

Annual Report  
2016-17



# CONNECTING THE DOTS





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(DIN 00026664)

Mr. Vijay J. Mansukhani, Managing Director (DIN 01041809)

Mr. Kaval Mirchandani, Whole Time Director (DIN 01179978)

Mr. Shyamsunder Dhoot, Whole Time Director (DIN 06502107)

Mr. Rafique Malik, Independent Director (DIN 00521563)

Mr. Carlton Pereira, Independent Director (DIN 00106962)

Mr. Arvind Sharma, Independent Director (DIN 01229072)

Ms. Sujata Deshmukh, Independent Director (DIN 07624836)

## Chief Executive Officer

Mr. G. Sundar

## Chief Financial Officer

Mr. Subrat Nayak

## Company Secretary and Compliance Officer

Mr. Lalit Chendvankar

## Statutory Auditors

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

## Bankers

- |                        |                  |
|------------------------|------------------|
| 1. State Bank of India | 5. Canara Bank   |
| 2. ICICI Bank          | 6. Yes Bank      |
| 3. HDFC Bank           | 7. Axis Bank     |
| 4. IDBI Bank           | 8. IndusInd 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](mailto:investors@onida.com)  
Website: [www.onida.com](http://www.onida.com)  
CIN: L32300MH1981PLC023637

## Factory Premises

1. Wada:- Village Kudus, Bhiwandi Wada Road, Taluka Wada, Dist. Palghar-421 312.
2. Roorkee-Plant I:- Khasra No. 158, Village-Raipur, Pargana - Bhagwanpur, Roorkee, Dist-Haridwar, Uttarakhand.
3. Roorkee-Plant II:- Khasra No. 399 to 401 & 405 to 410, 158 KMS, Milestone, Delhi-Roorkee Highway-NH 58, Village-Mundiyaki, Pargana-Manglour, Tehsil-Roorkee, District-Haridwar, Uttarakhand-247670.
4. Chiplun:- Plot No. G-1, Lote Parshuram Industrial Area, Village Dhamandevi, Tal. Khed, Dist. Ratnagiri.

## Registrar & Share Transfer Agent:

M/s. Link Intime India Private Limited  
C-101, 247 Park, LBS Marg,  
Vikhroli (West), Mumbai – 400 083  
Tel.: +91 22 2594 6970-78  
Fax: +91 22 2594 6969  
Email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## CHAIRMAN'S NOTE

# CONNECTING THE DOTS.

Year 2016 has been etched in history as the period when the advanced economies - Europe and America - decided to change their model of development and functioning of economy by becoming more inward-looking, retreating from open markets and globalization. Countries like USA following principles of "Buy Domestic and Hire Domestic" and Brexit referendum in the United Kingdom, signals of the start of a new era of fierce protectionism for jobs and trade wherein the national interests are evolving, shifting away from multilateralism and free trade. In view of this, the Indian outsourcing industry and exporters to the US have been seen to be especially worried about this assertive call to protectionism.

One of the main reasons that have made China the global manufacturing hub is globalization. Countries like India and China have been the biggest gainers of globalization. As a country, we will need to be more proactive in becoming champions of keeping world markets more open and Indian Industries will have to reinvent itself.

The longer-term challenge and opportunity for the technology sector is predicted to be automation, as global corporations from plane-makers to consumer firms bet on the use of machines to further cut costs and boost efficiency. Though greater automation is expected to help engineers and developers shed repetitive jobs for more creative roles, we must also not overlook the fact that increasing automation is changing the nature of manufacturing and of services across the world.

The situation looks much more promising for us as this government has taken the focus on manufacturing a step further by starting a Make in India campaign and complementing it with a Skill India campaign. The hope is that with higher wages impairing China's competitiveness, India can take China's place as the factory of the world.

Given the rapid changes happening in manufacturing, we should be cognizant that Indian manufacturing Industry has a golden chance to emerge from the shadow of the country's services sector and seize more of the global market. The rising demand in India, together with the multinationals' desire to diversify their production to include low-cost plants in countries other than China, could together help India's manufacturing sector to grow multi-fold. In order to capture this opportunity, India's manufacturers will require improving their productivity dramatically by bolstering their operations to improve the productivity of labor and capital, in turn creating more jobs amidst the environment where a constant fear lurks around job losses.

There is a dire need for businesses to decode the complexities of connectivity. All individuals, communities, systems, and other business assets are massively interconnected in an evolving economic ecosystem. In such a connected system we can no longer focus on the performance of individual entities and at a large, we must manage connected assets.

Realizing the potential of these connected systems, ONIDA is making relentless efforts in streamlining business processes, reducing enterprise costs and improving work force effectiveness through collaborativeness and connectivity. By connecting the dots we are trying to bring in a transformation in the way we are inclined to create a value for our end customers. We are keen on rephrasing every existing definition and replace it with a new one to bring ourselves closer to realizing our customers' needs and expectations.

This clearly translates in our products and offerings that are thoughtfully designed for our consumers. In the Air Conditioners category, Inverter Technology Air conditioners have been the most talked about technology, all residential Air Conditioner brands have offered from their stable this year. Onida has been a bit ahead of the curve in identifying this shift in market demand by launching its Inverter Air Conditioner based on the IOT – INTERNET OF THINGS technology. Onida Regalio - Smart Wi-Fi AC with Inverter Technology was launched last year to cater to the taste of evolving Indian consumers. This year we took the mantle ahead by launching an extensive and wide range of Inverter Technology Air conditioners and expanding our product portfolio.

Television technology has changed by leaps and bounds over the last ten years. Display quality has improved with LCD and LED panels and high definition TVs are becoming the norm. These modern flat screen TVs are sleek, can be mounted on walls and actually add to the lifestyle and décor value of homes. But one place where TVs continue to be woefully inadequate is the quality of sound that they deliver. In fact, given the physical limitations of flat screen TVs, the sound quality sometimes has actually gone down. Hence people are forced to "make do" with sub-optimal solutions – from adding external speakers to rigging up a whole home theatre with wires getting tangled everywhere.

This year, we came up with an elegant solution to this messy problem with the launch of the new Onida KY Thunder TV. The KY Thunder delivers 1200 watts of pulsating sound to create a rich experience of picture and sound. This product is a result of over 15 years of research on the science of sound engineering. For the first time ever in India, sound doesn't play a second fiddle to picture. The room-filling sound of KY Thunder will ensure that the best picture has matching sound that brings it alive.

We at Onida are fostering a culture of innovation and developing meaningful offerings that attempt empowering users with products that are just perfect for them. It is delightful in understanding that our efforts have been duly recognized and appreciated through various awards and accreditations that come along the way. We are honored to be adjudged as the 4th most trusted brand in the consumer durables and electronics category by The Brand Trust Report 2016 launched by TRA (formerly Trust Research Advisory).

Taking forward the same approach, we will launch more innovative products that will continue to add value in consumers' life and provide them with an unparalleled experience.

Finally, I would like to take this opportunity to thank you as the shareholders of the Company for your support and motivation to the Company during the year. I would also like to thank the employees, suppliers, customers, partners and investors who have stood by the Company and I look forward to their continued support in the future.

**Gulu. L. Mirchandani**

Chairman & Managing Director

**MIRC**

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## MANAGING DIRECTOR'S NOTE

The business scenario in India is changing rapidly and the future is not as predictable as it was in the past. At Onida, we are conscious of these changes and are fully prepared. On the political scenario it looks very positive with a government which is stable and committed to inclusive growth.

In the previous financial year, demonetization had an effect on the country's GDP growth and consequently we were also affected temporarily. With the introduction of GST a further set back is expected which should also be temporary. The introduction of GST will increase the ease of doing business in India and there will be further improvement by implementing the infrastructure projects which the government has in mind. This could lead to India taking the bold step of banning electronic goods imports which constitute a loss to the exchequer of approximately 9 billion dollars per year. If this happens, we at Onida are totally prepared to cater to the needs of manufacturing of all electronic goods in India. Our factories have been upgraded to be the best in class for in-house manufacturing. We have also designed these factories for continuous growth coupled with redundancy. Finance will no longer be a barrier for us as there is mega finance chasing companies that have the ability to fulfill the Make in India strategy.

