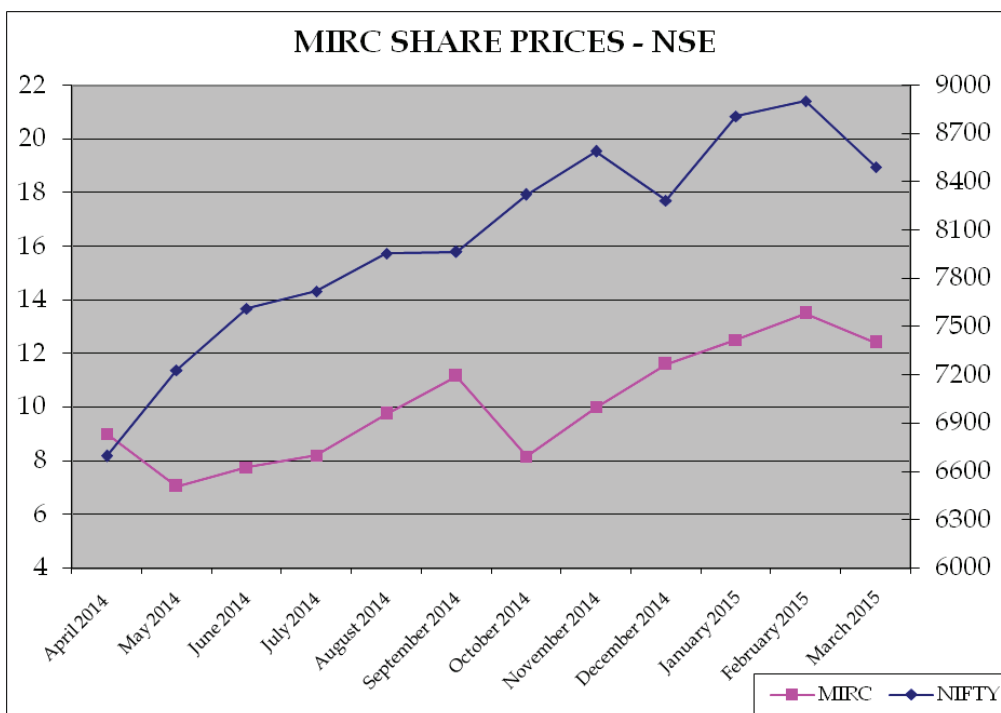
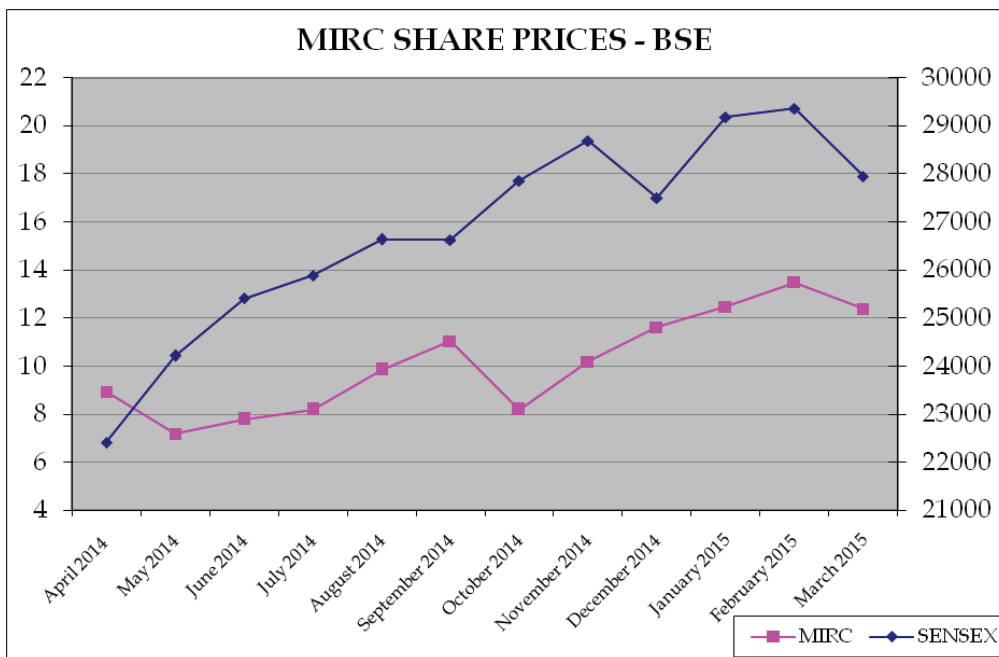
Market Price Data: (Financial Year 2014-2015)

Month	STOCK EXCHANGE					
	BSE Ltd.			National Stock Exchange of India Ltd.		
	Share Price		Sensex	Share Price		Nifty
	High (₹)	Low (₹)	Close	High (₹)	Low (₹)	Close
April 2014	8.95	4.66	22417.80	9.00	4.75	6696.40
May 2014	7.20	5.47	24217.34	7.05	5.30	7229.95
June 2014	7.80	5.06	25413.78	7.75	5.05	7611.35
July 2014	8.20	5.98	25894.97	8.20	6.05	7721.30
August 2014	9.86	7.53	26638.11	9.75	7.25	7954.35
September 2014	11.05	7.35	26630.51	11.15	7.35	7964.80
October 2014	8.20	6.75	27865.83	8.15	6.75	8322.20
November 2014	10.19	7.74	28693.99	10.00	7.50	8588.25
December 2014	11.63	7.50	27499.42	11.60	7.50	8282.70
January 2015	12.49	10.02	29182.95	12.50	10.00	8808.90
February 2015	13.50	10.00	29361.50	13.50	10.15	8901.85
March 2015	12.40	9.00	27957.49	12.40	9.05	8491.00

CORPORATE GOVERNANCE REPORT

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

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



CORPORATE GOVERNANCE REPORT

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.

Shareholding distribution schedule as on March 31, 2015

Equity shares held	Shareholders	%	Shares	%
1-500	47604	78.25	4971975	2.53
501-1000	5478	9.00	4969797	2.53
1001-2000	4711	7.75	8553105	4.36
2001-3000	975	1.60	2562064	1.31
3001-4000	424	0.70	1578941	0.80
4001-5000	393	0.65	1883491	0.96
5001-10000	610	1.00	4660300	2.38
10001 and above	640	1.05	167054529	85.13
Total	60835	100.00	196234202	100.00

Shareholding pattern as on March 31, 2015

Category		Number of Shares	Percentage of Holding
A	Promoter's Holding		
1	Indian Promoter	122192638	62.27
2	Foreign Promoter	0	0.00
	Sub Total (A)	122192638	62.27
B	Non Promoter's Holding		
	Institutional Investors		
1	Mutual funds / UTI	2700	0.00
2	Financial institutions / banks	1208	0.00
3	Insurance Companies	800000	0.41
4	Foreign institutional investors/FFI	215000	0.11
	Non Institutional Investors		
1	Bodies Corporates	10290630	5.24
2	Clearing members	909637	0.46
3	Non-resident Indians	674057	0.34
4	Others	61148332	31.17
	Sub Total (B)	74041564	37.73
	Grand Total (A + B)	196234202	100.00

Dematerialisation of shares and liquidity

As at March 31, 2015, 97.42% (19,11,68,488 shares) of paid up share capital were held in dematerialised form with NSDL and CDSL, while 2.58% (50,65,714 shares) were held in physical form. All Promoters shareholdings are in demat form.

Outstanding GDRs / ADRs/ Warrants

There are no outstanding GDRs /ADRs/ Warrants or any convertible instruments, as on March 31, 2015 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

3. Roorkee – Plant II

Khasra No.399 to 401 & 405 to 410,
158 KMS Milestone, Delhi-Roorkee
Highway – NH 58, Village– Mundiyaiki,
Pargana–Manglour, Tehsil- Roorkee,
District – Haridwar,
Uttarakhand – 247670

2. Roorkee – Plant I

Khasra No.158, Village- Raipur,
Pargana - Bhagwanpur,
Roorkee, District - Haridwar,
Uttarakhand- 247670

Address for correspondence

MIRC Electronics Limited
Onida House, G-1, MIDC, Mahakali Caves Road
Andheri (East), Mumbai - 400 093
Phones nos. 022-66975777 fax 022-28202002
Email ID:- investors@onida.com

On behalf of the Board of Directors

Place : Mumbai
Date : May 07, 2015

Gulu L. Mirchandani
Chairman and Managing Director

CORPORATE GOVERNANCE REPORT

CEO & CFO CERTIFICATE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

We, G. Sundar, Chief Executive Officer and Muthu Elango, Chief Financial Officer 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 March 31, 2015 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 we are aware and the steps we 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.

Place: Mumbai

Date: May 07, 2015

Sd/-

G. Sundar

Chief Executive Officer

Sd/-

Muthu Elango

Chief Financial Officer

COMPLIANCE OF CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, I, G. Sundar, Chief Executive Officer hereby confirm that all Board Members and senior management personnel have affirmed the compliance with the Code of Conduct of MIRC Electronics Limited for the year ended March 31, 2015.

Place: Mumbai

Date: May 07, 2015

Sd/-

G. Sundar

Chief Executive Officer

MIRC

MIRC ELECTRONICS LIMITED

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, for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned 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 S R B C & Co LLP
Chartered Accountants
ICAI Firm Registration Number: 324982

per Jayesh Gandhi
Partner
Membership No. 037924

Place: Mumbai
Date: May 07, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of MIRC Electronics Limited**Report on the Financial Statements**

We have audited the accompanying standalone financial statements of MIRC Electronics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SRBC & COLLP

Chartered Accountants
ICAI Firm Registration Number: 324982E

per Jayesh Gandhi
Partner
Membership No.: 037924

Place : Mumbai
Date : May 07, 2015

MIRC

MIRC ELECTRONICS LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: MIRC Electronics Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) In respect of loans granted to Company covered in the register maintained under Section 189 of the Companies Act, 2013, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (b) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the products manufactured and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Nature of Dues	Financial Year	Forum where dispute is pending	Amount in Lakhs
Excise Duty	1997-98, 1999-00, 2001-05	Commissioner (Appeals)	52.02
	1998-99	High Court	10.00
	1999-00	CESTAT	23.80
Service Tax	2004 – 2011	Service Tax Appellate Tribunal	696.55
	2007-12	Commissioner (Appeals)	80.33
Customs	2012-13	CESTAT	174.18
	2012-13	Supreme Court	1,406.94
	2014-15	Assistant Commissioner	25.07
	2014-15	JC COMMISSIONER	22.81
	2012-2013, 2013-2014	Commissioner	50.88

ANNEXURE TO THE AUDITOR'S REPORT

Nature of Dues	Financial Year	Forum where dispute is pending	Amount in Lakhs
Sales Tax (Central & State)	2009-10, 2011-12	AA -ADDITIONAL COMMISSIONER	0.99
	2008-09, 2011-12	Appellate Authority	54.40
	2009-10	Assessing Authority	314.87
	2002-03, 2003-04, 2005-06, 2006-07, 2007-08	Commercial Tax Tribunal	205.69
	1992-94, 1995-99, 2000-2004, 2008-2009	Commissioner	47.04
	1997-98, 1999-01, 2003-06, 2007-10, 2010-12	Deputy Commissioner	49.24
	2009-10	Deputy excise and taxation Commissioner	0.14
	2000-01, 2008-09, 2011-12, 2012-13	Deputy Commissioner (A)	1,788.33
	2008-09, 2010-11, 2012-13	Excise & Taxation officer	4.60
	2002-05	High Court	178.30
	2001-02, 2003-04, 2005-07, 2010-2011	Joint Commissioner	2.98
	2005-06, 2012-13	Joint Commissioner (Appeals)	727.95
	2003-04, 2005-08, 2010-11	Revisional Board.	1,302.28
	2010-12, 2013-15	Assistant Commissioner	211.13
	2008-2009	MP COM TAX DEP	1.86
	2010-2011	VAT officer	4.00
	1997-1998	Board of Commercial Taxes, Bhopal	9.72
	2006-08, 2009-11	Supreme Court	914.98
Income Tax	1996-97, 1999-00, 2000-01, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07	High court	1,440.65
	2007-08, 2009-10	Appellate Tribunal	283.31
	2008-09, 2010-11, 2011-12	CIT (Appeals)	318.82

(d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

(viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current financial year. In the immediately preceding financial year, the Company had incurred cash loss.

(ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(x) According to the information and explanations given to us, the Company has given guarantee for loans taken by its subsidiary from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company as it is given for its subsidiary.

(xi) The Company did not have any term loans outstanding during the year.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E

per Jayesh Gandhi

Partner

Membership No.: 037924

Place : Mumbai

Date : May 07, 2015

MIRC

MIRC ELECTRONICS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

	Notes	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Equity and Liabilities			
Shareholder's Funds			
Share capital	2	1,964.20	1,419.38
Reserves and surplus	3	14,723.72	12,476.87
		16,687.92	13,896.25
Non-current Liabilities			
Deferred tax liabilities (Net)	4	-	-
Long-term provisions	7	160.49	-
		160.49	-
Current Liabilities			
Short-term borrowings	5	21,161.43	26,755.34
Trade payables	6	25,218.23	21,077.93
Other current liabilities	6	3,867.79	4,813.44
Short-term provisions	7	307.38	402.78
		50,554.83	53,049.49
TOTAL		67,403.24	66,945.74
Assets			
Non-current Assets			
Fixed assets			
Tangible assets	8	12,649.02	15,144.73
Intangible assets	8	9.89	11.62
		12,658.91	15,156.35
Non-current investments	9	2,624.92	2,624.85
Long-term loans and advances	10	3,474.12	3,768.43
Other non-current assets	11	11.43	46.04
		18,769.38	21,595.67
Current Assets			
Current investments	12	-	18.64
Inventories	13	28,276.09	23,400.42
Trade receivables	14	12,542.21	12,463.41
Cash and cash equivalents	15	1,878.53	2,546.91
Short-term loans and advances	10	3,175.83	3,402.95
Other current assets	16	2,761.20	3,517.74
		48,633.86	45,350.07
TOTAL		67,403.24	66,945.74
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **SRBC & CO LLP**