Demographics will always be in India's favor considering our young population. Technology is changing by leap and bounds and we have kept ourselves abreast of these changes and are now using technology to our advantage. Towards this end we have reduced our dependences on manpower for production and by relying more on technology, we have been able to save approximately Rs.10 crores per annum on wage bill.

The growth for India looks very promising and India is well poised to becoming the 3rd largest economy in the near future. Rising aspirations of the country's youth will drive demand for all electronic goods especially in rural areas. Onida's strategy is to focus not only on Rural India but also E-Commerce online business. The consumer electronics and durables market is considered a high-spend priority sector that accounts for more than 40 per cent of end consumer spending and contributes substantially to state and central government revenues and a whopping 35% revenues are estimated to be from rural markets.

Around 50 percent of the rural population owns TVs, eight percent owns refrigerators and around one percent owns washing machines and the market is likely to witness growing demand in the coming years as the government plans to invest significantly in rural electrification. Capitalizing on these opportunities, our approach for rural markets will be focused with a strategy to target these markets with entry level LED panels, Semi Automatic, Washers & Single Tub Machines.

Indian consumers are very discerning while demanding the best technology, they expect the same for after sales service. We have revamped our strategy of looking at customer's satisfaction by tying up with service providers using technology and interconnectivity to reduce turnaround time and offer best in class service. While we are focused heavily on the harder aspects of business like strategy and structure we have also not neglected the softer areas like staff, skill and style. We are constantly training everyone within the company to upgrade their skills resulting in higher outputs. We have also strengthened our connect to the end consumer by monitoring their changing demands and delivering the same to them in all our end products. This has resulted in greater consumer satisfaction which has manifested itself in increased sales. We have always imbibed the culture of 'Neighbors Envy, Owners Pride' in all our end products and this endeavour still continues till today.

I am extremely confident that as a company and as a country we are poised to see exponential growth in the very near future and make India proud of the "Make in India label".

**Vijay Mansukhani**  
Managing Director

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## ARTIFICIAL INTELLIGENCE. ADVANCED COOLING.



Inverter Air Conditioners have gained momentum this summer with buyer's preferences shifting from split ACs to Inverter ACs, Onida has been a frontrunner in anticipating this shift in consumer preference by launching Regalio - Smart Wi-Fi AC with Inverter technology last year. Owing to a huge success the product garnered, this year Onida has launched a wide range of Inverter ACs, with a wide array of attractive value propositions for the buyers such as high cooling capacity, powerful cooling, lower energy consumption and much more.

The whole new inverter range is thoughtfully designed to deliver powerful cooling with high energy efficiency using world class compressor with Japanese technology, advanced thermal balancing, multi point refrigerant injections and aerodynamics fans with low power consumption motors. Packed with superior features, the range has been innovated and styled to provide a premium experience to the users.

Onida Inverter Air Conditioners are designed with world's best DC inverter compressor and advanced fast control technology with dynamic sensors which continuously senses & monitors the room temperature and provides up to 170% faster cooling. An advanced algorithm changes the frequency and speed of the compressor motor to provide super high efficiency. Onida Smart Inverter Air Conditioners are designed to provide up to 130% more cooling and have high Seasonal Energy Efficiency Ratio (SEER) to provide up to 65% savings in energy bill under part load conditions. Also Onida Inverter Air Conditioners operate within a wide Voltage Range of 160V~250V and has a capability to withstand electricity fluctuations without the requirement of a stabilizer.

With its 100% copper, the Inverter Air Conditioners are capable to cool even at 52°C. Its anti fungus operation helps keep the AC clean and provide us with fresh air. The Unique i-Feel sensor technology provides precise cooling as per human physical presence in the room.

Onida Smart Inverter Air Conditioners are enabled with IOT (Internet Of Things) which allows the user to operate the AC and control its various functions through a smart phone from anywhere in the world.

Intelligent functioning, super silent operation, environment friendly R410a refrigerant, efficient system design to give high energy efficiency make Onida Smart Inverter Air Conditioners truly best in class.

## ARTIFICIAL INTELLIGENCE. ADVANCED VIEWING.



Onida has been a brand reckoned for its legacy and sustained delivery of superior quality products. The brand has always lived up to its promise of offering the most innovative and technologically advanced products to its consumers. In the last couple of years, we have been increasingly focusing on big-screen entertainment. Our smart range of LEDs come with built-in Wi-Fi for connecting Internet-based services for streaming videos or to run apps for watching special interest programs, downloading on-demand movies, playing games or even posting on social media pages. Our recent launches include smart televisions in the KY Thunder series and 4K 55 inch UHD TV.

KY Thunder is a TV which delivers 1200 watts of pure sound quality like an independent high fidelity sound system and is a result of over 15 years of research on the science of sound engineering. Onida has developed a complex sound algorithm which uses a dedicated processor to deliver thunderous bass and mix it with precise mid and high frequencies. This gets delivered through a sound system which is sleek, elegant and integrated into the Onida KY Thunder Television.

This minimalist design is a perfect combination of science and art which delivers astonishing level of high fidelity sound experience in a small package without complicated setting up and external wiring which often ruin aesthetics.

All this gives a vivid, multi-dimensional soundstage creating a theatre like experience at home. The Onida KY Thunder Smart TV also comes with a Quad Core processor, built in WiFi connectivity, HDMI and USB 3.0 ports and a pure Android experience including access to the Google PlayStore. It also comes with a great Web Cruiser Smart Remote – with a full QWERTY keyboard on one side to make the surfing experience much easier.

The Onida KY Thunder is a TV that puts an end to weak and feeble sound and insipid viewing experiences. It's a smart TV that not only sounds awesome but also lets the world know you've arrived. With a bang!



**ARTIFICIAL INTELLIGENCE. ADVANCED WASHING.**

Growing disposable incomes along with rising influence of modern lifestyle has led to a surge in demand for various home appliances, followed by other factors such as rise in double-income nuclear families and increasing consumer awareness. With the consequent rise in demand for consumer appliances, Onida has extended its existing range of washing machines this year. Keeping pace with these demands, Onida has strategically launched its **SPLENDOR Fully Automatic Front load Washing Machine** in 7Kg, 6Kg and 5.5Kg capacities to cater to the washing needs of large to small families.

To ensure that we provide best quality machines to consumers, and get technology a notch above, Onida launched “Made in Europe” front load washing machine. This machine comes with a wide range of 15 wash programs which takes care of different washing needs with a unique Anti-allergy wash program. Its classy looking stainless steel drum, Wide door opening and Digital display not only provide ease and convenience in washing process but also enhance the aesthetic appeal of the machine. It is fully loaded with the features like Foam protection, wrinkle free clothes, inbuilt water heater and unbalance control system. The fuzzy logic program of the machine automatically determines the load and selects the most appropriate water level and wash program to make the laundry clean ‘Just like hand wash’.

Onida’s washing machines are designed to last for years with its anti-rust fiber body.

With the introduction of front load, Onida has also increased and improvised its existing range of Splendor Fully Automatic Top Load, SmartCare Semi automatic and Liliput Washer in various capacities.





## ARTIFICIAL INTELLIGENCE. ADVANCED COOKING.



Onida understands India's massive young and working population who has been instrumental in increasing demand for Microwave Ovens over the past few years.. The brand is focused towards launching microwave ovens with modern technologies that enhance consumer's daily lives and make it even simpler.

The stunning series of Onida's Black Beauty Microwave Ovens is designed to ease cooking process by making it faster, healthier and also adding the beauty to one's kitchen. The series has variants such as 30lts & 27lts Convection Plus, 28lts Barbeque, 23lts Convection.

It comes with a 123 inbuilt auto cook menu for simplifying complex culinary preparations. The menu includes exquisite cuisines like South Indian, Bengali, Maharashtrian, Gujarati, Thai, Chinese and many more.

The electronic jog controls helps in using the appliance with ease along with digital display calorimeter which helps in reading the clock and directions to use the appliance. This feature lets one to know exactly how many calories each preparation has, thereby allowing one to be calorie and health conscious all the time. The Defrost feature in this microwave oven allows easy thawing of food and ensures one gets hot food always. The feature allows food to be taken straight out of the refrigerator and consume it fresh and appetizingly hot. Express cooking mode assists in starting the device without setting the time or power. This works exceptionally well when in hurry. The child lock safety feature of the microwave oven comes to one's rescue to keep children safe by averting accidental use of the microwave.

With all these advanced features and the classy mirror finish, it makes the microwave oven a perfect fit for one's kitchen.

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## 3 YEAR HIGHLIGHTS

(₹ in Crores)

	2016-17	2015-16	2014-15
<b>Balance Sheet</b>			
<b>I. Equity and Liabilities</b>			
<b>Shareholders Funds</b>			
Share capital	21.19	19.64	19.64
Reserves and Surplus	129.95	120.22	147.24
Money received against share warrant	-	5.69	-
	<b>151.14</b>	<b>145.55</b>	<b>166.88</b>
<b>Non-current Liabilities</b>			
Long-term borrowings	5.37	7.59	-
Deferred tax liabilities (Net)	-	-	-
Other Long term liabilities	-	-	-
Long-term provisions	4.57	2.60	1.60
	<b>9.94</b>	<b>10.19</b>	<b>1.60</b>
<b>Current Liabilities</b>			
Short-term borrowings	159.79	189.63	211.62
Trade payables	175.84	203.96	252.18
Other current liabilities	45.07	39.65	38.68
Short-term provisions	3.43	2.89	3.07
	<b>384.13</b>	<b>436.13</b>	<b>505.55</b>
<b>Total Equity and Liabilities</b>	<b>545.21</b>	<b>591.87</b>	<b>674.03</b>
<b>II. Assets</b>			
<b>Non-current Assets</b>			
Fixed assets			
Property, Plant and Equipment	113.62	114.69	126.49
Intangible assets	0.06	0.08	0.10
Capital work-in-progress	0.26	-	-
	<b>113.94</b>	<b>114.77</b>	<b>126.59</b>
Non-current investments	-	26.26	26.25
Loans and advances	49.87	40.67	34.74
Other non-current assets	8.38	0.56	0.11
<b>Current Assets</b>			
Current investments	-	-	-
Inventories	205.73	240.91	282.76
Trade receivables	128.31	132.09	125.42
Cash and bank balances	19.01	15.48	18.79
Loans and advances	15.40	15.66	31.76
Other current assets	4.57	5.47	27.61
	<b>373.02</b>	<b>409.61</b>	<b>486.34</b>
<b>Total Assets</b>	<b>545.21</b>	<b>591.87</b>	<b>674.03</b>
<b>Profit and loss statement</b>			
Sales	785.71	816.36	1124.06
Excise	38.12	44.38	53.44
<b>Net Sales</b>	<b>747.59</b>	<b>771.98</b>	<b>1070.62</b>
Other Income	0.57	3.26	0.92
<b>Total Income</b>	<b>748.16</b>	<b>775.24</b>	<b>1071.54</b>
Material Consumed	209.08	279.05	371.28
Purchase of Traded Goods	284.79	284.42	449.89
(Increase) / Decrease in inventories of Finished Goods, Work-in-progress and Traded Goods	42.66	13.60	(31.18)
Personnel Expenses	72.84	71.04	73.28
Loss on Insurance Claim	-	-	6.23
Freight and Forwarding Expenses	28.49	27.95	43.24
Advertising Expenses	11.16	17.72	27.19
Other Expenses	62.11	78.93	90.55
<b>Total Cost</b>	<b>711.13</b>	<b>772.71</b>	<b>1030.48</b>
<b>Profit Before Depreciation, Interest, exceptional items and Tax</b>	<b>37.03</b>	<b>2.53</b>	<b>41.06</b>
Interest	23.59	28.79	32.92
<b>Profit Before Depreciation, exceptional items and Tax</b>	<b>13.44</b>	<b>(26.26)</b>	<b>8.14</b>
Depreciation	10.46	11.63	14.15
<b>Profit Before, exceptional items and Tax</b>	<b>2.98</b>	<b>(37.89)</b>	<b>(6.01)</b>
<b>Exceptional Items</b>	<b>8.66</b>	<b>4.70</b>	<b>9.46</b>
<b>Profit Before Tax</b>	<b>(5.68)</b>	<b>(33.19)</b>	<b>3.45</b>
Tax	-	(6.18)	2.64
<b>Profit after Tax</b>	<b>(5.68)</b>	<b>(27.01)</b>	<b>0.81</b>
Equity Dividend Paid	-	-	-
Year End Price (₹)	14.03	10.17	9.58
Market Capitalisation (₹ in Cr.)	297.09	199.57	187.99



Dear Members,

MIRC Electronics Limited

Your Directors are pleased to present the Thirty Sixth Annual Report along with the Audited Financial Statements of the Company for the financial year ended March 31, 2017.

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

### Results of Operations

(` in Crores)

Particulars	Financial year ended March 31, 2017	Financial year ended March 31, 2016
Gross Turnover	784.50	811.00
Gross Profit (before interest, depreciation, tax and writing off of preliminary expense)	28.37	7.23
Interest	23.59	28.79
Depreciation	10.46	11.63
Net Profit / (Loss) Before Tax	(5.68)	(33.19)
Current Tax	-	(6.18)
Deferred Tax Liability/(Asset)	-	-
Profit/(Loss) After Tax	(5.68)	(27.01)
Balance in Profit & Loss A/c carried forward from the last year	(14.02)	12.99

### Financial Performance:

During the year under review, your Company has made gross turnover of ` 784.50 crores as against ` 811.00 crores for the previous year. The Company has made a loss of ` 5.68 crores.

The financial statements are prepared in accordance with Indian GAAP for the financial year ended March 31, 2017 and forms part of this Annual Report.

### Dividend and Transfer to General Reserves:

Considering the cash requirement for business growth and debt servicing, your Directors regret and do not propose dividend for the year ended March 31, 2017. There is no appropriation of any amount to General Reserves during the year under review.

### Preferential Issue of Warrant:

On July 10, 2015, the Company had issued 1 (One) warrant to Bennett Coleman & Co. Ltd. (hereinafter referred to as the BCCL/Warrant holder) being Person other than Promoter and / or Promoter Group exercisable for equity shares aggregating to ` 22,75,00,000/- (Amount paid up on the warrant by BCCL is 25% of the value of warrant i.e. ` 5,68,75,000/-) with such

warrant carrying an option / entitlement to the warrant holder to subscribe to equity shares of the face value of Re. 1/- each for cash at a minimum price of ` 14.66/- each (including premium of ` 13.66/- each) per share, as arrived in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as on the Relevant Date i.e. May 27, 2015 or such higher price per share equal to the average of the weekly high and low of the closing prices of the equity share of the Company as quoted on the National Stock Exchange of India Ltd. during the 26 (twenty six) weeks preceding the last date of 17 (seventeenth) month from the date of allotment of warrant i.e. July 10, 2015 after making adjustment for any bonus issue/split /consolidation.

The BCCL vide its letter dated January 02, 2017 elected to exercise the warrant to subscribe to equity shares of the face value of Re. 1/- each for cash at a minimum price of ` 14.66/- per share to the extent of ` 22,75,00,000/- and paid the remaining amount of ` 17,06,25,000 (i.e. 75% of the value of warrant).

The Preferential Issue Committee on January 06, 2017 has allotted 1,55,18,417 equity shares of face value of Re. 1 per equity share for cash at a price of ` 14.66/- per equity share (including a premium of ` 13.66 per equity share) as arrived in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as on the Relevant Date i.e. May 27, 2015 to BCCL, aggregating to ` 22,74,99,993.22/- on preferential basis.

The Company has received listing and trading approval for the 1,55,18,417 equity shares from the stock exchanges.

### Abridged Financial Statements:

The statement containing the salient features of the Balance Sheet, Profit and Loss Account and Auditors' Report on the abridged financial statement has been sent to those members who have not registered their email id's with the Company.