ICAI Firm Regn. No. 324982E

Chartered Accountants

per Jayesh Gandhi

Partner

Membership No. 037924

Place : Mumbai

Date : May 07, 2015

For and on behalf of the Board of Directors of

MIRC Electronics Limited

Muthu Elango

Chief Financial Officer

Aashay Khandwala

Head Corporate Affairs,
Legal and Company Secretary

Place : Mumbai

Date : May 07, 2015

G. L. Mirchandani

Chairman and Managing Director

V. J. Mansukhani

Managing Director

MIRC

MIRC ELECTRONICS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Notes	2014-15 ₹ in lacs	2013-14 ₹ in lacs
Income			
Revenue from operations (gross)	17	112,405.84	137,148.20
Less: Excise Duty		5,344.15	7,564.69
Revenue from operations (net)		107,061.69	129,583.51
Other Income	18	1,037.65	107.44
Total Revenue		108,099.34	129,690.95
Expenses			
Cost of raw materials and components consumed	19	37,128.00	49,865.59
Purchases of Traded Goods	20	44,989.09	53,536.93
(Increase) / Decrease in inventories of Finished Goods, Work-in-progress and Traded Goods	21	(3,118.03)	1,760.39
Employee benefit expense	22	7,328.27	8,189.13
Finance Costs	23	3,292.49	3,813.02
Depreciation and amortisation expense	24	1,414.50	1,432.51
Loss on Insurance Claim	26	623.00	-
Other Expenses	25	16,097.56	17,090.50
Total Expenses		107,754.88	135,688.07
Profit / (Loss) before tax		344.46	(5,997.12)
Tax Expenses			
Current Tax		45.00	-
Deferred Tax	4	218.86	-
Total tax expense		263.86	-
Profit / (Loss) For The Year		80.60	(5,997.12)
Summary of significant accounting policies	1		
Earnings per Equity Shares [Nominal Value of share ₹ 1 each (31 March, 2014: ₹ 1 each)]			
- Basic and Diluted (₹)	36	0.05	(3.97)

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm Regn. No. 324982E
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : May 07, 2015

For and on behalf of the Board of Directors of
MIRC Electronics Limited

Muthu Elango
Chief Financial Officer

Aashay Khandwala
Head Corporate Affairs,
Legal and Company Secretary

Place : Mumbai
Date : May 07, 2015

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

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MIRC ELECTRONICS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Cash flow from operating activities		
Profit / (Loss) before tax	344.46	(5,997.12)
Adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation / amortization	1,414.50	1,432.51
Loss on insurance claim	623.00	-
Profit on sale of fixed assets	(944.87)	(74.13)
Provision for diminution in value of current investments	-	(1.96)
Unrealized foreign exchange loss / (Gain)	27.82	(204.61)
Profit on sale of current investments	(12.81)	-
Provision for doubtful debts	157.94	305.56
Interest expense	3,292.49	3,813.02
Interest income	(25.55)	(32.74)
Dividend income	(0.42)	(0.57)
Operating profit before working capital changes	4,876.56	(760.04)
Movements in working capital :		
Increase / (decrease) in trade payables	4,084.73	1,897.55
Increase / (decrease) in provisions	65.09	(8.05)
Increase / (decrease) in other current liabilities	(976.47)	857.06
Decrease / (increase) in trade receivables	(236.23)	485.51
Decrease / (increase) in inventories	(4,875.67)	1,705.82
Decrease / (increase) in loans and advances	1,096.70	(194.29)
Decrease / (increase) in other current assets	134.60	1,483.71
Cash generated from / (used in) operations	4,169.31	5,467.27
Direct taxes paid (net of refunds)	203.33	(3.04)
Net cash flow from / (used in) operating activities (A)	4,372.64	5,464.23

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(37.04)	(457.34)
Proceeds from sale of fixed assets	566.68	129.42
Redemption / maturity of bank deposits (having original maturity of more than three months)	0.23	134.12
Proceeds from sale of current investments	31.45	-
Purchase of non current Investments	(0.07)	-
Repayment of loans given	-	231.00
Interest received	24.49	32.51
Dividends received	0.42	0.57
Net cash flow from / (used in) investing activities (B)	586.16	70.28
Cash flows from financing activities		
Proceeds from issuance of Equity share capital	3,166.78	-
Repayment of long term borrowings	(6,787.67)	(9,012.91)
Proceeds from short term borrowings	1,220.99	6,974.25
Interest paid	(3,245.82)	(3,869.30)
Unpaid Dividend deposited in Investor Education and Protection Fund	(15.85)	(17.50)
Net cash flow from / (used in) in financing activities (C)	(5,661.57)	(5,925.46)
Net increase /(decrease) in cash and cash equivalents (A + B + C)	(702.76)	(390.95)
Cash and cash equivalents at the beginning of the year	2,530.05	2,921.00
Cash and cash equivalents at the end of the year	1,827.29	2,530.05
Components of cash and cash equivalents		
Cash on hand	6.22	10.30
With banks- on current account	25.66	46.13
Unclaimed Dividend Accounts	85.49	101.34
Bank Remittances in Transit	1,709.92	2,372.28
Total cash and cash equivalents	1,827.29	2,530.05

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm Regn. No. 324982E
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : May 07, 2015

For and on behalf of the Board of Directors of
MIRC Electronics Limited

Muthu Elango
Chief Financial Officer

Aashay Khandwala
Head Corporate Affairs,
Legal and Company Secretary

Place : Mumbai
Date : May 07, 2015

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

MIRC

MIRC ELECTRONICS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Basis of Preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1 Summary of significant accounting policies

1.1 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

1.2 Tangible Fixed Assets

Fixed assets, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

1.3 Depreciation on Tangible Fixed Assets

Depreciation has been provided on straight line (SL) basis using the rates arrived at based on the useful lives as those prescribed under the Schedule II to the Companies Act, 2013.

Effective from 1st April, 2014, the Company has provided depreciation with reference to the useful life of tangible assets as specified in Schedule II to the Companies Act, 2013. Accordingly, the carrying amount, net of residual value, as on that date has been depreciated over the revised remaining useful life of the assets. As a result, the charge for depreciation is higher by ₹ 158.84 lacs for the year ended 31st March, 2015.

Further, carrying amount of ₹674.57 lacs (deferred tax ₹218.86 lacs, net of deferred tax ₹ 455.71 lacs) in respect of assets whose useful life is already exhausted as on 1st April, 2014 have been adjusted to opening balance of surplus in statement of profit and loss.

1.4 Intangible assets

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 6 years.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1.5 Lease

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

1.6 Impairment of Tangible and Intangible Assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or cash generating unit.

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost, had no impairment been recognised.

1.7 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

1.8 Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a moving weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a moving weighted average basis.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a moving weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.9 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Revenue from sale of goods is recognized when all significant risks and rewards of ownership of the goods have been transferred to the buyer, usually on dispatch of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Export incentives

Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

1.10 Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Derivative Instruments and Hedge Accounting

The Company's exposure to foreign currency fluctuations relates to foreign currency assets, liabilities and forecasted cash flows. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward exchange contracts, where the counterparty is a bank.

As per Accounting Standard ('AS') 11 – 'The Effects of Changes in Foreign Exchange Rates', the premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract. All other derivatives, which are not covered by

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

AS 11, are measured using the mark-to-market principle with the resulting gains / losses thereon being recorded in the statement of profit and loss.

1.11 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to a reduction in future payment or a cash refund.

The company operates Gratuity as its defined benefit plan for its employees. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

The company recognizes termination benefit as a liability and an expense when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

1.12 Income Taxes

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year) computed in accordance with the relevant provisions of the Income Tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised.

1.13 Earnings per Share

Basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

the period is adjusted for events such as bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.14 Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually.

1.15 Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

1.16 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.17 Insurance claims

Amounts by way of insurance claims are recognised as assets when it is reasonably certain that the claim is receivable and is recorded as a reduction in the expense / cost of capital.

1.18 Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. The borrowing costs are expensed in the period they occur.

1.19 Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 2 - SHARE CAPITAL

	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Authorised :		
36,80,20,000 Equity Shares of ₹1 each (Previous year 36,80,20,000 Equity Shares of ₹1 each)	3,680.20	3,680.20
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)	1,000.00	1,000.00
Issued, Subscribed and Paid Up :		
19,62,34,202 Equity Shares of ₹ 1 each fully paid up (Previous year 14,17,51,678 Equity Shares of ₹1 each fully paid up)	1,962.34	1,417.52
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
	1,964.20	1,419.38
	1,964.20	1,419.38

(a) Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting year

	31st March, 2015		31st March, 2014	
	No. in lacs	₹ in lacs	No. in lacs	₹ in lacs
Fully paid up shares				
At the beginning of the year	1,417.52	1,417.52	1,417.52	1,417.52
Issued during the year on account of Rights issue (Refer note 29)	544.82	544.82	-	-
At the end of the year	1,962.34	1,962.34	1,417.52	1,417.52
Forfeited Equity shares				
At the beginning of the year	2.48	1.86	2.48	1.86
At the end of the year	2.48	1.86	2.48	1.86

(b) Rights, Preferences and Restrictions Attached to Equity Shares

The company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend, if any on the equity shares is recommended by the Board and approved by the shareholders at the Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(c) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

In FY 2009-10 : 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 Private Limited with the Company.

(d) Pursuant to rights issue of equity shares, the Company has allotted 5,44,82,524 equity shares of ₹ 1 each at a premium of ₹5 per share on 22nd October, 2014

(e) Details of Shareholders holding more than 5 % shares in the company:

Name of the Shareholder	31st March, 2015		31st March, 2014	
	No. in lacs	% holding in the class	No. in lacs	% holding in the class
Mr. Gulu L. Mirchandani	219.84	11.20	167.61	11.82
Mrs. Gita Mirchandani	78.80	4.02	92.11	6.50
IIFL Investment Adviser & Trustee Services Limited (Formerly IIFL Trustee Services Limited) (Beneficial owner Mr. Vijay J. Mansukhani)	401.61	20.47	256.88	18.12
Mr. Kaval G. Mirchandani	122.60	6.25	125.17	8.83
Mr. Sasha G. Mirchandani	122.07	6.22	124.79	8.80
Gulita Securities Limited	272.27	13.87	10.91	0.77

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTE 3 - RESERVES AND SURPLUS

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Capital Reserve	7.07	7.07
Capital Redemption Reserve	1,891.51	1,891.51
Securities Premium Account		
Balance as per last Balance Sheet	1.39	1.39
Add : Premium on issue of rights issue	2,724.13	-
Less : Amounts utilised towards rights issue expenses	(102.17)	-
	2,623.35	1.39
General Reserve	8,902.96	8,902.96
Surplus in Profit and Loss Statement		
Balance as per last financial statements	1,673.94	7,671.06
Less : Adjustment to written down value of assets fully depreciated pursuant to Schedule II of the Companies Act, 2013, net of tax - Refer Note 1.3	(455.71)	-
Add : Profit /(Loss) for the year	80.60	(5,997.12)
Net surplus in the statement of profit and loss	1,298.83	1,673.94
	14,723.72	12,476.87

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 4 - DEFERRED TAX LIABILITIES (NET)

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Deferred Tax Liabilities		
Fixed assets : Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	1,601.83	1,838.27
Gross deferred tax liability	1,601.83	1,838.27
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	141.81	151.30
Provision for doubtful debts and advances	380.86	322.53
Carry forward of Income Tax Loss and unabsorbed depreciation	1,079.16	1,364.44
Gross deferred tax asset	1,601.83	1,838.27
Net deferred tax asset	-	-

Note : Deferred Tax Asset on carry forward Income Tax loss and unabsorbed depreciation is created to the extent of Deferred Tax Liability.

NOTE 5 - SHORT-TERM BORROWINGS

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Cash Credit Facility from banks (Secured)	14,796.02	13,558.39
Buyers Credit (Secured)	6,365.41	9,996.95
Interest free loans from Promoters / Directors repayable on demand (Unsecured)	-	3,200.00
	21,161.43	26,755.34

The above amount includes

Secured borrowings	21,161.43	23,555.34
Unsecured borrowings	-	3,200.00

Cash Credit Facility and Buyers credit from banks is secured by pari passu charge in favour of the bankers by mortgage / hypothecation of Company's immovable and movable properties at Wada and Onida House and immovable properties at Vasai. The interest on cash credit ranges from 13.05% to 15.87%. The interest on Buyers credit is libor plus spread.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 6 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Acceptances	6,867.19	8,014.44
Trade payables	18,351.04	13,063.49
Other liabilities		
Interest accrued but not due on borrowings	61.68	15.01
Unclaimed dividends	85.49	101.34
Advances from Customers	174.54	515.45
Others payables		
Dealer Deposits	109.82	276.17
Employees Benefit	1,154.37	1,236.77
Statutory Dues	2,227.94	2,511.20
Creditors for Capital items	0.70	13.24
Liability for expenses	9.20	38.28
Others	44.05	105.98
	3,546.08	4,181.64
	29,086.02	25,891.37

NOTE 7 - PROVISIONS

	Long Term		Short Term	
	₹ in lacs		₹ in lacs	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Provision for employees benefit				
Provision for gratuity	160.49	-	77.75	170.23
Provision for leave benefits	-	-	229.63	232.55
	160.49	-	307.38	402.78

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 8 - FIXED ASSETS TANGIBLE ASSETS

	Leasehold land	Freehold land	Buildings	Plant and Machinery and Electrical Fittings	Furniture and Fixtures	Office Equipments	Motor Vehicles	R & D - Building	R & D - Plant and Machinery and Electrical Fittings	R & D - Furniture and Fixture	R & D - Office Equipment	TOTAL
Cost												
As at 1st April, 2013	760.22	1,776.68	10,337.30	23,106.07	747.31	504.51	378.58	157.08	665.43	87.61	40.25	38,561.04
Additions	-	-	101.72	998.20	34.19	37.63	44.61	-	-	-	-	1,216.35
Disposals	-	-	15.10	29.68	0.22	0.69	47.85	-	-	-	-	93.54
As at 31st March, 2014	760.22	1,776.68	10,423.92	24,074.59	781.28	541.45	375.34	157.08	665.43	87.61	40.25	39,683.85
Additions	-	-	8.11	22.60	0.01	7.72	-	-	-	-	-	38.44
Disposals	174.32	-	422.14	45.75	25.82	11.32	53.07	-	-	0.12	-	732.54
As at 31st March, 2015	585.90	1,776.68	10,009.89	24,051.44	755.47	537.85	322.27	157.08	665.43	87.49	40.25	38,989.75
Depreciation												
As at 1st April, 2013	129.28	-	3,422.10	17,881.13	602.97	268.59	187.77	95.74	459.56	71.55	28.52	23,147.21
Charge for the year	9.68	-	334.92	990.31	19.22	21.21	25.55	5.25	20.70	1.64	1.68	1,430.16
Disposals	-	-	3.80	28.36	0.22	0.24	5.63	-	-	-	-	38.25
As at 31st March, 2014	138.96	-	3,753.22	18,843.08	621.97	289.56	207.69	100.99	480.26	73.19	30.20	24,539.12
Charge for the year	9.00	-	372.78	897.78	25.89	47.16	29.45	1.10	27.15	2.18	0.28	1,412.77
Adjustments (refer note below)	-	-	316.96	208.76	23.41	111.35	-	0.02	3.30	2.91	7.86	674.57
Disposals	20.46	-	138.05	44.61	24.30	7.77	50.42	-	-	0.12	-	285.73
As at 31st March, 2015	127.50	-	4,304.91	19,905.01	646.97	440.30	186.72	102.11	510.71	78.16	38.34	26,340.73
Net Block												
As at 31st March, 2014	621.26	1,776.68	6,670.70	5,231.51	159.31	251.89	167.65	56.09	185.17	14.42	10.05	15,144.73
As at 31st March, 2015	458.40	1,776.68	5,704.98	4,146.43	108.50	97.55	135.55	54.97	154.72	9.33	1.91	12,649.02