### Subsidiary Company:

Your Company was having a Wholly Owned Subsidiary Company (WOS) i.e. Akasaka Electronics Limited. During the previous year, the Board of Directors of the Company in their meeting held on February 13, 2016 approved a Scheme of Amalgamation ("the Scheme") for Amalgamation of WOS with the Company and the same was approved by the members of the Company through the postal ballot (including e-voting) on October 01, 2016. The National Company Law Tribunal, Mumbai Bench ("Tribunal") vide its Order dated March 23, 2017 sanctioned the scheme of amalgamation of WOS with the Company. The Scheme became effective on March 30, 2017. The Appointed Date being April 01, 2015, the financials for the year under review have been prepared after giving effect to the Scheme of Amalgamation.

### Board of Directors:

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

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## DIRECTORS' REPORT

- (i) Mr. Gulu L. Mirchandani - Chairman & Managing Director;
- (ii) Mr. Vijay J. Mansukhani - Managing Director;
- (iii) Mr. Shyamsunder Dhoot - Whole Time Director;
- (iv) \*Mr. Kaval Mirchandani - Whole Time Director;
- (v) Mr. Rafique Malik - Independent Director;
- (vi) Mr. Carlton Pereira - Independent Director;
- (vii) \*\*Ms. Radhika Piramal - Independent Director;
- (viii) \*\*\*Mr. Arvind Sharma - Additional & Independent Director; and
- (ix) \*\*\*\*Ms. Sujata Deshmukh - Additional & Independent Director;

\* During the year under review, Mr. Kaval Mirchandani was appointed as a Whole Time Director for a period of 3(three) years with effect from May 26, 2016 to May 25, 2019 in the Thirty Fifth Annual General Meeting of the Company;

\*\* During the year under review, Ms. Radhika Piramal resigned as a Non-Executive Independent Woman Director with effect from August 11, 2016 and the Board place on record its appreciation for the valuable inputs, guidance and services rendered by her during her tenure with the Company.

\*\*\* During the year under review, Mr. Arvind Sharma was appointed by the Board of Directors of the Company on November 14, 2016 as an Additional and Independent Director of the Company and further the Board of Directors has decided to re-appoint him as an Independent Director for a period of 5 (five) years subject to the approval of the members of the Company at the ensuing Annual General Meeting.

\*\*\*\* During the year under review, Ms. Sujata Deshmukh was appointed by the Board of Directors of the Company on November 14, 2016 as an Additional and Independent Woman Director of the Company and further the Board of Directors has decided to re-appoint her as an Independent Woman Director for a period of 5 (five) years subject to the approval of the members of the Company at the ensuing Annual General Meeting.

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 Regulation 25 of the New Listing Agreement read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof till date).

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. Shyamsunder Dhoot, Whole Time Director, shall retire by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment. The Board recommends his re-appointment.

The Company has received notice as required under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Arvind Sharma and Ms. Sujata Deshmukh, as an Independent Directors along with necessary deposit.

The notice convening the Annual General Meeting includes the proposal for appointment/re-appointment of 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, 2017, the applicable accounting standards read with the requirements set out under Schedule III to 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, 2017 and of the profit and loss 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 New Listing Agreement read with Regulation 27 and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof till date) forms an integral part of this Board Report.



The requisite certificate from Mr. Nilesh Shah, Practicing Company Secretary, confirming compliance with the conditions of the Corporate Governance as stipulated under the New Listing Agreement read with Regulation 34 (3) and Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof till date) is annexed to this Board Report.

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

#### Management Discussion and Analysis:

A detailed review of the operations, performance and future outlook of the Company and its business, as stipulated under Regulation 34 (2) (e) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof till date), is presented in a separate section forming part of the Annual Report under the head 'Management Discussion and Analysis'.

#### Disclosure of Employee Stock Option Scheme (ESOS):

During the year under review, the Board of Directors of the Company in their meeting held on February 13, 2017 approved the employee stock option scheme termed as 'MIRC Electronics Limited – Employee Stock Option Scheme 2017' (MIRC ESOS 2017) under the provisions of Section 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share based Employee Benefits) Regulations, 2014.

The aforesaid MIRC ESOS 2017 was approved by the members of the Company at the Extra Ordinary General Meeting held on March 29, 2017. MIRC ESOS 2017 provides for up to 98,11,710 stock options and other particulars regarding Employee Stock Options are attached as Annexure – A.

#### Contracts and Arrangements with Related Parties:

During the year under review, all contracts/arrangements/transactions entered by the Company with related parties were in the ordinary course of business and on an arm's length basis. 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 Directors of the Company may be accessed on the website of the Company at the link <http://www.onida.com/policies>.

#### 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 net worth 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, at least 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 2016-2017 as the Company does not fulfill any of the criteria mentioned in Section 135 (1) of the Companies Act, 2013.

#### Risk Management:

During the year under review, the Risk Management Committee 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 Committee 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 integrate 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 under review, 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 and Section 134 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 Board Report.

#### Key Managerial Personnel:

The Company has below mentioned persons as Key Managerial Personnel of the Company in terms of the requirement of Section



## DIRECTORS' REPORT

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:

Sr. No.	Name of the person	Designation
1.	Mr. Gulu L. Mirchandani	Chairman & Managing Director
2.	Mr. Vijay J. Mansukhani	Managing Director
3.	Mr. Kaval Mirchandani	Whole-Time Director
4.	Mr. Shyamsunder Dhoot	Whole-Time Director
5.	Mr. G. Sundar	Chief Executive Officer
6.	Mr. Subrat Nayak	Chief Financial Officer
7.	Mr. Lalit Chendvankar	Head - Corporate Affairs, Legal & Company Secretary

### Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and as per the New Listing Agreement read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof till date), 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 directors being evaluated. The Board of Directors expresses their satisfaction with the evaluation process.

The details of programmes for familiarization 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 remuneration of directors, key managerial personnel and other senior management employees (Annexure - C-I); and
- Policy on criteria for appointment & evaluation of executive directors and independent directors (Annexure - C-II).

### Public Deposits:

During the year under review, the Company has neither invited nor accepted any public deposit within the meaning of Section 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 amended from time to time.

### Statutory Auditors:

The members of the Company at the Thirty Third Annual General Meeting of the Company held on September 3, 2014, has appointed M/s. S R B C & CO. LLP, Chartered Accountants, (Firm Registration No. 324982E/E300003 with the Institute of Chartered Accountants of India) as Statutory Auditors of the Company for the term of 4 (four) years 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 statutory 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 Audit Committee and the Board of Directors has recommended the ratification of the appointment of the Statutory Auditors.

### Auditors Report:

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 the provisions of 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, Cost Accountant (Firm Registration No. 102173 with the Institute of Cost and Works Accountants of India) as the Cost Auditor of the Company for the financial year 2017-2018. The remuneration of Cost Auditor needs to be approved by the members of the Company. The Board recommends passing of the resolution as contained in the notice on remuneration of the Cost Auditor.

### Secretarial Auditors:

M/s. Ragini Chokshi & Co., Practicing Company Secretaries (Firm Registration No. 92897 with the Institute of Company Secretaries of India), was appointed to conduct the secretarial audit of the Company for the financial year 2016-2017, 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, 2017 is annexed herewith marked as Annexure-D to this Board Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.



**Disclosures:****Audit Committee:**

At the beginning of the year under review, the Audit Committee comprised of Mr. Carlton Pereira, Chairman, Mr. Rafique Malik and Ms. Radhika Pirmal as the members. However, Ms. Radhika Pirmal has resigned on August 11, 2016 and in her place Mr. Arvind Sharma has been appointed w.e.f. November 14, 2016 as a member of the Committee.

As on date, the Audit Committee comprises of Mr. Carlton Pereira, Chairman, Mr. Rafique Malik and Mr. Arvind Sharma as the members.

All the members of the Audit Committee are Independent Directors.

**Nomination and Remuneration Committee:**

At the beginning of the year under review, the Nomination and Remuneration Committee comprised of Mr. Rafique Malik, Chairman, Mr. Carlton Pereira and Ms. Radhika Pirmal as the members. However, Ms. Radhika Pirmal has resigned on August 11, 2016 and in her place Ms. Sujata Deshmukh has been appointed w.e.f. November 14, 2016 as a member of the Committee.