INTANGIBLE ASSETS

	R&D Software	TOTAL
Cost or valuation		
As at 1st April, 2013	59.27	59.27
Additions	7.65	7.65
Disposals	-	-
As at 31st March, 2014	66.92	66.92
Additions	-	-
Disposals	-	-
As at 31st March, 2015	66.92	66.92
Depreciation		
As at 1st April, 2013	52.95	52.95
Charge for the year	2.35	2.35
Disposals	-	-
As at 31st March, 2014	55.30	55.30
Charge for the year	1.73	1.73
Disposals	-	-
As at 31st March, 2015	57.03	57.03
Net Block		
As at 31st March, 2014	11.62	11.62
As at 31st March, 2015	9.89	9.89

Note :

During the year, the Company has revised the depreciation rate on fixed assets as per the useful life specified in the Companies Act, 2013 or reassessed by the Company. Based on the current estimates, carrying amount of ₹ 674.57 lacs in respect of assets whose useful life is already exhausted as on 1st April, 2014 have been adjusted to opening balance of surplus in statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 9 - NON-CURRENT INVESTMENTS

	No. of Shares	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Non Trade investments (valued at cost unless stated otherwise)			
Unquoted Equity Instruments			
Investment in subsidiaries			
Akasaka Electronics Limited (Face value ₹10)	8,148,720 (PY.8,148,000)	2,624.92	2,624.85
Investment In Others			
Kongarar Textiles Limited (Face value ₹10)	2,600	1.17	1.17
Less: Provision for diminution in the value of Investments	(PY.2,600)	1.17	1.17
		-	-
Onida Finance Limited (Face value ₹10)	468,400	139.60	139.60
Less: Provision for diminution in the value of Investments	(PY.468,400)	139.60	139.60
		-	-
		2,624.92	2,624.85
Aggregate amount of Unquoted Investments at Cost		2,765.69	2,765.62
Less: Provision for diminution in the value of Investments		140.77	140.77
		2,624.92	2,624.85

NOTE 10 - LOANS AND ADVANCES

	Long Term ₹ in lacs		Short Term ₹ in lacs	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Capital Advances, unsecured, considered good	-	1.40	-	-
Security Deposits, unsecured, considered good	3,184.43	3,221.89	-	-
Loans and advances to related parties, unsecured, considered good				
Entity in which Directors have significant influence	125.00	125.00	-	-
Other Loans and Advances, Unsecured, considered good				
Advance Income-tax (Net of Provisions)	164.01	412.34	-	-
Balance with Excise and Customs, etc	-	-	295.21	420.60
Receivable on account of sale of fixed assets (refer note 41)	-	-	825.00	-
Prepaid Expenses	0.68	7.80	202.84	156.20
Advance paid to Vendors	-	-	1,505.32	2,312.86
Other Receivables	-	-	347.46	513.29
	3,474.12	3,768.43	3,175.83	3,402.95

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 11 - OTHER NON-CURRENT ASSETS

	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Unsecured, considered good unless stated otherwise		
Margin Money with Banks	11.43	46.04
	11.43	46.04

NOTE 12 - CURRENT INVESTMENTS

	No. of Shares	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Current investments (valued at lower of cost and fair value, unless stated otherwise)			
Quoted equity instruments			
Menon Pistons Limited (Face Value ₹10)	-	-	19.46
	(PY.27,804)		
Less: Provision for diminution in the value of Investments		-	0.82
		-	18.64
Aggregate amount of Quoted Investments			
Book Value		-	19.46
Market Value		-	18.64
Aggregate provision for diminution in value of investment		-	0.82

NOTE 13 - INVENTORIES

	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Raw materials and components [includes Goods in transit ₹2,519.91 lacs (31st March, 2014 ₹1,370.93 lacs)]	9,368.94	7,598.63
Stores and Spares	255.45	268.12
Work-in-Progress	1,325.01	1,380.92
Finished Goods	3,630.16	2,854.18
Traded Goods [includes Goods in transit ₹5,976.44 lacs (31st March, 2014 ₹ 4,119.95 lacs)]	13,696.53	11,298.57
	28,276.09	23,400.42

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 14 - TRADE RECEIVABLES

	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured - considered good	663.98	471.35
- considered doubtful	1,152.03	982.58
	1,816.01	1,453.93
Less : Provision for Doubtful Debts	1,152.03	982.58
	663.98	471.35
Other receivables		
Secured	180.86	184.32
Unsecured	11,697.37	11,819.25
	11,878.23	12,003.57
Less : Provision for Doubtful Debts	-	11.51
	11,878.23	11,992.06
	12,542.21	12,463.41

NOTE 15 - CASH AND CASH EQUIVALENTS

	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Cash in hand	6.22	10.30
Balances with banks:		
On Current Account	25.66	46.13
Unclaimed Dividend Accounts	85.49	101.34
Bank Remittances in Transit	1,709.92	2,372.28
	1,821.07	2,519.75
Margin Money Deposits	51.24	16.86
	1,878.53	2,546.91

NOTE 16 - OTHER CURRENT ASSETS

	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Deferred Premium on Forward Contract	0.93	91.06
Unsecured, considered good unless stated otherwise		
Insurance claims receivable (refer note 26)	2,753.49	3,420.96
Interest accrued	6.78	5.72
	2,761.20	3,517.74

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 17 - REVENUE FROM OPERATIONS

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Revenue from operations		
Sale of Products		
Finished Goods	53,354.41	72,136.05
Traded Goods	58,701.39	64,754.33
Other operating revenue		
Sale of Scrap	72.89	121.13
Export Incentives	29.19	51.24
Liabilities written back	242.78	72.08
Others	5.18	13.37
Revenue from operations (gross)	112,405.84	137,148.20
Less : Excise duty #	5,344.15	7,564.69
REVENUE FROM OPERATIONS (NET)	107,061.69	129,583.51

Excise duty on sales amounting to ₹5,344.15 lacs [previous year ₹7,564.69 lacs] has been reduced from sales in the Statement of Profit and Loss and excise duty on increase / (decrease) in stock amounting to ₹61.72 lacs [previous year ₹67.67 lacs] has been considered as (income) / expense in note 25 of financial statements.

Details of Products sold	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Finished Goods Sold		
Display Devices	47,195.81	55,649.87
Washing Machines	4,776.87	4,691.78
Others	1,381.73	11,794.40
	53,354.41	72,136.05
Traded Goods Sold		
Airconditioners	35,480.78	33,900.01
Display Devices	8,785.79	15,562.01
Washing Machines	3,013.18	4,954.21
Mobile	5,447.23	5,218.99
Others	5,974.41	5,119.11
	58,701.39	64,754.33
	112,055.80	136,890.38

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 18 - OTHER INCOME

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Dividend Income	0.42	0.57
Interest Income on :		
Inter Corporate Deposit	18.75	18.75
Loans and advances to related parties	-	5.86
Others	6.80	8.13
Profit on sale of Assets (refer note 41)	944.87	74.13
Profit on sale of current investments	12.81	-
Liabilities written back	54.00	-
	1,037.65	107.44

NOTE 19 - COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Inventory at the beginning of the year	7,598.63	7,520.73
Add : Purchases	38,898.31	49,943.49
	46,496.94	57,464.22
Less : Inventory at the end of the year	9,368.94	7,598.63
	37,128.00	49,865.59

Details of raw material and components consumed

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Colour Picture Tube and LCD / LED panels	20,509.46	28,761.00
Components and Parts for Display Devices	6,322.87	9,294.49
Components and Parts for Air Conditioners	252.28	952.78
Components and Parts for Washing Machine	3,090.82	2,988.84
Others	6,952.57	7,868.48
	37,128.00	49,865.59

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 20 - PURCHASES OF TRADED GOODS

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Display Devices	6,586.32	11,840.13
Washing Machines	2,110.98	3,447.21
Air Conditioners	29,621.78	29,703.92
DVD	-	421.88
Microwave Ovens	1,195.02	2,358.31
Mobiles	4,609.36	4,648.69
Others	865.63	1,116.79
	44,989.09	53,536.93

NOTE 21 - (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Inventory at the beginning of the year		
Finished Goods	2,854.18	3,440.60
Work in Progress	1,380.92	1,613.44
Traded Goods	11,298.57	12,240.02
	15,533.67	17,294.06
Less : Inventory at the end of the year		
Finished Goods	3,630.16	2,854.18
Work in Progress	1,325.01	1,380.92
Traded Goods	13,696.53	11,298.57
	18,651.70	15,533.67
	(3,118.03)	1,760.39

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Details of Inventory

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Finished Goods		
Display Devices	2,751.25	2,644.40
Washing Machine	147.28	80.15
Others	731.63	129.63
	<u>3,630.16</u>	<u>2,854.18</u>
Work in Progress		
Display Devices	1,207.04	1,266.46
Washing Machine	79.62	71.61
Others	38.35	42.85
	<u>1,325.01</u>	<u>1,380.92</u>
Traded Goods		
Air Conditioners	10,032.93	7,464.25
Display Devices	405.41	545.38
DVD HTS and Induction cooker	294.63	424.35
Micro wave	404.80	573.96
Mobile	1,745.88	1,463.35
Washing Machine	556.75	554.91
Others	256.13	272.37
	<u>13,696.53</u>	<u>11,298.57</u>
	<u>18,651.70</u>	<u>15,533.67</u>

NOTE 22 - EMPLOYEE BENEFIT EXPENSE

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Salaries, Wages and Bonus	6,217.91	7,023.25
Contribution to Provident Fund and Other Funds	242.77	281.78
Gratuity expense (Refer note 28)	83.54	33.71
Staff Welfare Expenses	784.05	850.39
	<u>7,328.27</u>	<u>8189.13</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 23 - FINANCE COST

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Interest Expense	1,882.01	2,010.41
Other Borrowing costs	1,410.48	1,342.02
Exchange difference on foreign currency borrowings	-	460.59
	3,292.49	3,813.02

NOTE 24 - DEPRECIATION AND AMORTISATION EXPENSE

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Depreciation of tangible assets	1,412.77	1,430.16
Amortisation of intangible assets	1.73	2.35
	1,414.50	1,432.51

NOTE 25 - OTHER EXPENSES

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Power and Fuel	639.12	815.45
Rent	717.19	805.90
Rates and Taxes	180.55	143.14
Repairs to		
Plant and Machinery	99.66	203.70
Building	7.06	4.18
Others	487.41	508.68
	594.13	716.56
Insurance Charges	130.02	143.91
Freight and Forwarding Charges	4,323.69	4,900.70
Advertisement and sales promotion	2,719.45	1,735.84
Special rebates and incentives	1,311.56	1,125.36
Service Charges	2,006.85	1,925.32
Travelling and Conveyance	533.44	671.47
Provision for Doubtful Debts and advances	157.94	305.56
Research and Development Expenses	422.55	531.72
Increase / (decrease) of excise duty on inventory	61.72	67.67
Exchange (gain) / loss	699.95	1,519.39
Miscellaneous Expenses	1,599.40	1,682.51
	16,097.56	17,090.50

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Remuneration to Auditors:

Payment to auditor	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
As auditor (exclusive of Service tax)		
Audit fees	22.90	21.25
Tax audit fees	4.00	4.00
Other services (refer Note below)	7.55	11.65
Reimbursement of expenses	1.40	0.94
	35.85	37.84

Note - Out of the above, an amount of ₹ 6.05 lacs (PY: ₹ 5.52 lacs) pertaining to expenses incurred for rights issue of equity shares has been set off against securities premium and has not been debited to the statement of Profit and Loss. (Refer Note 29).

26) There was a fire accident in February 2012 at Roorkee Plant of the Company. The Company had made a claim of ₹ 4995.50 lacs in respect of loss and damages covered by the insurance policy. Against the total claim, on account payment of ₹ 1632.45 lacs has been realised from the Insurance company. During the year, based on the communication received from surveyors appointed by the Insurance company, management has reassessed the recoverability of claim and consequently a further loss of ₹623 lacs has been charged to statement of Profit and Loss.

27) Contingent Liabilities and Commitments :

	31st March 2015 ₹ in lacs	31st March 2014 ₹ in lacs
Contingent Liabilities		
a) Guarantees given to Bank against which ₹Nil (previous year ₹Nil) has been deposited as margin money	760.93	715.01
b) Guarantees given to bank on behalf of subsidiary company - Akasaka Electronics Limited	1,669.00	1,732.00
c) Income tax demands in respect of which appeals have been filed	323.42	-
d) Excise Duty, Service Tax and Custom Duty in respect of which appeals have been filed	2,496.25	2,563.62
e) Claims made against the Company not acknowledged as debts	11,007.64	10,624.53
Commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	-	2.46

In respect of the above contingent liabilities, the future cash outflows are determinable only on receipt of judgements pending at various forums / authorities.