As on date, the Nomination and Remuneration Committee comprises of Mr. Rafique Malik, Chairman, Mr. Carlton Pereira and Ms. Sujata Deshmukh as the members.

All the members of the Nomination and Remuneration Committee are Independent Directors.

**Stakeholders Relationship Committee:**

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

**Corporate Social Responsibility (CSR) Committee:**

The CSR Committee comprises of Mr. Gulu L. Mirchandani, Chairman, Mr. Vijay J. Mansukhani and Mr. Rafique Malik as 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, your Company has adopted a Vigil Mechanism /Whistle Blower Policy. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and is also provided 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/policies](http://www.onida.com/policies).

**Code of Conduct for Prevention of Insider Trading:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company laid down the guidelines and procedure to be followed and disclosures to be made while dealing with the shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of dealings by employees of the Company. The Insider Trading Policy of the Company comprising of 'Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information' and 'Code of Conduct for Prevention of Insider Trading' is available on the website of the Company i.e. [www.onida.com](http://www.onida.com).

**Meetings of the Board:**

The details of the number of meetings of the Board of Directors of the Company held during the financial year / tenure and the attendance of Directors 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 and guarantees given along with the purpose for which the loan or guarantee 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 respective notes in the 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.

**Material changes and commitments affecting financial position between end of the financial year and date of this report:**

There were no material changes and commitments affecting financial position of the Company during the period between end of the financial year and date of this Board Report.

**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.



## DIRECTORS' REPORT

### Information under Regulation 34 (3) read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Pursuant to the New Listing Agreement read with Regulation 34 (3) along with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof till date), the details of the shares lying with the Company in Unclaimed Suspense Account as on March 31, 2017 is as under:

Sr. No.	Description	No. of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the beginning of the financial year	4678	102309
2	Number of shareholders who approached issuer for transfer of shares from unclaimed suspense account during the financial year	4	2067
3	Number of shareholders to whom shares were transferred from unclaimed suspense account during the financial year	4	2607
4	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the end of the financial year	4674	100242

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 provisions of the Section 124 of the Companies Act, 2013 and Section 205A (5) of the erstwhile Companies Act, 1956, the dividend declared for the financial year 2008-2009 (Final), which remained unpaid or unclaimed for a period of 7 (seven) years has been transferred by the Company to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to the provisions of the Section 125 of the Companies Act, 2013.

The shareholders, who have not claimed dividend for the financial year 2009-2010 and 2010-2011, which is due for transfer to IEPF on expiry of 7 (seven) years on July 29, 2017 and July

25, 2018 respectively, are requested to write to the Registrar & Share Transfer Agent of the Company for claiming their unpaid/unclaimed dividend.

### Transfer of Shares to the Investor Education and Protection Fund:

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, which have come into effect from September 07, 2016, the shares on which dividend has not been paid or claimed for seven consecutive years or more, then such shares have to be transferred to the Investor Education and Protection Fund (IEPF), a Fund established by the Central Government under Section 125 of the Companies Act, 2013.

The Company will be transferring shares to IEPF Suspense Account on which dividend has not been paid or claimed for seven consecutive years or more by following the procedure prescribed under the said Rules.

### 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 the remuneration and other details as required is appended as Annexure - E to this Board Report.

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ` 1.02 crore or more, or employed for part of the year and in receipt of ` 8.5 lakh or more per month, under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, 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 of the Company and the same will be furnished to them.

### Internal Control System:

The Company has adequate internal control system commensurate with its size and business. The Internal Auditors of the Company reviewed 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:

- ⑥ Embedded Software.
- ⑥ Industrial Design.
- ⑥ Mechanical Design.
- ⑥ Electrical Circuit Design.

**Conservation of Energy, 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 (3) of the Companies (Accounts) Rules, 2014 and amended from time to time, are set out in the Annexure - F and forms part of this Board Report.

**Environment:**

The E Waste Management Rules, 2016 (hereinafter referred to as "E Waste Rule") are in force. As per the E Waste Rule all producers have to meet Extended Producer Responsibility (EPR) along with the defined targets. As per E Waste Rule, all producers have to make EPR Authorisation Application to Central Pollution Control Board (CPCB). The Company has made an application to CPCB for EPR Authorisation much before the due date of December 31, 2016. The Company is interacting with CPCB members for EPR Authorisation. The Company has a tie up with Authorised Recyclers for recycling the E Waste.

The details of E Waste along with Collection Centres and Pick Up Facility have been uploaded on the Company's website. One of the important aspect of E Waste Rule, is creating awareness amongst stakeholders about necessity to dispose 'End of Life' (EOL) products through authorised recyclers instead handing over to unauthorised recyclers / kabadiwala. The Company has planned various actions for creating such awareness. The

Company appeals to all stakeholders to dispose all EOL products through Company's authorized recyclers. The required details are available on Company's website viz. [www.onida.com](http://www.onida.com).

The manufacturing plant situated at Wada, Maharashtra has more than 10 acres of Green Cover with more than 1500 plants and trees. The Company makes all out efforts for maintaining such Green cover and support the prevailing Environmental issues.

**General:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions / events 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 Directors of the Company receive any remuneration or commission from any of its subsidiary.

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.

**For and on behalf of the Board of Directors**

**Place : Mumbai**  
**Date : May 22, 2017**

**Gulu L. Mirchandani**  
**Chairman and Managing Director**  
**DIN: 00026664**

## ANNEXURE TO THE DIRECTORS' REPORT

**Annexure-A****Disclosure under Section 62 of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share based Employee Benefits) Regulations, 2014 for the year ended March 31, 2017**

The objective of the MIRC- ESOS 2017 is to provide an incentive to attract, retain and reward Employees performing services as well as to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this scheme to attract and retain talent in the Company. The Company views employee stock options as instruments that would enable the employees to share the value they create for the Company in the years to come.

The following table sets forth the particulars of the options granted under ESOP:

Sr. No.	Particulars	Remarks
1.	Total Number of Options under the plan	Up to 98,11,710
2.	Options Granted (during the year)	Nil
3.	Options Vested (during the year)	Nil
4.	Options exercised (during the year)	Nil
5.	Total number of shares arising as a result of exercise of option	Nil
6.	Options lapsed (during the year)	Nil
7.	The exercise price	The exercise price shall be closing market price of the shares listed on the recognized stock exchanges prior to the Grant Date or as may be determined by the Board. In any event the exercise price shall not be less than the face value of one equity Share of the Company when the options are granted.
8.	Variation of terms of options	None
9.	Money realized by exercise of options	Nil
10.	Total number of options in force (as on end of the year)	Nil
11.	Employee wise details of options granted to:	
	(i) Senior Management (including key managerial personnel)	Nil
	(ii) any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year;	Nil
	(iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant;	Nil
12.	Diluted Earnings per share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'	N.A.

## ANNEXURE TO THE DIRECTORS' REPORT

13.	Pro Forma Adjusted Net Income and Earning Per Share	N.A.
	Net Income	
	Add: Intrinsic Value Compensation Cost	
	Less: Fair Value Compensation Cost	
	Adjusted Pro Forma Net Income	
	Earning Per Share: Basic	
	As Reported	
	Adjusted Pro Forms	
	Earning Per Share: Diluted	
	As Reported	
	Adjusted Pro Forms	

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

**Date: May 22, 2017**  
**Place: Mumbai**

**Gulu L. Mirchandani**  
**Chairman and Managing Director**  
**DIN: 00026664**



## ANNEXURE TO THE DIRECTORS' REPORT

## Annexure-B

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the Financial Year Ended on March 31, 2017

[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	Listed Public Company Limited by Shares
v)	Address of the Registered office and contact details	Onida House, G-1, MIDC, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Ph.: No : 022-6697 5777 Email ID: investors@onida.com, Website: www.onida.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai:- 400 083 Ph.: 022-25946970-78 Email ID: mumbai@linkintime.co.in

## 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	39.00
2	Airconditioners	3552	46.00

## 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.	Onida House, G-1, MIDC, Mahakali Caves Road, Andheri (East), Mumbai - 400 093.	U64200MH2002PLC136009	Subsidiary Company upto 30.03.2017 Amalgamated with the Company w.e.f. 30.03.2017	100.00%	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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	54,330,820	0	54,330,820	27.69	80,316,570	0	80,316,570	37.93	10.24
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	27,700,901	0	27,700,901	14.12	27,700,901	0	27,700,901	13.08	-1.03
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other-(Family Trust)	40,160,917	0	40,160,917	20.47	14,175,167	0	14,175,167	6.69	-13.77
<b>Sub-total (A) (1)</b>	<b>122,192,638</b>	<b>0</b>	<b>122,192,638</b>	<b>62.27</b>	<b>122,192,638</b>	<b>0</b>	<b>122,192,638</b>	<b>57.71</b>	<b>-4.56</b>



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	
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>122,192,638</b>	<b>0</b>	<b>122,192,638</b>	<b>62.27</b>	<b>122,192,638</b>	<b>0</b>	<b>122,192,638</b>	<b>57.71</b>	<b>-4.56</b>

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	700	2,000	2,700	0.00	700	2,000	2,700	0.00	0.00
b) Banks / FI	985	223	1,208	0.00	200,144	223	200,367	0.09	0.09
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	800,000	0	800,000	0.41	800,000	0	800,000	0.38	-0.03
g) FIs/FFIs/FPIs	3,404,541	16,500	3,421,041	1.74	3,404,541	16,500	3,421,041	1.62	-0.13
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>4,206,226</b>	<b>18,723</b>	<b>4,224,949</b>	<b>2.15</b>	<b>4,405,385</b>	<b>18,723</b>	<b>4,424,108</b>	<b>2.09</b>	<b>-0.06</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	12,123,543	35,410	12,158,953	6.20	25,452,324	35,410	25,487,734	12.04	5.84
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	33,841,077	4,935,992	38,777,069	19.76	36,155,623	4,876,763	41,032,386	19.38	-0.38
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	13,512,816	0	13,512,816	6.89	13,461,320	0	13,461,320	6.36	-0.53
<b>c) Others (specify)</b>									
Clearing Members	2,562,029	0	2,562,029	1.31	1,928,465	0	1,928,465	0.91	-0.39
Non-resident Indians	436,288	8	436,296	0.22	711,128	8	711,136	0.34	0.11
Trusts	610	0	610	0.00	210	0	210	0.00	0.00
Hindu Undivided family	2,368,016	826	2,368,842	1.21	2,513,817	805	2,514,622	1.19	-0.02
<b>Sub-total (B)(2):-</b>	<b>64,844,379</b>	<b>4,972,236</b>	<b>69,816,615</b>	<b>35.58</b>	<b>80,222,887</b>	<b>4,912,986</b>	<b>85,135,873</b>	<b>40.21</b>	<b>4.63</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>69,050,605</b>	<b>4,990,959</b>	<b>74,041,564</b>	<b>37.73</b>	<b>84,628,272</b>	<b>4,931,709</b>	<b>89,559,981</b>	<b>42.29</b>	<b>4.56</b>

## 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	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>191,243,243</b>	<b>4,990,959</b>	<b>196,234,202</b>	<b>100.00</b>	<b>206,820,910</b>	<b>4,931,709</b>	<b>211,752,619</b>	<b>100.00</b>	<b>0.00</b>

## ii) Shareholding of Promoters

Sr. 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	Mr. Gulu L. Mirchandani	20,640,250	10.52	0.00	20,640,250	9.75	0.00	-0.77
2	Mr. G L Mirchandani J/w Mrs. Gita G Mirchandani	1,343,515	0.68	0.00	25,755,503	12.16	0.00	11.48
3	Mr. Kaval G Mirchandani	12,240,628	6.24	0.00	30,029	0.01	0.00	-6.22
4	Mr. Kaval G. Mirchandani J/w Mr. Gulu L. Mirchandani	19,271	0.01	0.00	19,271	0.01	0.00	0.00
5	Mr. Sasha G. Mirchandani	12,206,959	6.22	0	5,570	0.00	0	-6.22
6	Mr. Sasha G. Mirchandani J/w Mr. Gulu L. Mirchandani	523	0.00	0.00	523	0.00	0.00	0.00
7	Mrs. Gita Gulu Mirchandani	7,879,650	4.02	0.57	7,879,650	3.72	0.53	-0.29
8	Mr. Vijay Mansukhani	24	0.00	0.00	25,985,774	12.27	0.00	12.27
9	"IIFL Investment Adviser & Trustee Services Ltd. (Formerly IIFL Trustee Services Ltd.) :- Trustee for Tamarind Family Private Trust"	40,160,917	20.47	7.22	14,175,167	6.69	6.69	-13.77
10	Gulita Securities Limited	27,227,372	13.87	13.87	27,227,372	12.86	12.86	-1.02
11	Adino Electronics Limited	473,529	0.24	0.00	473,529	0.22	0.00	-0.02
<b>Total</b>		<b>122,192,638</b>	<b>62.27</b>	<b>21.67</b>	<b>122,192,638</b>	<b>57.71</b>	<b>20.08</b>	<b>-4.56</b>

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

Sr. No.	Particular	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	<b>Mr. Gulu L. Mirchandani</b>				
	<b>At the beginning of the year</b>	<b>20,640,250</b>	<b>10.52</b>		
	Transaction during the year:				
	NIL	0	0.00	0	0.00
	<b>At the End of the year</b>			<b>20,640,250</b>	<b>10.52</b>

## ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	Particulars	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
2	<b>Mr. G L Mirchandani J/w Mrs. Gita G Mirchandani</b>				
	<b>At the beginning of the year</b>	<b>1,343,515</b>	<b>0.68</b>		
	Transaction during the year:				
	Transfer on 24 March 2017	24,411,988	11.53	25,755,503	12.16
	<b>At the End of the year</b>			<b>25,755,503</b>	<b>12.16</b>

Sr. No.	Particulars	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
3	<b>Mr. Kaval G Mirchandani</b>				
	<b>At the beginning of the year</b>	<b>12,240,628</b>	<b>6.24</b>		
	Transaction during the year:				
	Transfer on 24 March 2017	(12,210,599)	-5.77	30,029	0.01
	<b>At the End of the year</b>			<b>30,029</b>	<b>0.01</b>

Sr. No.	Particulars	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	<b>Mr. Kaval G. Mirchandani J/w Mr. Gulu L. Mirchandani</b>				
	<b>At the beginning of the year</b>	<b>19,271</b>	<b>0.01</b>		
	Transaction during the year:				
	NIL	0	0.00	0	0.00
	<b>At the End of the year</b>			<b>19,271</b>	<b>0.01</b>

Sr. No.	Particulars	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
5	<b>Mr. Sasha G. Mirchandani</b>				
	<b>At the beginning of the year</b>	<b>12,206,959</b>	<b>6.22</b>		
	Transaction during the year:				
	Transfer on 24 March 2017	(12,201,389)	-5.76	5,570	0.00
	<b>At the End of the year</b>			<b>5,570</b>	<b>0.00</b>

Sr. No.	Particulars	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
6	<b>Mr. Sasha G. Mirchandani J/w Mr. Gulu L. Mirchandani</b>				
	<b>At the beginning of the year</b>	<b>523</b>	<b>0.00</b>		
	Transaction during the year:				
	NIL	0	0.00	0	0.00
	<b>At the End of the year</b>			<b>523</b>	<b>0.00</b>



## ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	Particulars	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
7	<b>Mrs. Gita Gulu Mirchandani</b>				
	<b>At the beginning of the year</b>	7,879,650	4.02		
	Transaction during the year:				
	NIL	0	0.00	0	0.00
	<b>At the End of the year</b>			7,879,650	3.72

Sr. No.	Particulars	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
8	<b>Mr. Vijay Mansukhani</b>				
	<b>At the beginning of the year</b>	24	0.00		
	Transaction during the year:				
	Transfer on 28 March 2017	25,985,750	12.27	25,985,774	12.27
	<b>At the End of the year</b>			25,985,774	12.27

Sr. No.	Particulars	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	<b>IIFL Investment Adviser &amp; Trustee Services Ltd. :- Trustee for Tamarind Family Private Trust</b>				
	<b>At the beginning of the year</b>	40,160,917	20.47		
	Transaction during the year:				
	Transfer on 28 March 2017	(25,985,750)	-12.27	14,175,167	6.69
	<b>At the End of the year</b>			14,175,167	6.69