28) Employee Benefits :

a) Defined contribution plans

The Company has recognised an expense of ₹221.41 lacs (previous year ₹254.56 lacs) towards defined contribution plans, in respect of Provident Fund during the year and in respect of Provident Fund and Superannuation Fund until previous year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

b) Defined benefit plans

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.

c) Principal actuarial assumptions :

Particulars	Gratuity	
	31st March 2015	31st March 2014
Discount rate	7.95%	9.25%
Rate of Return on Plan Assets	7.95%	9.25%
Salary Escalation	4.00%	4.00%

d) Reconciliation of Benefit Obligation :

₹ in lacs

Particulars	Gratuity	
	31st March 2015 ₹ in lacs	31st March 2014 ₹ in lacs
Liability at the beginning of the year	945.30	937.78
Interest cost	87.44	77.37
Current Service Cost	49.23	57.08
Benefit Paid	(52.82)	(94.42)
Actuarial (Gain) / Loss on Obligations	10.58	(32.51)
Liability at the end of the year	1,039.73	945.30
Fair Value of Plan Assets at the end of the year	801.49	775.07
Liability at the end of the year recognised and disclosed under the head "Provisions for Employees Benefit"		
- Long term provision	160.49	-
- Short term provision *	77.75	170.23

* Of the Total Provision, the Company is expected to pay an amount of ₹ 77.75 lacs to the fund in the year 2015-16

e) Reconciliation of Fair value of Plan Assets :

₹ in lacs

Particulars	Gratuity	
	2014-15	2013-14
Fair Value of Plan Assets at the beginning of the year	775.07	798.14
Expected Return on Plan Assets	71.69	65.85
Contributions	11.16	4.67
Benefit Paid	(52.82)	(94.42)
Actuarial Gain / (Loss) on Plan Asset	(3.61)	0.83
Fair Value of Plan Assets at the end of the year*	801.49	775.07

* All the assets are categorised as Insurer Managed Funds

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

f) Return on Plan Assets :

₹ in lacs

Particulars	Gratuity	
	2014-15	2013-14
Expected Return on Plan Assets	71.69	65.85
Actuarial Gain / (Loss) on Plan Assets	(3.61)	0.83
Actual Return on Plan Assets	68.08	66.68

g) Expenses recognised in the Profit and Loss Statement under the head Employees Benefit Expenses :

₹ in lacs

Particulars	Gratuity	
	2014-15	2013-14
Current Service Cost	49.23	57.08
Interest Cost	87.44	77.37
Expected Return on Plan Assets	(71.69)	(65.85)
Net Actuarial (Gain) / Loss recognised	14.19	(33.34)
Expenses recognised in Profit and Loss Statement	79.17	35.26

- h)** The expected rate of return on plan assets which is 7.95% relates to the benchmark rate available on Government Securities (G. sec.) for the tenure of 10 years i.e the expected term of obligation. The rate is taken as per the deal rate as on 31st March, 2015 as suggested under AS 15 (Revised 2005)
- i)** The estimates of future salary increases, considered in actuarial valuation, take in to account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- j) Amount for the Current and Previous periods as per AS15 Para 120(n) are as follows:**

₹ in lacs

Particulars	Gratuity				
	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	1,039.73	945.30	937.78	853.00	793.19
Plan assets	801.49	775.07	798.14	784.36	715.68
Surplus / (deficit)	(238.24)	(170.23)	(139.64)	(68.64)	(77.51)
Experience adjustment on plan liabilities (gain) /loss	(50.22)	(32.51)	(23.72)	(22.05)	70.85
Experience adjustment on plan assets (loss) / gain	(3.61)	0.83	1.94	5.04	3.32

- 29** The Company has during the year allotted 5,44,82,524 equity shares at a premium of ₹ 5 per share. Consequently, the paid up share capital has increased from ₹1417.52 lacs to ₹1962.34 lacs and Securities Premium has increased by ₹ 2,621.96 lacs (net of rights Issue expenses).

Pursuant to stipulation imposed by the financial institutions the promoters in the previous year provided an unsecured loan of ₹ 3,200 lacs to the Company. The Company during the current year has issued equity shares of ₹ 2,646.05 lacs against the unsecured loan and has refunded the balance amount to the promoters.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

30) Imported and Indigenous Material Consumed :

₹ in lacs

Sr. No.	Particulars	2014-15	%	2013-14	%
a)	Imported	29,249.46	78.78	40,513.13	81.24
b)	Indigenous	7,878.54	21.22	9,352.46	18.76
	Total	37,128.00	100.00	49,865.59	100.00

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

₹ in lacs

Sr. No.	Particulars	2014-15	2013-14
a)	Raw Materials and Spare parts (Including in-transit)	28,836.20	42,036.66
b)	Finished Goods - Stock in Trade (Including in-transit)	32,951.17	31,982.60
c)	Capital Goods	-	55.77

32) Details of earnings in Foreign Currency (On accrual basis) :

₹ in lacs

Particulars	2014-15	2013-14
Exports (at FOB Value)	911.05	1,702.81

33) Details of expenditure in Foreign Currency (On accrual basis) :

₹ in lacs

Sr. No.	Particulars	2014-15	2013-14
a)	Royalty	11.53	13.94
b)	Finance cost	129.02	215.56
c)	Personnel expenses	223.41	320.01
d)	Freight and Forwarding	23.61	31.76
e)	Travelling and conveyance	34.84	54.05
f)	Others	332.46	382.47
	Total	754.87	1,017.79

34) The Company considers entire business under one segment i.e. Consumer Durable products. Further, there is no separately identifiable geographical segment and hence no reporting is made for segment.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

35) Foreign Currency exposure :

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.

Amount in lacs

Particulars	Currency	Amount in foreign currency
Amount payable on account of import of goods and buyers credit	USD	150.13
(Previous year)	USD	(225.18)
	RMB	(456.24)

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

₹ in lacs

Sr. No.	Particulars	Currency	Amount in foreign currency	Amount in Indian Rupees
a)	Amount payable on account of import of goods	USD	246.53	15,409.56
		JPY	66.86	34.85
		RMB	161.14	1,624.25
	(Previous year)	USD	73.41	4,398.77
		JPY	132.38	81.19
b)	Amount receivable on export of goods	USD	3.09	193.30
	(Previous year)	USD	3.12	186.94

36) Computation for Earnings Per Share (EPS) is as under :

Particulars	2014-15	2013-14
Profit / (Loss) after Tax (₹ in lacs)	80.60	(5,997.12)
Net Profit / (Loss) after tax attributable to Equity shareholders (₹ in lacs)	80.60	(5,997.12)
Weighted average number of Equity Shares outstanding	170,957,120	151,008,050
Basic / Diluted Earnings Per Share (₹)	0.05	(3.97)

37) Research and development expenses consist of personnel expenses and other expenses of ₹ 325.16 lacs (previous year ₹ 399.82 lacs), and ₹97.39 lacs (previous year ₹131.90 lacs) respectively. Depreciation on Research and Development assets is ₹32.45 lacs (previous year ₹31.62 lacs) shown under Fixed Assets.

38) There are no Micro and Small Enterprises, to whom the Company owes dues. 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

39) 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 with whom transactions have taken place and description of relationship :

1. Subsidiary	Akasaka Electronics Ltd.
2. Key Management Personnel	Mr. G.L. Mirchandani - Chairman & Managing Director Mr. V.J. Mansukhani - Managing Director Mr. S. K. Dhoot - Whole - time Director Mr. G. Sundar - Chief Executive Officer Mr. Aashay S. Khandwala - Head Corporate Affairs, Legal and Company Secretary (Joined wef. 26th March, 2014) Mr. Anoopkumar Pillai - Head Corporate Affairs, Legal and Company Secretary (Resigned wef. 19th November, 2013) Mr. Muthu Elango - Chief Financial Officer (Joined wef. 7th November, 2014) Mr. Predeep Gupta - Chief Financial Officer (Resigned wef. 7th November, 2014)
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. Sasha 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 & 3 is having significant influence	Iwai Electronics Pvt. Ltd. Adino Telecom Ltd. Gulita Wealth Advisors Pvt. Ltd. Adino Electronics Ltd. IIFL Investment Adviser & Trustee Services Ltd. (Formerly IIFL Trustee Services Ltd.) Gulita Securities Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lacs

Particulars	Subsidiary	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (2) & (3) is having significant influence
	(1)	(2)	(3)	(4)
Transactions during FY 2014-15				
Purchase of goods, services and spares				
Akasaka Electronics Limited	308.15 (458.04)	- -	- -	- -
Iwai Electronics Pvt.Limited	-	-	-	611.09 (1041.83)
Adino Telecom Limited	-	-	-	- (0.08)
Sale of goods, spares and services				
Akasaka Electronics Limited	- (0.34)	- -	- -	- -
Iwai Electronics Pvt. Limited	-	-	-	1.92 (2.63)
Adino Telecom Limited	-	-	-	- (5.92)
Sale of Fixed Assets				
Adino Telecom Limited	- -	- -	- -	- (32.06)
Inter Corporate Deposits / Loan received				
V.J.Mansukhani	-	1,000.00 (1,278.58)	- -	- -
G.L.Mirchandani	-	75.00 (3,335.83)	- -	- -
Gita Mirchandani	-	-	(208.10)	-
Kaval Mirchandani	-	-	(282.79)	-
Sasha Mirchandani	-	-	(281.92)	-
IIFL Investment Adviser & Trustee Services Limited	-	-	-	(580.36)
Gulita Securities Limited	-	-	-	(24.65)
Adino Electronics Limited	-	-	-	(7.77)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lacs

Particulars	Subsidiary	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (2) & (3) is having significant influence
	(1)	(2)	(3)	(4)
Issue of Equity Shares adjusted against loan taken				
V.J.Mansukhani	-	-	-	-
G.L.Mirchandani	-	1260.46	-	-
Gita Mirchandani	-	-	208.10	-
Kaval Mirchandani	-	-	282.79	-
Sasha Mirchandani	-	-	281.92	-
IIFL Investment Adviser & Trustee Services Limited	-	-	-	580.36
Gulita Securities Limited	-	-	-	24.65
Adino Electronics Limited	-	-	-	7.77
Inter Corporate Deposits / Loan repaid				
V.J.Mansukhani	-	1,478.58	-	-
	-	(800.00)	-	-
G.L.Mirchandani	-	150.37	-	-
	-	(2000.00)	-	-
Gita Mirchandani	-	-	(101.00)	-
Ayesha Mansukhani	-	-	-	-
	-	-	(130.00)	-
Interest received / receivable on Inter Corporate Deposits / loans / advances				
Adino Telecom Limited	-	-	-	18.75
	-	-	-	(18.75)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lacs

Particulars	Subsidiary	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (2) & (3) is having significant influence
	(1)	(2)	(3)	(4)
Ayesha Mansukhani	-	-	-	-
Gita Mirchandani	-	-	(3.77)	-
	-	-	(2.09)	-
Interest paid / payable on Inter Corporate Deposits / loans / advances				
V.J.Mansukhani	-	14.72	-	-
G.L.Mirchandani	-	2.52	-	-
	-	-	-	-
Rent paid				
G.L. Mirchandani	-	4.03	-	-
	-	(4.03)	-	-
Gita Mirchandani	-	-	21.79	-
	-	-	(27.74)	-
Marissa Mansukhani	-	-	5.21	-
	-	-	(8.18)	-
Akshay Mansukhani	-	-	0.89	-
	-	-	(0.89)	-
Ayesha Mansukhani	-	-	0.89	-
	-	-	(0.89)	-
G.L.Mirchandani (HUF)	-	-	10.68	-
	-	-	(13.66)	-
V.J.Mansukhani (HUF)	-	-	2.59	-
	-	-	(2.59)	-
Gulita Wealth Advisors Pvt. Limited	-	-	-	30.00
	-	-	-	(30.00)
Rent received				
Adino Telecom Limited	-	-	-	-
	-	-	-	(1.13)
Refund of rent deposit				
Gita Mirchandani	-	-	5.95	-
	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lacs

Particulars	Subsidiary	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (2) & (3) is having significant influence
	(1)	(2)	(3)	(4)
Marissa Mansukhani	-	-	2.97	-
G.L. Mirchandani (HUF)	-	-	2.97	-
Remuneration				
G.L. Mirchandani	-	126.84	-	-
	-	(144.19)	-	-
V.J. Mansukhani	-	110.55	-	-
	-	(120.00)	-	-
Kaval Mirchandani	-	-	45.00	-
	-	-	(45.00)	-
S.K. Dhoot	-	34.58	-	-
	-	(34.58)	-	-
G. Sundar	-	197.50	-	-
	-	(197.50)	-	-
Aashay S. Khandwala	-	41.14	-	-
	-	(0.56)	-	-
Anoopkumar Pillai	-	-	-	-
	-	(23.87)	-	-
Muthu Elango	-	28.78	-	-
	-	-	-	-
Predeep Gupta	-	40.82	-	-
	-	(67.42)	-	-

Closing Balance as at 31st March, 2015

₹ in Lacs

Receivable				
Gita Mirchandani				
Rent Deposit given	-	-	625.45	-
	-	-	(631.40)	-
Marissa Mansukhani				
Rent Deposit	-	-	5.21	-
	-	-	(8.18)	-
Akshay Mansukhani				
Rent Deposit	-	-	0.89	-
	-	-	(0.89)	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lacs

Particulars	Subsidiary	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (2) & (3) is having significant influence
	(1)	(2)	(3)	(4)
Ayesha Mansukhani Rent Deposit	- -	- -	0.89 (0.89)	- -
G.L.Mirchandani (HUF) Rent Deposit	- -	- -	346.72 (349.70)	- -
V.J.Mansukhani (HUF) Rent Deposit	- -	- -	2.59 (2.59)	- -
G.L.Mirchandani Rent Deposit given	- -	119.82 (119.82)	- -	- -
Gulita Wealth Advisors Pvt. Limited Rent Deposit	- -	- -	- -	1000.00 (1000.00)
Adino Telecom Limited Debtors	- -	- -	- -	23.28 (24.63)
Inter corporate deposit given (refer note ii below)	- -	- -	- -	125.00 (125.00)
Adino Electronics Limited Debtors	- -	- -	- -	5.45 (5.45)
Payable				
Akasaka Electronics Limited Creditors payable	66.61 (86.45)	- -	- -	- -

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lacs

Particulars	Subsidiary	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (2) & (3) is having significant influence
	(1)	(2)	(3)	(4)
G.L.Mirchandani Loan taken	- -	- (1335.83)	- -	- -
Gita Mirchandani Loan taken	- -	- -	- (208.10)	- -
Kaval Mirchandani Loan taken	- -	- -	- (282.79)	- -
Sasha Mirchandani Loan taken	- -	- -	- (281.92)	- -
V.J.Mansukhani Loan taken	- -	- (478.58)	- -	- -
Iwai Electronics Pvt. Limited Creditors payable	- -	- -	- -	120.03 (130.16)
Adino Electronics Limited Loan taken	- -	- -	- -	- (7.77)
IIFL Investment Adviser and Trustee Services Limited Loan taken	- -	- -	- -	- (580.36)
Gulita Securities Limited Loan taken	- -	- -	- -	- (24.65)

Note :

- Figures in brackets are of previous year
- The company has given loans to enterprise over which key managerial person or relatives of key managerial person have significant influence in the ordinary course of business to meet the working capital requirements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

40) Provision for Warranty :

Warranty costs are provided based on technical estimate of the costs required to be incurred for repairs, replacement, material cost and past experience in respect of warranty costs. It is expected that this expenditure will be incurred over contractual warranty period.

The movement in provision can be summarised as -

₹ in lacs

Particulars	2014-15	2013-14
At the beginning of the year	68.00	-
Provisions :		
- Created	68.00	68.00
- Utilised	68.00	-
- Reversed	-	-
Balance as at the end of the year		
- Current	68.00	68.00
- Non current	-	-

- 41) Other income for the current year ended 31st March, 2015 includes profit on sale of land and building at Noida and Thane property of ₹944.87 lacs. Further an amount of ₹825 lacs is receivable on account of sale of land and building at Noida.
- 42) The Board of Directors of the Company at its meeting held on 24th April, 2015 have considered and approved issuance of 3,25,00,000 warrants (exercisable into equity shares) on preferential basis to persons other than promoters and promoter group at a price determined as per SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended and the same is subject to approval of the shareholders.
- 43) The Company has incurred a net loss in its three immediately preceding financial years. Thus in accordance with Section 135 (5) of the Companies Act, 2013, the Company is not required to provide / spend any amount under its Corporate Social Responsibility policy.
- 44) The figures of previous year were audited by a firm of Chartered accountants other than S R B C & CO LLP. Figures for the previous year have been regrouped where necessary to conform to current year's classification.

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm Regn. No. 324982E
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : May 07, 2015

For and on behalf of the Board of Directors of
MIRC Electronics Limited

Muthu Elango
Chief Financial Officer

Aashay Khandwala
Head Corporate Affairs,
Legal and Company Secretary

Place : Mumbai
Date : May 07, 2015

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

MIRC

MIRC ELECTRONICS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS INDEPENDENT AUDITOR'S REPORT

To the Members of MIRC Electronics Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MIRC Electronics Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the company included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered

Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2015, its consolidated loss, and its consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiary, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:

ANNEXURE TO THE AUDITOR'S REPORT

- (a) We and the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the report of the auditor, who is appointed under Section 139 of the Act, of the subsidiary company, none of the directors of the companies in the Group is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on report of the auditor of subsidiary:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, Refer Note 28 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary.

Other Matter

The accompanying consolidated financial statements include total assets of Rs 1,741.02 lakhs as at March 31, 2015, and total revenues and net cash outflows of Rs 299.05 lakhs and Rs. 9.80 lakhs for the year ended on that date, in respect of subsidiary, which has been audited by other auditor, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

For **SRBC & COLLP**

Chartered Accountants
ICAI Firm Registration Number: 324982E

per Jayesh Gandhi
Partner
Membership No.: 037924

Place : Mumbai
Date : May 07, 2015

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

The Group, comprising MIRC Electronics Limited ('Holding Company') and its subsidiary

- (i) (a) The Holding Company and the subsidiary have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management of the Holding Company during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Holding Company and the nature of its assets. For subsidiary, as reported by the other auditor, fixed assets have been physically verified by the management during the year as per the regular programme of physical verification. No material discrepancies were noticed on such verification.
- (ii) (a) The management of the Holding Company and the subsidiary have conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and its subsidiary and the nature of their business.
- (c) The Holding Company and its subsidiary are maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) In respect of loans granted by the Holding Company to the Company covered in the register maintained under section 189 of the Companies Act, 2013, repayment of the principal amount is as stipulated and payment of interest has been regular. The Subsidiary has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the subsidiary and hence not commented upon.
- (b) There is no overdue amount of loans granted by the Holding Company to party listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditor who audited the financial statements of subsidiary there is an adequate internal control system commensurate with the size of the Holding Company and its subsidiary and

the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the Holding Company and its subsidiary. During the course of our audit and as reported by the other auditor who audited the financial statements of subsidiary, no major weakness or continuing failure to correct any major weakness in the internal control system of the Holding Company and its subsidiary was observed in respect of these areas.

- (v) The Group has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Holding Company and as reviewed and reported by the other auditor who audited the financial statements of its subsidiary, to the extent applicable and relevant, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture and are of the opinion that prima facie, the specified accounts and records have been made and maintained. The detailed examination of the same has not been made by us or such other auditor.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases by the Holding Company. As reported by the other auditor who audited the financial statements of the subsidiary, the subsidiary is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable except for delay in depositing service tax in three cases and in depositing tax deducted at source in three cases.
- (b) According to the information and explanations given to us and as reported by other auditor who audited the financial statements of subsidiary, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and its subsidiary.
- (c) According to the records of the Holding Company and as reported by the other auditor who audited the

financial statements of subsidiary, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Nature of Dues	Financial Year	Forum where dispute is pending	Amount in Lakhs
Excise Duty	1993-94	CESTAT	22.80
	1997-98, 1999-00, 2001-05	Commissioner (Appeals)	52.02
	1998-99	High Court	10.00
	1999-00	CESTAT	23.80
Service Tax	2004 – 2011	Service Tax Appellate Tribunal	696.55
	2007-12	Commissioner (Appeals)	80.33
Customs	2012-13	CESTAT	174.18
	2012-13	Supreme Court	1,406.94
	2014-15	Assistant Commissioner	25.07
	2014-15	JC COMMISSIONER	22.81
	2012-2013, 2013-2014	Commissioner	50.88
Sales Tax (Central & State)	2009-10, 2011-12	AA - ADDITIONAL COMMISSIONER	0.99
	2008-09, 2011-12	Appellate authority	54.40
	2009-10	Assessing Authority	314.87
	2002-03, 2003-04, 2005-06, 2006-07, 2007-08	Commercial Tax Tribunal	205.69
	1992-94, 1995-99, 2000-2004, 2008-2009	Commissioner	47.04
	1997-98, 1999-01, 2003-06, 2007-10, 2010-12	Deputy Commissioner	49.24
	2009-10	Deputy excise and taxation Commissioner	0.14
	2000-01, 2008-09, 2011-12, 2012-13	Deputy Commissioner (A)	1,788.33
	2008-09, 2010-11, 2012-13	Excise & Taxation officer	4.60
	2002-05	High Court	178.30
	2001-02, 2003-04, 2005-07, 2010-2011	Joint Commissioner	2.98
	2005-06, 2012-13	Joint Commissioner (A)	727.95
	2003-04, 2005-08, 2010-11	Revisional Board.	1,302.28
	2010-12, 2013-15	Assistant Commissioner	211.13
	2008-2009	MP COM TAX DEP	1.86
	2010-2011	VAT officer	4.00
	1997-1998	Board of Commercial Taxes, Bhopal	9.72
	2006-08, 2009-11	Supreme Court	914.98
Stamp Duty	1996-97	Chief Controlling Revenue authority	39.40
Income Tax	1996-97, 1999-00, 2000-01, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07	High court	1,440.65
	2007-08, 2009-10	Appellate Tribunal	283.31
	2008-09, 2010-11, 2011-12	CIT (Appeals)	318.82

- (d) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of subsidiary, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Holding Company has no accumulated losses at the end of the financial year and no cash loss in the current financial year. In the immediately preceding financial year, the Holding Company had incurred cash loss. In respect of subsidiary, as reported by the auditor of the subsidiary, the accumulated losses at the end of the financial year does not exceed fifty percent of its net worth and it has incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditor who audited the financial statements of subsidiary, we are of the opinion that the Group has not defaulted in repayment of its dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us and based on the report of the auditor of subsidiary, the Group has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Holding Company did not have any term loans outstanding during the year. Based on the report of the other auditor who audited the financial statements of subsidiary, during the year, the term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditor who audited the financial statements of the subsidiary, we report that no fraud on or by the Group have been noticed or reported during the year.

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E

per Jayesh Gandhi

Partner

Membership No.: 037924

Place : Mumbai

Date : May 07, 2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

	Notes	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Equity and Liabilities			
Shareholder's Funds			
Share capital	2	1,964.20	1,419.38
Reserves and surplus	3	13,169.27	11,470.94
		15,133.47	12,890.32
		1.16	1.74
Minority Interest			
Non-current Liabilities			
Long-term borrowings	4	143.23	263.23
Deferred tax liabilities (Net)	5	-	-
Long-term provisions	8	161.14	13.97
		304.37	277.20
Current Liabilities			
Short-term borrowings	6	21,443.58	26,987.49
Trade payables	7	25,181.94	21,374.86
Other current liabilities	7	4,087.77	5,022.29
Short-term provisions	8	401.98	404.54
		51,115.27	53,789.18
TOTAL		66,554.27	66,958.44
Assets			
Non-current Assets			
Fixed assets			
Tangible assets	9	13,917.86	16,538.97
Intangible assets	9	9.89	11.62
		13,927.75	16,550.59
Non-current investments	10	-	-
Long-term loans and advances	11	3,582.33	3,878.54
Other non-current assets	12	11.43	46.04
		17,521.51	20,475.17
Current Assets			
Current investments	13	-	18.64
Inventories	14	28,465.06	23,781.24
Trade receivables	15	12,707.56	12,845.21
Cash and cash equivalents	16	1,881.17	2,798.61
Short-term loans and advances	11	3,217.77	3,510.51
Other current assets	17	2,761.20	3,529.06
		49,032.76	46,483.27
TOTAL		66,554.27	66,958.44
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm Regn. No. 324982E

Chartered Accountants

per Jayesh Gandhi

Partner

Membership No. 037924

Place : Mumbai

Date : May 07, 2015

For and on behalf of the Board of Directors of

MIRC Electronics Limited

Muthu Elango

Chief Financial Officer

Aashay Khandwala

Head Corporate Affairs,

Legal and Company Secretary

Place : Mumbai

Date : May 07, 2015

G. L. Mirchandani

Chairman and Managing Director

V. J. Mansukhani

Managing Director

MIRC

MIRC ELECTRONICS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Notes	2014-15 ₹ in lacs	2013-14 ₹ in lacs
Income			
Revenue from operations (gross)	18	112,755.62	138,124.14
Less: Excise Duty		5,402.12	7,717.30
Revenue from operations (net)		107,353.50	130,406.84
Other Income	19	1,044.88	126.64
Total Revenue		108,398.38	130,533.48
Expenses			
Cost of raw materials and components consumed	20	37,147.92	50,040.30
Purchases of Traded Goods	21	44,989.09	53,536.93
(Increase) / Decrease in inventories of Finished Goods, Work-in-progress and Traded Goods	22	(3,089.04)	1,786.77
Employee benefit expense	23	7,672.50	8,540.29
Finance Cost	24	3,390.47	3,843.01
Depreciation and amortisation expense	25	1,533.32	1,583.10
Loss on Insurance claim	27	623.00	-
Other Expenses	26	16,324.81	17,416.83
Total Expenses		108,592.07	136,747.23
Profit / (Loss) Before Tax		(193.69)	(6,213.75)
Tax Expenses			
Current Tax		45.00	-
Deferred Tax	5	218.86	-
Total tax expense		263.86	-
Profit / (Loss) For The Year before Minority interest		(457.55)	(6,213.75)
Minority Interest		(0.58)	(0.30)
Profit / (Loss) For The Year		(456.97)	(6,213.45)
Summary of significant accounting policies	1		
Earnings per Equity Shares [Nominal Value of share ₹ 1 each (31 March, 2014: ₹ 1 each)]			
- Basic and Diluted (₹)	33	(0.27)	(4.11)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm Regn. No. 324982E

Chartered Accountants

per Jayesh Gandhi

Partner

Membership No. 037924

Place : Mumbai

Date : May 07, 2015

For and on behalf of the Board of Directors of

MIRC Electronics Limited

Muthu Elango

Chief Financial Officer

Aashay Khandwala

Head Corporate Affairs,

Legal and Company Secretary

Place : Mumbai

Date : May 07, 2015

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

MIRC

MIRC ELECTRONICS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Cash flow from operating activities		
Profit / (Loss) before tax	(193.69)	(6,213.75)
Adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation / amortisation	1,533.32	1,583.10
Loss on Insurance claim	623.00	-
Profit on sale of fixed assets	(944.87)	(74.13)
Profit on sale of Current Investment	(12.81)	-
Provision for diminution in value of current investment	-	(1.96)
Unrealized foreign exchange loss / (Gain)	27.16	(224.51)
Provision for doubtful debts	169.44	305.56
Interest expense	3,390.47	3,843.01
Interest income	(32.23)	(51.77)
Dividend income	(0.42)	(0.57)
Operating profit before working capital changes	4,559.37	(835.02)
Movements in working capital :		
Increase / (decrease) in trade payables	3,751.51	2,133.72
Increase / (decrease) in provisions	144.60	(8.25)
Increase / (decrease) in other current liabilities	(965.34)	888.29
Decrease / (increase) in trade receivables	(31.28)	445.42
Decrease / (increase) in inventories	(4,683.82)	1,756.12
Decrease / (increase) in loans and advances	1,166.19	(235.66)
Decrease / (increase) in other current assets	134.60	1,483.48
Cash generated from / (used in) operations	4,075.83	5,628.10
Direct taxes paid (net of refunds)	201.35	(3.87)
Net cash flow from / (used in) operating activities (A)	4,277.18	5,624.23
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(41.42)	(831.09)
Proceeds from sale of fixed assets	566.68	129.42
Redemption / maturity of bank deposits (having original maturity of more than three months)	239.50	157.21
Proceeds from sale of current investments	31.45	-
Repayment of loans given	-	231.00
Interest received	42.49	61.12
Dividends received	0.42	0.57
Net cash flow from / (used in) investing activities (B)	839.12	(251.77)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Cash flows from financing activities		
Proceeds from issuance of Equity share capital	3,166.78	-
Repayment of long term borrowings	(120.00)	(60.00)
Repayment of short term borrowings	(6,803.61)	(9,291.13)
Proceeds from short term borrowings	1,287.63	7,504.96
Interest paid	(3,343.80)	(3,899.29)
Unpaid Dividend deposited in Investor Education and Protection Fund	(15.85)	(17.50)
Net cash flow from / (used in) in financing activities (C)	(5,828.85)	(5,762.96)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(712.55)	(390.50)
Cash and cash equivalents at the beginning of the year	2,541.80	2,932.30
Cash and cash equivalents at the end of the year	1,829.25	2,541.80
Components of cash and cash equivalents		
Cash on hand	6.31	18.61
With banks- on current account	27.53	49.57
Unclaimed Dividend Accounts	85.49	101.34
Bank Remittances in Transit	1,709.92	2,372.28
Total cash and cash equivalents	1,829.25	2,541.80

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm Regn. No. 324982E

Chartered Accountants

per Jayesh Gandhi

Partner

Membership No. 037924

Place : Mumbai

Date : May 07, 2015

For and on behalf of the Board of Directors of

MIRC Electronics Limited

Muthu Elango

Chief Financial Officer

Aashay Khandwala

Head Corporate Affairs,

Legal and Company Secretary

Place : Mumbai

Date : May 07, 2015

G. L. Mirchandani

Chairman and Managing Director

V. J. Mansukhani

Managing Director

MIRC

MIRC ELECTRONICS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Basis of Preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1 Summary of significant accounting policies

1.1 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

1.2 Tangible Fixed Assets

Fixed assets, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

1.3 Depreciation on Tangible Fixed Assets

Depreciation has been provided on straight line (SL) basis using the rates arrived at based on the useful lives as those prescribed under Schedule II to the Companies Act, 2013.

Effective from 1st April, 2014, the Company has provided depreciation with reference to the useful life of tangible assets as specified in Schedule II to the Companies Act, 2013. Accordingly, the carrying amount, net of residual value, as on that date has been depreciated over the revised remaining useful life of the assets. As a result, the charge for depreciation is higher by ₹96.58 lacs for the year ended 31st March 2015.

Further, carrying amount of ₹685.52 lacs (deferred tax ₹218.86 lacs, net of deferred tax ₹ 466.66 lacs) in respect of assets whose useful life is already exhausted as on 1st April, 2014 have been adjusted to opening balance of surplus in statement of profit and loss.

1.4 Intangible Fixed Assets

The company capitalises software where it is reasonably estimated that the software has an enduring useful life. Software is amortised over an estimated useful life of 6 years.

1.5 Lease

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1.6 Impairment of Tangible & Intangible Assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or cash generating unit.

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost, had no impairment been recognised.

1.7 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

1.8 Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a moving weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a moving weighted average basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a moving weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.9 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Sale of Goods

Revenue from sale of goods is recognized when all significant risks and rewards of ownership of the goods have been transferred to the buyer, usually on dispatch of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Export incentives

Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

1.10 Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Derivative Instruments & Hedge Accounting

The Company's exposure to foreign currency fluctuations relates to foreign currency assets, liabilities and forecasted cash flows. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward exchange contracts, where the counterparty is a bank.

As per Accounting Standard (AS) 11 – "The Effects of Changes in Foreign Exchange Rates", the premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract. All other derivatives, which are not covered by AS 11, are measured using the mark-to-market principle with the resulting gains / losses thereon being recorded in the statement of profit and loss.

1.11 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to a reduction in future payment or a cash refund.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

The company operates Gratuity as its defined benefit plan for its employees. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

The company recognizes termination benefit as a liability and an expense when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

1.12 Income Taxes

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year) computed in accordance with the relevant provisions of the Income Tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

1.13 Earnings per Share

Basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.14 Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually.

1.15 Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

1.16 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.17 Insurance claims

Amounts by way of insurance claims are recognised as assets when it is reasonably certain that the claim is receivable and is recorded as a reduction in the expense / cost of capital.

1.18 Borrowing costs

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. The borrowing costs are expensed in the period they occur.

1.19 Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.20 Principles of Consolidation :

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

- 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.
- 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, 2015.
- 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.
- Minority interest in the net assets of consolidated financial statement consists of :
 - The amount of equity attributable to minorities at the date on which Investment in subsidiary is made; and
 - the minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
- The subsidiary company considered in consolidated statement is :

Name of the Subsidiary	Percentage of Holding as on 31st March, 2015 and 31st March, 2014
Akasaka Electronics Limited	99.89% (Previous Year 99.88%)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 2 - SHARE CAPITAL

	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Authorised :		
36,80,20,000 Equity Shares of ₹ 1 each (Previous year 36,80,20,000 Equity Shares of ₹ 1 each)	3,680.20	3,680.20
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)	1,000.00	1,000.00
Issued, Subscribed and Paid Up :		
19,62,34,202 Equity Shares of ₹1 each fully paid up (Previous year 14,17,51,678 Equity Shares of ₹ 1 each fully paid up)	1,962.34	1,417.52
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
	1,964.20	1,419.38
	1,964.20	1,419.38

(a) Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting year

	31st March, 2015		31st March, 2014	
	No. in lacs	₹ in lacs	No. in lacs	₹ in lacs
Fully paid up shares				
At the beginning of the year	1,417.52	1,417.52	1,417.52	1,417.52
Issued during the year on account of Rights issue (Refer note 30)	544.82	544.82	-	-
At the end of the year	1,962.34	1,962.34	1,417.52	1,417.52
Forfeited Equity shares				
At the beginning of the year	2.48	1.86	2.48	1.86
At the end of the year	2.48	1.86	2.48	1.86

(b) Rights, Preferences and Restrictions Attached to Equity Shares

The company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend, if any on the equity shares is recommended by the Board and approved by the shareholders at the Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

In FY 2009-10 : 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 Private Limited with the Company.

(d) Pursuant to rights issue of equity shares, the Company has issued 5,44,82,524 equity shares of ₹1 each at a premium of ₹5 per share on 22nd October, 2014.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(e) Details of Shareholders holding more than 5 % shares in the company:

Name of the Shareholder	31st March, 2015		31st March, 2014	
	No. in lacs	% holding in the class	No. in lacs	% holding in the class
Mr. Gulu L. Mirchandani	219.84	11.20	167.61	11.82
Mrs. Gita Mirchandani	78.80	4.02	92.11	6.50
IIFL Investment Adviser & Trustee Services Limited (Formerly IIFL Trustee Services Limited) (Beneficial owner Mr. Vijay J. Mansukhani)	401.61	20.47	256.88	18.12
Mr. Kaval G. Mirchandani	122.60	6.25	125.17	8.83
Mr. Sasha G. Mirchandani	122.07	6.22	124.79	8.80
Gulita Securities Limited	272.27	13.87	10.91	0.77

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTE 3 - RESERVES AND SURPLUS

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Capital Redemption Reserve	1,990.74	1,990.74
Capital Reserve		
on Amalgamation	207.55	207.55
on Consolidation	340.97	340.97
on Others	7.07	7.07
Securities Premium Account		
Balance as per last Balance Sheet	1.39	1.39
Add : Premium on rights issue of equity shares	2,724.13	-
Less: Amounts utilised towards rights issue expenses	(102.17)	-
	2,623.35	1.39
General Reserve	8,896.85	8,896.85
Surplus in Profit and Loss Statement		
Balance as per last financial statements	26.37	6,239.82
Less : Adjustment to written down value of assets fully depreciated pursuant to Schedule II of the Companies Act, 2013, net of tax - Refer Note 1.3	(466.66)	-
Less: Loss for the year	(456.97)	(6,213.45)
Net surplus in the statement of profit and loss	(897.26)	26.37
	13,169.27	11,470.94

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 4 - LONG-TERM BORROWINGS

	Non-current portion		Current portion	
	₹ in lacs		₹ in lacs	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Term loan				
Loan from banks (secured)	143.23	263.23	120.00	120.00
Less:- Disclosed under Other current liabilities	-	-	(120.00)	(120.00)
	143.23	263.23	-	-
The above amount includes				
Secured borrowings	143.23	263.23	120.00	120.00

The above long term loan is taken from SBI by Akasaka Electronics Limited for the purpose of financing the Chiplun Project. The loan is secured by first charge on the Akasaka's immovable property, all plant and machinery, movable and immovable fixed assets, capital work in progress, finished goods, stores and spares, goods in transit and book debts both future and present and is guaranteed by MIRC Electronics Limited. The repayment terms are of ₹10 lacs each month starting from Oct, 2013 and carries rate of 4.05% above base rate.

NOTE 5 - DEFERRED TAX LIABILITIES (NET)

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Deferred Tax Liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	1,833.02	2,065.16
Gross deferred tax liability	1,833.02	2,065.16
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	146.99	156.15
Provision for doubtful debts and advances	388.82	326.26
Carry forward of Income Tax Loss and unabsorbed depreciation	1,297.21	1,582.75
Gross deferred tax asset	1,833.02	2,065.16
Net deferred tax asset	-	-

Note : Deferred Tax Asset on carry forward Income Tax loss and unabsorbed depreciation is created to the extent of Deferred Tax Liability.

NOTE 6- SHORT-TERM BORROWINGS

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Cash Credit Facility from banks (Secured)	15,078.17	13,790.54
Buyers Credit (Secured)	6,365.41	9,996.95
Interest free loans from Promoters / Directors repayable on demand (Unsecured)	-	3,200.00
	21,443.58	26,987.49
The above amount includes		
Secured borrowings	21,443.58	23,787.49
Unsecured borrowings	-	3,200.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Cash Credit Facility and Buyers credit of MIRC Electronics Limited from banks is secured by pari passu charge in favour of the bankers by mortgage / hypothecation of Company's immovable and movable properties at Wada and Onida House and immovable properties at Vasai. The interest on cash credit carries ranges from 13.05% to 15.87%. The interest on Buyers credit is libor plus spread.

Cash credit facility of Akasaka Electronics Limited is secured by first charge on the immovable property situated at Pawane MIDC and all Plant and Machinery on that immovable property and by hypothecation of Raw Material, work in progress, Finished goods, Plant and Machinery, stores and spares, Goods in transit and book debts, both future and present and is guaranteed by MIRC Electronics Limited. Cash credit is renewed annually and carries interest rate at 5.75% above base rate.

NOTE 7 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Acceptances	6,867.10	8,014.44
Trade payables	18,314.84	13,360.42
Other liabilities		
Current maturities of long-term borrowings (Refer Note 4)	120.00	120.00
Interest accrued but not due on borrowings	61.68	15.01
Unclaimed dividends	85.49	101.34
Advances from Customers	174.54	515.45
Others payables		
Dealer Deposits	109.82	276.17
Employees Benefit	1,180.31	1,267.18
Statutory Dues	2,248.73	2,535.01
Creditors for Capital items	15.17	47.87
Liability for expenses	47.98	38.28
Others	44.05	105.98
	3,646.06	4,270.49
	29,269.71	26,397.15

NOTE 8 - PROVISIONS

	Long Term		Short Term	
	₹ in lacs		₹ in lacs	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Provision for employees benefit				
Provision for gratuity	160.49	-	172.35	170.23
Provision for leave benefits	0.65	13.97	229.63	234.31
	161.14	13.97	401.98	404.54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 9 - FIXED ASSETS TANGIBLE ASSETS

	Leasehold land	Freehold land	Buildings	Plant and Machinery and Electrical Fittings	Furniture and Fixtures	Office Equipments	Motor Vehicles	R & D - Building	R & D - Plant and Machinery and Electrical Fittings	R & D - Furniture and Fixtures	R & D - Office Equipment	TOTAL
Cost												
As at 1st April, 2013	770.78	1,776.68	10,597.99	26,018.08	784.95	531.55	389.29	157.08	665.43	87.61	40.25	41,819.69
Additions	57.82	-	815.64	1,261.60	34.19	38.13	44.61	-	-	-	-	2,251.99
Disposals	-	-	15.10	29.68	0.22	0.69	47.85	-	-	-	-	93.54
As at 31st March, 2014	828.60	1,776.68	11,398.53	27,250.00	818.92	568.99	386.05	157.08	665.43	87.61	40.25	43,978.14
Additions	-	-	8.11	26.97	0.01	7.72	-	-	-	-	-	42.81
Disposals	174.32	-	422.14	45.75	25.82	11.32	53.07	-	-	0.12	-	732.54
As at 31st March, 2015	654.28	1,776.68	10,984.50	27,231.22	793.11	565.39	332.98	157.08	665.43	87.49	40.25	43,288.41
Depreciation												
As at 1st April, 2013	138.75	-	3,549.24	20,366.81	708.29	282.90	195.32	95.74	459.56	71.54	28.52	25,896.67
Charge for the year	9.80	-	343.95	1,126.20	22.50	22.49	26.54	5.25	20.70	1.64	1.68	1,580.75
Disposals	-	-	3.80	28.36	0.22	0.24	5.63	-	-	-	-	38.25
As at 31st March, 2014	148.55	-	3,889.39	21,464.65	730.57	305.15	216.23	100.99	480.26	73.18	30.20	27,439.17
Charge for the year	9.68	-	402.91	981.47	27.09	50.28	29.45	1.10	27.15	2.18	0.28	1,531.59
Adjustments (Refer note below)	-	-	316.96	210.65	26.41	116.03	1.38	0.02	3.30	2.91	7.86	685.52
Disposals	20.46	-	138.05	44.61	24.30	7.77	50.42	-	-	0.12	-	285.73
As at 31st March, 2015	137.77	-	4,471.21	22,612.16	759.77	463.69	196.64	102.11	510.71	78.15	38.34	29,370.54
Net Block	680.05	1,776.68	7,509.14	5,785.35	88.35	263.84	169.82	56.09	185.17	14.43	10.05	16,538.97
As at 31st March, 2014	516.51	1,776.68	6,513.29	4,619.06	33.34	101.70	136.34	54.97	154.72	9.34	1.91	13,917.86

INTANGIBLE ASSETS

	R&D Software	TOTAL
Cost or valuation		
As at 1st April, 2013	59.27	59.27
Additions	7.65	7.65
Disposals	-	-
As at 31st March, 2014	66.92	66.92
Additions	-	-
Disposals	-	-
As at 31st March, 2015	66.92	66.92
Depreciation		
As at 1st April, 2013	52.95	52.95
Charge for the year	2.35	2.35
Disposals	-	-
As at 31st March, 2014	55.30	55.30
Charge for the year	1.73	1.73
Transfer to Profit & Loss	-	-
Disposals	-	-
As at 31st March, 2015	57.03	57.03
Net Block	11.62	11.62
As at 31st March, 2014	9.89	9.89

Note :

During the year, the Company has revised the depreciation rate on fixed assets as per the useful life specified in the Companies Act, 2013. Based on the current estimates, carrying amount of ₹685.52 lacs in respect of assets whose useful life is already exhausted as on 1st April, 2014 have been adjusted to opening balance of surplus in statement of profit and loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 10 - NON-CURRENT INVESTMENTS

	No. of Shares	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Non Trade investments (valued at cost unless stated otherwise)			
Unquoted Equity Instruments			
Kongarar Textiles Limited (Face value ₹10)	2,600	1.17	1.17
Less: Provision for diminution in the value of Investments	(PY.2,600)	1.17	1.17
		-	-
Onida Finance Limited (Face value ₹10)	468,400	139.60	139.60
Less: Provision for diminution in the value of Investments	(PY.468,400)	139.60	139.60
		-	-
		-	-
Aggregate amount of Unquoted Investments at Cost		140.77	140.77
Less: Provision for diminution in the value of Investments		140.77	140.77
		-	-

NOTE 11 - LOANS AND ADVANCES

	Long Term ₹ in lacs		Short Term ₹ in lacs	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Capital Advances, unsecured, considered good	-	1.40	-	-
Security Deposits, unsecured, considered good	3,239.60	3,277.15	-	-
Loans and advances to related parties, unsecured, considered good				
Entity in which Directors have significant influence	125.00	125.00	-	-
Other Loans and Advances, Unsecured, considered good				
Advance Income-tax (Net of Provisions)	200.11	446.46	-	-
Amount paid under protest to tax authorities	15.50	19.30	-	-
Balance with Excise, Customs, etc	-	-	336.94	495.65
Receivable on account of sale of fixed assets (Refer note 38)	-	-	825.00	-
Prepaid Expenses	0.69	7.80	202.84	163.41
Advance paid to Vendors	-	-	1,505.32	2,312.86
Other Receivables	1.43	1.43	347.67	538.59
	3,582.33	3,878.54	3,217.77	3,510.51

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 12 - OTHER NON-CURRENT ASSETS

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Unsecured, considered good unless stated otherwise		
Margin Money with Banks	11.43	46.04
	<u>11.43</u>	<u>46.04</u>

NOTE 13 - CURRENT INVESTMENTS

	No. of Shares	31st March, 2015	31st March, 2014
		₹ in lacs	₹ in lacs
Current investments (valued at lower of cost and fair value, unless stated otherwise)			
Quoted equity instruments			
Menon Pistons Limited (Face Value ₹10)	-	-	19.46
	(PY.27,804)		
Less: Provision for diminution in the value of Investments		-	0.82
		<u>-</u>	<u>18.64</u>
Aggregate amount of Quoted Investments			
Book Value		-	19.46
Market Value		-	18.64
Aggregate provision for diminution in value of investment		-	0.82

NOTE 14 - INVENTORIES

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Raw materials and components [Includes Goods in transit ₹2,519.91 lacs (31st March, 2014 ₹1,370.93 lacs)]	9,423.12	7,815.66
Stores and Spares	280.08	292.76
Work-in-Progress	1,399.20	1,473.14
Finished Goods	3,666.13	2,901.11
Traded Goods [Includes Goods in transit ₹5,976.44 lacs (31st March, 2014 ₹ 4,119.95 lacs)]	13,696.53	11,298.57
	<u>28,465.06</u>	<u>23,781.24</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 15 - TRADE RECEIVABLES

	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured - considered good	665.57	479.68
- considered doubtful	1,175.04	994.09
	1,840.61	1,473.77
Less : Provision for Doubtful Debts	1,175.04	994.09
	665.57	479.68
Other receivables		
Secured	180.86	184.32
Unsecured	11,861.13	12,192.72
	12,041.99	12,377.04
Less : Provision for Doubtful Debts	-	11.51
	12,041.99	12,365.53
	12,707.56	12,845.21

NOTE 16 - CASH AND CASH EQUIVALENTS

	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Cash in hand	6.31	18.61
Balances with banks:		
On Current Account	27.53	49.57
Unclaimed Dividend Accounts	85.49	101.34
Bank Remittances in Transit	1,709.92	2,372.28
	1,822.94	2,523.19
Margin Money Deposits	51.92	256.81
	1,881.17	2,798.61

NOTE 17 - OTHER CURRENT ASSETS

	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Deferred Premium on Forward Contract	0.93	91.06
Unsecured, considered good unless stated otherwise		
Insurance claims receivable (Refer note 27)	2,753.49	3,420.96
Interest accrued	6.78	17.04
	2,761.20	3,529.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 18 - REVENUE FROM OPERATIONS

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Revenue from operations		
Sale of Products		
Finished Goods	53,689.20	73,040.43
Traded Goods	58,701.39	64,754.33
Other operating revenue		
Sale of Scrap	72.89	121.13
Export Incentives	29.19	51.24
Liabilities written back	242.78	72.08
Others	20.17	84.93
Revenue from operations (gross)	112,755.62	138,124.14
Less : Excise duty #	5,402.12	7,717.30
REVENUE FROM OPERATIONS (NET)	107,353.50	130,406.84

Excise duty on sales amounting to ₹5,402.12 lacs [previous year ₹7,717.30 lacs] has been reduced from sales in statement of Profit and Loss and excise duty on increase / (decrease) in stock amounting to ₹69.37 lacs [previous year ₹ 73.64 lacs] has been considered as (income) / expense in note 26 of financial statements.

Details of Products sold	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Finished Goods Sold		
Display Devices	47,195.81	55,649.87
Washing Machines	4,776.87	4,691.78
Others	1,716.52	12,698.78
	53,689.20	73,040.43
Traded Goods Sold		
Airconditioners	35,480.78	33,900.01
Display Devices	8,785.79	15,562.01
Washing Machines	3,013.18	4,954.21
Mobile	5,447.23	5,218.99
Others	5,974.41	5,119.11
	58,701.39	64,754.33
	112,390.59	137,794.76

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 19 - OTHER INCOME

	31st March, 2015	31st March, 2014
	₹ Lacs	₹ Lacs
Dividend Income	0.42	0.57
Interest Income on:		
Inter Corporate Deposit	18.75	18.75
Loans & advances to related parties	-	5.86
Others	13.48	27.16
Profit on sale of Assets (Refer note 38)	944.87	74.13
Profit on sale of Current investments	12.81	-
Miscellaneous	0.55	0.17
Liabilities written back	54.00	-
	<u>1,044.88</u>	<u>126.64</u>

NOTE 20 - COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Inventory at the beginning of the year	7,815.66	7,761.69
Add : Purchases	<u>38,755.38</u>	<u>50,094.27</u>
	46,571.04	57,855.96
Less : Inventory at the end of the year	<u>9,423.12</u>	<u>7,815.66</u>
	<u>37,147.92</u>	<u>50,040.30</u>

Details of raw material and components consumed

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Colour Picture Tube and LCD / LED panels	20,509.46	28,761.00
Components and Parts for Display Devices	6,322.87	9,294.49
Components and Parts for Air Conditioners	252.28	952.78
Components and Parts for Washing Machine	3,090.82	2,988.84
Components and Parts for Printed Circuit Boards	19.92	174.71
Others	<u>6,952.57</u>	<u>7,868.48</u>
	<u>37,147.92</u>	<u>50,040.30</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 21 - PURCHASES OF TRADED GOODS

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Display Devices	6,586.32	11,840.13
Washing Machines	2,110.98	3,447.21
Air Conditioners	29,621.78	29,703.92
DVD	-	421.88
Microwave Ovens	1,195.02	2,358.31
Mobiles	4,609.36	4,648.69
Others	865.63	1,116.79
	44,989.09	53,536.93

NOTE 22 - (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Inventory at the beginning of the year		
Finished Goods	2,901.11	3,489.72
Work in Progress	1,473.14	1,729.85
Traded Goods	11,298.57	12,240.02
	15,672.82	17,459.59
Less : Inventory at the end of the year		
Finished Goods	3,666.13	2,901.11
Work in Progress	1,399.20	1,473.14
Traded Goods	13,696.53	11,298.57
	18,761.86	15,672.83
	(3,089.04)	1,786.77

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Details of Inventory

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Finished Goods		
Display Devices	2,751.25	2,644.40
Washing Machine	147.28	80.15
Printed circuit boards	35.97	46.92
Others	731.63	129.64
	<u>3,666.13</u>	<u>2,901.11</u>
Work in Progress		
Display Devices	1,207.04	1,266.46
Washing Machine	79.62	71.61
Printed circuit boards	74.19	92.22
Others	38.35	42.85
	<u>1,399.20</u>	<u>1,473.14</u>
Traded Goods		
Air Conditioners	10,032.93	7,464.25
Display Devices	405.41	545.38
DVD HTS and Induction cooker	294.63	424.35
Micro wave	404.80	573.96
Mobile	1,745.88	1,463.35
Washing Machine	556.75	554.91
Others	256.13	272.37
	<u>13,696.53</u>	<u>11,298.57</u>
	<u>18,761.86</u>	<u>15,672.82</u>

NOTE 23 - EMPLOYEE BENEFIT EXPENSE

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Salaries, Wages and Bonus	6,501.42	7,322.26
Contribution to Provident Fund and Other Funds	254.84	301.70
Gratuity expense (Refer note 29)	114.85	33.71
Staff Welfare Expenses	801.39	882.62
	<u>7,672.50</u>	<u>8540.29</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 24 - FINANCE COST

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Interest Expense	1,969.41	2,026.71
Other Borrowing costs	1,421.06	1,355.71
Exchange difference on foreign currency borrowings	-	460.59
	3,390.47	3,843.01

NOTE 25 - DEPRECIATION AND AMORTISATION EXPENSE

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Depreciation of tangible assets	1,531.59	1,580.75
Amortisation of intangible assets	1.73	2.35
	1,533.32	1,583.10

NOTE 26 - OTHER EXPENSES

	31st March, 2015	31st March, 2014
	₹ in lacs	₹ in lacs
Power and Fuel	714.94	951.79
Rent	719.62	811.67
Rates and Taxes	183.50	150.43
Repairs to :		
- Plant and Machinery	112.02	220.37
- Building	7.06	7.34
- Others	490.58	518.29
	609.66	746.00
Insurance Charges	133.34	148.48
Freight and Forwarding Charges	4,327.78	4,917.58
Advertisement and sales promotion	2,719.45	1,735.84
Special rebates and incentives	1,311.56	1,125.36
Service Charges	2,006.85	1,925.32
Travelling and Conveyance	553.59	686.99
Bad debts written off	-	7.17
Less : Provision for Doubtful Debts written back	-	-
	-	7.17
Provision for Doubtful Debts and advances	169.44	305.56
Research and Development Expenses	422.55	531.72
Increase / (decrease) of excise duty on inventory	69.37	73.64
Exchange (gain) / loss	702.26	1,519.39
Miscellaneous Expenses	1,680.90	1,779.89
	16,324.81	17,416.83

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Remuneration to Auditors:

Payment to auditor	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
As auditor (exclusive of Service tax)		
Audit fees	24.65	24.25
Tax audit fees	4.25	4.00
Other services (Refer note below)	7.55	5.65
Reimbursement of expenses	1.43	0.94
	37.88	34.84

Note: Out of the above, an amount of ₹ 6.05 lacs (PY: ₹ 5.52 lacs) pertaining to expenses incurred for rights issue of equity shares of MIRC Electronics Limited has been set off against securities premium and has not been debited to the statement of profit and loss (Refer note 30).

- 27) There was a fire accident in February 2012 at Roorkee Plant of MIRC Electronics Limited. The Company had made a claim of ₹ 4995.50 lacs in respect of loss and damages covered by the insurance policy. Against the total claim, on account payment of ₹ 1632.45 lacs had been realised from the Insurance company. During the year, based on the communication received from surveyors appointed by the Insurance company, management has reassessed the recoverability of claim and consequently a further loss of ₹ 623.00 lacs has been charged to statement of Profit and Loss.

28) Contingent Liabilities and Commitments :

	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Contingent Liabilities		
a) Guarantees given to Bank against which ₹ Nil (previous year ₹ Nil) has been deposited as margin money	760.93	715.01
b) Income tax demands in respect of which appeals have been filed	323.42	-
c) Excise Duty, Service Tax and Custom Duty in respect of which appeals have been filed	2,519.05	2,586.42
d) Claims made against the Group not acknowledged as debts	11,047.04	10,663.93
Commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	-	2.46

In respect of the above contingent liabilities, the future cash outflows are determinable only on receipt of judgements pending at various forums / authorities.

29) Employee Benefits :

a) Defined contribution plan

The Group has recognised an expense of ₹ 226.76 lacs (previous year ₹ 271.09 lacs) towards defined contribution plans, in respect of Provident Fund during the year and in respect of Provident Fund and Superannuation Fund until previous year.

b) Defined benefit plan

Gratuity

Group 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Akasaka Electronics Limited was accruing Gratuity liability by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method. Consequent to closure of operations at its Navi Mumbai unit with effect from 5th November, 2014, the employees of the company have resigned. Accordingly, the provision for the said liability amounting to ₹ 94.60 lacs is quantified on actual basis in accordance with the provisions of Payment of Gratuity Act, 1972.

c) Principal actuarial assumptions :

Particulars	Gratuity			
	Mirc Electronics Ltd.		Akasaka Electronics Ltd.	
	2014-15	2013-14	2014-15	2013-14
Discount rate	7.95%	9.25%	-	9.32%
Rate of Return on Plan Assets	7.95%	9.25%	-	8.70%
Salary Escalation	4.00%	4.00%	-	5.00%

d) Reconciliation of Benefit Obligation :

Particulars	Gratuity	
	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Liability at the beginning of the year	1,009.72	999.49
Interest cost	87.44	82.49
Current Service Cost	86.03	59.96
Benefit Paid	(55.48)	(96.22)
Actuarial (Gain) / Loss on Obligations	10.58	(36.00)
Liability at the end of the year	1,138.29	1,009.72
Fair Value of Plan Assets at the end of the year	805.44	862.04
Liability at the end of the year recognised and disclosed under the head "Provisions for Employees Benefit"		
- Long term provision	160.49	-
- Short term provision	172.35	170.23
Amount recognised and disclosed under Short Term Loans and Advances	-	22.55

* Of the Total Provision, the Group is expected to pay an amount of ₹ 77.75 lacs to the fund in the year 2015-16.

e) Reconciliation of Fair value of Plan Assets :

Particulars	Gratuity	
	31st March, 2015 ₹ in lacs	31st March, 2014 ₹ in lacs
Fair Value of Plan Assets at the beginning of the year	862.04	879.78
Expected Return on Plan Assets	77.18	72.95
Contributions	11.51	4.67
Benefit Paid	(55.48)	(96.22)
Contribution received back from LIC (Refer note below)	(86.20)	-
Actuarial Gain / (Loss) on Plan Asset	(3.61)	0.86
Fair Value of Plan Assets at the end of the year*	805.44	862.04

* All the assets are categorised as Insurer Managed Funds

Note: Contribution received back from LIC has been utilised for payment of full and final settlement dues of the resigned employees other than gratuity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

f) Return on Plan Assets :

₹ in lacs

Particulars	Gratuity	
	2014-15	2013-14
Expected Return on Plan Assets	77.18	72.95
Actuarial Gain / (Loss) on Plan Assets	(3.61)	0.85
Actual Return on Plan Assets	73.57	73.80

g) Expenses recognised in the Profit and Loss Statement under the head Employees Benefit Expenses :

₹ in lacs

Particulars	Gratuity	
	2014-15	2013-14
Current Service Cost	86.03	59.96
Interest Cost	87.44	82.46
Expected Return on Plan Assets	(77.18)	(72.95)
Net Actuarial (Gain) / Loss recognised	14.19	(36.85)
Expenses recognised in Profit and Loss Statement	110.48	32.62

h) Amount for the Current and Previous periods as per AS15 Para 120(n) are as follows:

₹ in lacs

Particulars	Gratuity				
	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	1,039.73	1009.72	999.52	907.90	844.14
Plan assets	801.49	862.04	879.78	857.11	758.64
Surplus / (deficit)	(238.24)	(147.68)	(119.74)	(50.79)	(85.50)
Experience adjustment on plan liabilities (gain) /loss	(50.22)	(28.90)	(24.15)	(19.96)	82.17
Experience adjustment on plan assets (loss) / gain	(3.61)	0.85	3.03	15.21	0.42

i) The expected rate of return on plan assets which is 7.95% relates to the benchmark rate available on Government Securities (G. sec.) for the tenure of 10 years i.e the expected term of obligation. The rate is taken as per the deal rate as on 31st March, 2015 as suggested under AS 15 (Revised 2005).

j) The estimates of future salary increases, considered in actuarial valuation, take in to account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

30) The Company has during the year allotted 5,44,82,524 equity shares at a premium of ₹ 5 per share on account of rights issue of equity shares. Consequently, the paid up share capital has increased from ₹ 1417.52 lacs to ₹ 1962.34 lacs and Securities Premium has increased by ₹ 2,621.96 lacs (net of rights Issue expenses).

Pursuant to stipulation imposed by the financial institutions the promoters in the previous year provided an unsecured loan of ₹ 3,200 lacs to the Company. The Company during the current year has issued equity shares of ₹ 2,646.05 lacs against the unsecured loan and has refunded the balance amount to the promoters.

31) The Group considers entire business under one segment i.e. consumer durable products. Further, there is no separately identifiable geographical segment and hence no reporting is made for segment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

32) Foreign Currency exposure :

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

Amount in lacs

Particulars	Currency	Amount in foreign currency
Amount payable on account of import of goods and buyers credit	USD	150.13
(Previous year)	USD	(225.18)
	RMB	(456.24)

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

₹ in lacs

Sr. No.	Particulars	Currency	Amount in foreign currency	Amount in Indian Rupees
a)	Amount payable on account of import of goods	USD	246.53	15,409.56
		JPY	66.86	34.85
		RMB	161.14	1,624.25
	(Previous year)	USD	(77.75)	(4,692.43)
		JPY	(132.38)	(81.19)
b)	Amount receivable on export of goods	USD	3.09	193.30
	(Previous year)	USD	(3.12)	(186.94)

33) Computation for Earnings Per Share (EPS) is as under :

Particulars	2014-15	2013-14
Profit / (Loss) after Tax (₹ in lacs)	(456.97)	(6,213.45)
Net Profit / (Loss) after tax attributable to Equity shareholders (₹ in lacs)	(456.97)	(6,213.45)
Weighted average number of Equity Shares outstanding	170,957,120	151,008,050
Basic / Diluted Earnings Per Share (₹)	(0.27)	(4.11)

- 34) Research and development expenses consist of personnel expenses and other expenses of ₹ 325.16 lacs (previous year ₹ 399.82 lacs), and ₹ 97.39 lacs (previous year ₹ 131.90 lacs) respectively. Depreciation on Research and Development assets is ₹ 32.45 lacs (previous year ₹ 31.62 lacs) shown under Fixed Assets.
- 35) The Board of Directors of the Company at its meeting held on 24th April, 2015 have considered and approved issuance of 3,25,00,000 warrants (exercisable into equity shares) on preferential basis to persons other than promoters and promoter group at a price determined as per SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended and the same is subject to approval of the shareholders.
- 36) The closure of unit of Akasaka Electronics Limited at Navi Mumbai is not considered as discontinuing operations as required under Accounting Standard 24 (AS 24) on "Discontinuing Operations" issued by The Institute of Chartered Accountants of India, as this is only a case of strategic restructuring of operations and does not meet the conditions mentioned in AS 24 to qualify the same as discontinuing operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Further, in terms of Accounting Standard 28 (AS - 28) on "Impairment of Assets" issued by The Institute of Chartered Accountants of India, the Company Akasaka Electronics Limited has tested Cash Generating Unit i.e. manufacturing units at Navi Mumbai and Lote Parshuram for impairment in terms of adequacy of economic benefits over their useful life. Based on the financial projections, the management confirms that there is no need to make provision towards impairment of any fixed assets as required by the said Accounting Standard.

37) Corporate Social Responsibility

The Group has incurred a net loss in its three immediately preceding financial years. Thus in accordance with Section 135 (5) of the Companies Act, 2013, the Group is not required to provide / spend any amount under its Corporate Social Responsibility policy.

- 38) Other income for the current year ended 31st March, 2015 includes profit on sale of land and building at Noida and Thane property of ₹ 944.87 lacs. Further an amount of ₹ 825.00 lacs is receivable on account of sale of land and building at Noida.

39) Provision for Warranty :

Warranty costs are provided based on technical estimate of the costs required to be incurred for repairs, replacement, material cost and past experience in respect of warranty costs. It is expected that this expenditure will be incurred over contractual warranty period.

The movement in provision can be summarised as -

₹ in lacs		
Particulars	2014-15	2013-14
At the beginning of the year	68.00	-
Provisions :		
- Created	68.00	68.00
- Utilised	68.00	-
- Reversed	-	-
Balance as at the end of the year		
- Current	68.00	68.00
- Non current	-	-

40) Net Assets and Share in Profit or Loss

Name of the entity	Net Assets		Share in profit or loss	
	2014-15		2014-15	
	As % of consolidated net assets	Amount Rs. in lacs	As % of consolidated net assets	Amount Rs. in lacs
MIRC Electronics Limited	93%	14063.00	-18%	80.60
	(87%)	(11,271.33)	(97%)	(-5,997.12)
Akasaka Electronics Limited	7%	1,071.62	118%	-537.57
	(13%)	(1,620.73)	(3%)	(-216.33)

Figures in brackets are of previous year

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

41) 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 group.

Names of related parties with whom transactions have taken place & description of relationship :

1. Key Management Personnel	<p>Mr. G.L. Mirchandani - Chairman & Managing Director of Mirc Electronics Ltd.</p> <p>Mr. V.J. Mansukhani - Managing Director of Mirc Electronics Ltd.</p> <p>Mr. S. K. Dhoot - Whole - time Director</p> <p>Mr. G. Sundar - Chief Executive Officer</p> <p>Mr. Aashay S. Khandwala - Head Corporate Affairs, Legal and Company Secretary (Joined wef. 26th March, 2014)</p> <p>Mr. Anoopkumar Pillai - Head Corporate Affairs, Legal and Company Secretary (Resigned wef. 19th November, 2013)</p> <p>Mr. Muthu Elango - Chief Financial Officer (Joined wef. 7th November, 2014)</p> <p>Mr. Predeep Gupta - Chief Financial Officer (Resigned wef. 7th November, 2014)</p>
2. Relatives of Key Management Personnel	<p>Mrs. Gita Mirchandani (Wife of Mr.G.L. Mirchandani)</p> <p>Mrs. Marissa Mansukhani (Wife of Mr.V.J.Mansukhani)</p> <p>Mr. Kaval Mirchandani (Son of Mr.G.L. Mirchandani)</p> <p>Mr. Sasha Mirchandani (Son of Mr.G.L. Mirchandani)</p> <p>Mr. Akshay Mansukhani (Son of Mr.V.J. Mansukhani)</p> <p>Ms. Ayesha Mansukhani (Daughter of Mr.V.J. Mansukhani)</p> <p>G.L. Mirchandani (H.U.F.)</p> <p>V.J. Mansukhani (H.U.F.)</p>
3. Enterprise over which any person described in 1 & 2 is having significant influence	<p>Iwai Electronics Pvt. Ltd.</p> <p>Adino Telecom Ltd.</p> <p>Gulita Wealth Advisors Pvt. Ltd.</p> <p>Adino Electronics Ltd.</p> <p>IIFL Investment Adviser & Trustee Services Ltd. (Formerly IIFL Trustee Services Ltd.)</p> <p>Gulita Securities Ltd.</p>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in lacs

Particulars	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
	(1)	(2)	(3)
Transactions during FY 2014-15			
Purchase of goods, services and spares			
Iwai Electronics Pvt.Limited	-	-	611.09
Adino Telecom Limited	-	-	(1041.83)
	-	-	-
	-	-	(0.08)
Purchase of capital goods			
Iwai Electronics Pvt.Limited	-	-	-
	-	-	(14.46)
Sale of goods, spares and services			
Iwai Electronics Pvt. Limited	-	-	1.92
Adino Telecom Limited	-	-	(2.63)
	-	-	-
	-	-	(5.92)
Sale of capital goods			
Adino Telecom Limited	-	-	-
	-	-	(32.06)
Inter Corporate Deposits / Loan received			
V.J.Mansukhani	1000.00	-	-
	(1278.58)	-	-
G.L.Mirchandani	75.00	-	-
	(3335.83)	-	-
Gita Mirchandani	-	-	-
	-	(208.10)	-
Kaval Mirchandani	-	-	-
	-	(282.79)	-
Sasha Mirchandani	-	-	-
	-	(281.92)	-
IIFL Investment Adviser & Trustee Services Limited	-	-	-
	-	-	(580.36)
Gulita Securities Limited	-	-	-
	-	-	(24.65)
Adino Electronics Limited	-	-	-
	-	-	(7.77)
Issue of Equity Shares adjusted against loan taken			
V.J.Mansukhani	-	-	-
	-	-	-
G.L.Mirchandani	1260.46	-	-
	-	-	-
Gita Mirchandani	-	208.10	-
	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in lacs

Particulars	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
	(1)	(2)	(3)
Kaval Mirchandani	-	282.79	-
Sasha Mirchandani	-	281.92	-
IIFL Investment Adviser & Trustee Services Limited	-	-	580.36
Gulita Securities Limited	-	-	24.65
Adino Electronics Limited	-	-	7.77
Inter Corporate Deposits / Loan repaid			
V.J.Mansukhani	1,478.58 (800.00)	-	-
G.L.Mirchandani	150.37 (2000.00)	-	-
Gita Mirchandani	-	(101.00)	-
Ayesha Mansukhani	-	-	-
	-	(130.00)	-
Interest received / receivable on			
Inter Corporate Deposits / loans / advances			
Adino Telecom Limited	-	-	18.75 (18.75)
Ayesha Mansukhani	-	(3.77)	-
Gita Mirchandani	-	-	-
	-	(2.09)	-
Interest paid / payable on			
Inter Corporate Deposits / loans / advances			
V.J.Mansukhani	14.72	-	-
G.L.Mirchandani	2.52	-	-
	-	-	-
Rent paid			
G.L.Mirchandani	4.03 (4.03)	-	-
Gita Mirchandani	-	21.79 (27.74)	-
Marissa Mansukhani	-	5.21 (8.18)	-
Akshay Mansukhani	-	0.89 (0.89)	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in lacs

Particulars	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
	(1)	(2)	(3)
Ayesha Mansukhani	-	0.89	-
G.L.Mirchandani (HUF)	-	(0.89)	-
V.J.Mansukhani (HUF)	-	10.68	-
Gulita Wealth Advisors Private Limited	-	(13.66)	-
	-	2.59	-
	-	(2.59)	-
	-	-	30.00
	-	-	(30.00)
Rent received Adino Telecom Limited	-	-	-
	-	-	(1.13)
Refund of rent deposit Gita Mirchandani	-	5.95	-
Marissa Mansukhani	-	-	-
G.L.Mirchandani (HUF)	-	2.97	-
	-	-	-
	-	2.97	-
	-	-	-
Remuneration			
G.L. Mirchandani	126.84	-	-
	(144.19)	-	-
V.J.Mansukhani	110.55	-	-
	(120.00)	-	-
Kaval Mirchandani	-	45.00	-
	-	(45.00)	-
S.K. Dhoot	34.58	-	-
	(34.58)	-	-
G. Sundar	197.50	-	-
	(197.50)	-	-
Aashay S. Khandwala	41.14	-	-
	(0.56)	-	-
Anoopkumar Pillai	-	-	-
	(23.87)	-	-
Muthu Elango	28.78	-	-
	-	-	-
Predeep Gupta	40.82	-	-
	(67.42)	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in lacs

Particulars	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
	(1)	(2)	(3)

Closing Balance as at 31st March, 2015

₹ in Lacs

Receivable			
Gita Mirchandani Rent Deposit	-	625.45 (631.40)	-
Marissa Mansukhani Rent Deposit	-	5.21 (8.18)	-
Akshay Mansukhani Rent Deposit	-	0.89 (0.89)	-
Ayesha Mansukhani Rent Deposit	-	0.89 (0.89)	-
G.L.Mirchandani (HUF) Rent Deposit	-	346.72 (349.70)	-
V.J.Mansukhani (HUF) Rent Deposit	-	2.59 (2.59)	-
G.L.Mirchandani Rent Deposit	119.82 (119.82)	-	-
Gulita Wealth Advisors Private Limited Rent Deposit	-	-	1000.00 (1000.00)
Adino Telecom Limited Debtors	-	-	23.28 (24.63)
Inter corporate deposit {Refer Note (ii) below}	-	-	125.00 (125.00)
Adino Electronics Limited Debtors	-	-	5.45 (5.45)

Closing Balance as at 31st March, 2015

₹ in lacs

Payable			
G.L.Mirchandani Loan taken	-	-	-
	(1,335.83)	-	-
Gita Mirchandani Loan taken	-	-	-
	-	(208.10)	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in lacs

Particulars	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
	(1)	(2)	(3)
Kaval Mirchandani Loan taken	-	-	-
	-	(282.79)	-
Sasha Mirchandani Loan taken	-	-	-
	-	(281.92)	-
V.J.Mansukhani Loan taken	-	-	-
	(478.58)	-	-
Iwai Electronics Private Limited	-	-	134.49
	-	-	(144.62)
Adino Electronics Limited Loan taken	-	-	-
	-	-	(7.77)
IIFL Investment Adviser and Trustee Services Limited Loan taken	-	-	-
	-	-	(580.36)
Gulita Securities Limited Loan taken	-	-	-
	-	-	(24.65)

Note :

- i) Figures in brackets are of previous year
- ii) The company has given loans to enterprise over which key managerial person or relatives of key managerial person have significant influence in the ordinary course of business to meet the working capital requirements.

42) The figures of previous year were audited by a firm of Chartered accountant other than S R B C & CO LLP

Figures for the previous year have been regrouped where necessary to conform to current year's classification.

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm Regn. No. 324982E
Chartered Accountants

per Jayesh Gandhi

Partner

Membership No. 037924

Place : Mumbai

Date : May 07, 2015

For and on behalf of the Board of Directors of

MIRC Electronics Limited

Muthu Elango
Chief Financial Officer

Aashay Khandwala
Head Corporate Affairs,
Legal and Company Secretary

Place : Mumbai

Date : May 07, 2015

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

MIRC

MIRC ELECTRONICS LIMITED



ONIDA

MIRC Electronics Ltd. Onida House, G-1, M.I.D.C. Mahakali Caves Road, Andheri (E), Mumbai - 400 093.
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