Sr. No.	Particulars	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
10	<b>Gulita Securities Limited</b>				
	<b>At the beginning of the year</b>	27,227,372	13.87		
	Transaction during the year:				
	NIL	0	0.00	0	0.00
	<b>At the End of the year</b>			27,227,372	12.86

Sr. No.	Particulars	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
11	<b>Adino Electronics Limited</b>				
	<b>At the beginning of the year</b>	473,529	0.24		
	Transaction during the year:				
	NIL	0	0.00	0	0.00
	<b>At the End of the year</b>			473,529	0.22

## ANNEXURE TO THE DIRECTORS' REPORT

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

Sr. No.	For Each of the Top 10 Shareholders	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	<b>Bennett, Coleman and Company Limited</b>				
	<b>At the beginning of the year</b>	0	0.00		
	Transaction during the year:				
	Allotment on 06 January 2017	15,518,417	7.33	15,518,417	7.33
	<b>At the End of the year</b>			<b>15,518,417</b>	<b>7.33</b>

Sr. No.	For Each of the Top 10 Shareholders	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
2	<b>Adonis Electronics Pvt Ltd</b>				
	<b>At the beginning of the year</b>	5,352,483	2.73		
	Transaction during the year:				
	Transfer on 21 October 2016	(38,104)	-0.02	5,314,379	2.51
	Transfer on 28 October 2016	(40,000)	-0.02	5,274,379	2.49
	<b>At the End of the year</b>			<b>5,274,379</b>	<b>2.49</b>

Sr. No.	For Each of the Top 10 Shareholders	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
3	<b>Hypnos Fund Limited</b>				
	<b>At the beginning of the year</b>	3,404,541	1.73		
	Transaction during the year:				
	NIL	0	0.00	3,404,541	1.61
	<b>At the End of the year</b>			<b>3,404,541</b>	<b>1.61</b>

Sr. No.	For Each of the Top 10 Shareholders	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	<b>Mr. Vijay Kishanlal Kedia</b>				
	<b>At the beginning of the year</b>	1,537,628	0.78		
	Transaction during the year:				
	Transfer on 02 September 2016	784,559	0.40	2,322,187	1.10
	Transfer on 17 February 2017	(112,319)	-0.05	2,209,868	1.04
	Transfer on 24 February 2017	(170,335)	-0.08	2,039,533	0.96
	Transfer on 03 March 2017	(500,000)	-0.24	1,539,533	0.73
	Transfer on 17 March 2017	(100,000)	-0.05	1,439,533	0.68
	<b>At the End of the year</b>			<b>1,439,533</b>	<b>0.68</b>

Sr. No.	For Each of the Top 10 Shareholders	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
5	<b>Mr. Shashank S Khade</b>				
	<b>At the beginning of the year</b>	1,134,205	0.58		
	Transaction during the year:				
	Transfer on 08 July 2016	45,731	0.02	1,179,936	0.56
	<b>At the End of the year</b>			<b>1,179,936</b>	<b>0.56</b>

## ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	For Each of the Top 10 Shareholders	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
6	<b>Mr. Vivek Chand Burman</b>				
	<b>At the beginning of the year</b>	1,000,000	0.51		
	Transaction during the year:-				
	NIL	0	0.00	0	0.00
	<b>At the End of the year</b>			1,000,000	0.47

Sr. No.	For Each of the Top 10 Shareholders	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
7	<b>General Insurance Corporation of India</b>				
	<b>At the beginning of the year</b>	800,000	0.41		
	Transaction during the year:				
	NIL	0	0.00	0	0.00
	<b>At the End of the year</b>			800,000	0.38

Sr. No.	For Each of the Top 10 Shareholders	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
8	<b>Mr. Anshul Saigal</b>				
	<b>At the beginning of the year</b>	600,924	0.31		
	Transaction during the year:				
	Transfer on 19 August 2016	(55,071)	-0.03	545,853	0.26
	Transfer on 26 August 2016	(39,606)	-0.02	506,247	0.24
	<b>At the End of the year</b>			506,247	0.24

Sr. No.	For Each of the Top 10 Shareholders	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	<b>Mr. Vasumatiben Punamchand Turakhia</b>				
	<b>At the beginning of the year</b>	593,184	0.30		
	Transaction during the year:				
	NIL	0	0.00	0	0.00
	<b>At the End of the year</b>			593,184	0.28

Sr. No.	For Each of the Top 10 Shareholders	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
10	<b>Mr. Sameer Chandrakant Thacker</b>				
	<b>At the beginning of the year</b>	490,000	0.25		
	Transaction during the year:				
	Transfer on 08 July 2016	100,000	0.05	590,000	0.28
	<b>At the End of the year</b>			590,000	0.28

## ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	For Each of the Top 10 Shareholders	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
11	<b>Mr. Mohammed Fayazuddin</b>				
	<b>At the beginning of the year</b>	<b>756,833</b>	<b>0.39</b>		
	Transaction during the year:				
	NIL	0	0.00	0	0.00
	<b>At the End of the year</b>			<b>756,833</b>	<b>0.36</b>

Sr. No.	For Each of the Top 10 Shareholders	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
12	<b>Ventura Securities Limited</b>				
	<b>At the beginning of the year</b>	<b>2,050,491</b>	<b>1.04</b>		
	Transaction during the year:				
	Transfer on 01 April 2016	(175,500)	-0.09	1,874,991	0.89
	Transfer on 08 April 2016	(100,779)	-0.05	1,774,212	0.84
	Transfer on 15 April 2016	(390,476)	-0.20	1,383,736	0.65
	Transfer on 22 April 2016	(351,240)	-0.18	1,032,496	0.49
	Transfer on 29 April 2016	(529,632)	-0.27	502,864	0.24
	Transfer on 06 May 2016	(501,917)	-0.26	947	0.00
	Transfer on 13 May 2016	300	0.00	1,247	0.00
	Transfer on 20 May 2016	(147)	0.00	1,100	0.00
	Transfer on 27 May 2016	2750	0.00	3,850	0.00
	Transfer on 03 June 2016	(3,650)	0.00	200	0.00
	Transfer on 10 June 2016	875	0.00	1,075	0.00
	Transfer on 17 June 2016	(1,050)	0.00	25	0.00
	Transfer on 24 June 2016	3699	0.00	3,724	0.00
	Transfer on 30 June 2016	11554	0.01	15,278	0.01
	Transfer on 01 July 2016	400	0.00	15,678	0.01
	Transfer on 08 July 2016	(11,950)	-0.01	3,728	0.00
	Transfer on 15 July 2016	1290	0.00	5,018	0.00
	Transfer on 22 July 2016	227	0.00	5,245	0.00
	Transfer on 29 July 2016	4,755	0.00	10,000	0.00
	Transfer on 05 August 2016	2,687	0.00	12,687	0.01
	Transfer on 12 August 2016	(4,987)	0.00	7,700	0.00
	Transfer on 19 August 2016	7,109	0.00	14,809	0.01
	Transfer on 26 August 2016	(7,309)	0.00	7,500	0.00
	Transfer on 02 September 2016	(2,200)	0.00	5,300	0.00
	Transfer on 09 September 2016	(60)	0.00	5,240	0.00
	Transfer on 16 September 2016	(2,855)	0.00	2,385	0.00
	Transfer on 23 September 2016	5,685	0.00	8,070	0.00
	Transfer on 30 September 2016	20,287	0.01	28,357	0.01
	Transfer on 07 October 2016	(10,122)	-0.01	18,235	0.01
	Transfer on 14 October 2016	(12,960)	-0.01	5,275	0.00
	Transfer on 21 October 2016	37,860	0.02	43,135	0.02
	Transfer on 28 October 2016	6,465	0.00	49,600	0.02
	Transfer on 04 November 2016	12,290	0.01	61,890	0.03
	Transfer on 11 November 2016	(28,599)	-0.01	33,291	0.02
	Transfer on 18 November 2016	(17,608)	-0.01	15,683	0.01
	Transfer on 25 November 2016	(1,314)	0.00	14,369	0.01



## ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	For Each of the Top 10 Shareholders	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
	Transfer on 02 December 2016	(5,110)	0.00	9,259	0.00
	Transfer on 09 December 2016	12,170	0.01	21,429	0.01
	Transfer on 16 December 2016	12,254	0.01	33,683	0.02
	Transfer on 23 December 2016	(1,014)	0.00	32,669	0.02
	Transfer on 30 December 2016	7,401	0.00	40,070	0.02
	Transfer on 06 January 2017	(35,543)	-0.02	4,527	0.00
	Transfer on 13 January 2017	1,656	0.00	6,183	0.00
	Transfer on 20 January 2017	(2,778)	0.00	3,405	0.00
	Transfer on 27 January 2017	206	0.00	3,611	0.00
	Transfer on 03 February 2017	(1,177)	0.00	2,434	0.00
	Transfer on 10 February 2017	(996)	0.00	1,438	0.00
	Transfer on 17 February 2017	(48)	0.00	1,390	0.00
	Transfer on 24 February 2017	6,450	0.00	7,840	0.00
	Transfer on 03 March 2017	(5,550)	0.00	2,290	0.00
	Transfer on 10 March 2017	(1,705)	0.00	585	0.00
	Transfer on 17 March 2017	(95)	0.00	490	0.00
	Transfer on 24 March 2017	3,900	0.00	4,390	0.00
	Transfer on 31 March 2017	1,047	0.00	5,437	0.00
	<b>At the End of the year</b>			<b>5,437</b>	<b>0.00</b>

## v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	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	2,11,983,765	11.20		
	Transaction during the year:				
	Transfer on 24 March 2017	24,411,988	11.53	46,395,753	21.91
	At the End of the year			46,395,753	21.91
2	Mr. Vijay J. Mansukhani - Managing Director				
	At the beginning of the year	24	0.00		
	Transaction during the year:				
	Transfer on 31 March 2017	25,985,750	12.27	25,985,774	12.27
	At the End of the year			25,985,774	12.27
3	Mr. Kaval G. Mirchandani - Whole Time Director				
	At the beginning of the year	12,259,899	6.25		
	Transaction during the year:				
	Transfer on 24 March 2017	(12,210,599)	-5.77	49,300	0.02
	At the End of the year			49,300	0.02
4	Mr. G. Sundar - Chief Executive Officer				
	At the beginning of the year	413,000	0.21		
	Transaction during the year:	0	0.00	0	0.00
	At the End of the year			413,000	0.20

**Note:** Other Directors & KMPs of the Company are not holding any shares in the Company.

## ANNEXURE TO THE DIRECTORS' REPORT

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment****(Amount in `)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,994,431,000	0	0	<b>1,994,431,000</b>
ii) Interest due but not paid	0	0	0	<b>0</b>
iii) Interest accrued but not due	5,454,000	0	0	<b>5,454,000</b>
<b>Total (i+ii+iii)</b>	<b>1,999,885,000</b>	<b>0</b>	<b>0</b>	<b>1,999,885,000</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	0	0	-
• Reduction	321,311,000	0	0	<b>321,311,000</b>
<b>Net Change</b>	<b>(321,311,000)</b>	<b>0</b>	<b>0</b>	<b>(321,311,000)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,673,792,000	0	0	<b>1,673,792,000</b>
ii) Interest due but not paid	0	0	0	<b>0</b>
iii) Interest accrued but not due	4,782,000	0	0	<b>4,782,000</b>
<b>Total (i+ii+iii)</b>	<b>1,678,574,000</b>	<b>0</b>	<b>0</b>	<b>1,678,574,000</b>

**Note:** Reduction figures include net reduction of Buyers credit and Cash credit.**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:****(Amount in `)**

Sr. No.	Particulars of Remuneration	Name of MD/WT/Manager				Total Amount
		Mr. Gulu G. Mirchandani (Chairman & Managing Director)	Mr. Vijay J. Mansukhani (Managing Director)	Mr. Shyamsunder Dhoot (Whole Time Director)	Mr. Kaval G. Mirchandani (Whole Time Director)	
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	8,228,000	11,228,000	3,045,228	3,011,772	<b>25,513,000</b>
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	3,024,000	24,000	221,400	345,000	<b>3,614,400</b>
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0	0	0	0	<b>0</b>
2	Stock Option	0	0	0	0	<b>0</b>
3	Sweat Equity	0	0	0	0	<b>0</b>
4	Commission	0	0	0	0	<b>0</b>
	- as % of profit	0	0	0	0	<b>0</b>
	- others, specify...	0	0	0	0	<b>0</b>
5	Others- Provident Fund	979,200	979,200	104,083	172,800	<b>2,235,283</b>
	<b>Total (A)</b>	<b>12,231,200</b>	<b>12,231,200</b>	<b>3,370,711</b>	<b>3,529,572</b>	<b>31,362,683</b>
	Ceiling as per the Act	12,000,000	12,000,000	12,000,000	12,000,000	48,000,000

**B. Remuneration to other directors:****(Amount in `)**

## ANNEXURE TO THE DIRECTORS' REPORT

Particulars of Remuneration	Name of Directors					Total Amounts
Independent Directors	Mr. Rafique Malik (Independent Director)	Mr. Carlton Pereira (Independent Director)	Ms. Radhika Piramal (Independent Director) upto 11-08-16	Mr. Arvind Sharma (Independent Director) w.e.f. 14-11-16	Ms. Sujata Deshmukh (Independent Director) w.e.f. 14-11-16	
• Fee for attending board / committee meetings	220,000	240,000	100,000	60,000	50,000	670,000
• Commission	-	-	-	-	-	-
• Others	-	-	-	-	-	-
Conveyance	7,000	7,000	3,000	1,500	1,500	20,000
<b>Total (1)</b>	<b>227,000</b>	<b>247,000</b>	<b>103,000</b>	<b>61,500</b>	<b>51,500</b>	<b>690,000</b>
<b>Other Non-Executive Directors</b>						
• Fee for attending board / committee meetings	-	-	-	-	-	-
• Commission	-	-	-	-	-	-
• Others, please specify	-	-	-	-	-	-
<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (B)=(1+2)</b>	<b>227,000</b>	<b>247,000</b>	<b>103,000</b>	<b>61,500</b>	<b>51,500</b>	<b>690,000</b>
<b>Total Managerial Remuneration</b>						<b>32,052,683</b>
Overall Ceiling as per the Act (per Board Meeting)	100,000	100,000	100,000	100,000	100,000	

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

(Amount in `)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. G. Sundar (Chief Executive Officer)	*Mr. Subrat Nayak (Chief Financial Officer)	Mr. Lalit Chendvankar (Company Secretary)	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	18,671,212	3,501,504	2,717,800	<b>24,890,516</b>
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	144,600	795,000	519,000	<b>1,458,600</b>
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0	0	<b>0</b>
2	Stock Option	0	0	0	<b>0</b>
3	Sweat Equity	0	0	0	<b>0</b>
4	Commission	0	0	0	<b>0</b>
	- as % of profit	0	0	0	<b>0</b>
	- others, specify...	0	0	0	<b>0</b>
5	Others - Provident Fund	624,614	144,000	86,400	<b>855,014</b>
	<b>Total</b>	<b>19,440,426</b>	<b>4,440,504</b>	<b>3,323,200</b>	<b>27,204,130</b>

\* Mr. Subrat Nayak has been appointed as Chief Financial Officer of the Company with effect from April 22, 2016.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences under any sections of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

## 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;

## ANNEXURE TO THE DIRECTORS' REPORT

- (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 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.
    - (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 of 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 meritious performance or for special work assignment or recognition. Benchmark information shall be obtained from recognized compensation service consultancies and 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 and to 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, 2013 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 No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017.

To,  
The Members,  
**MIRC ELECTRONICS LIMITED**  
**(CIN-L32300MH1981PLC023637)**  
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 ("the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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 covering the financial year ended on March 31, 2017 has generally 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 financial year ended on March 31, 2017 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 regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable during the audit period);**

(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;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the audit period)**
- (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 during the audit period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period).**

Based on the certificates obtained by the Company from the Functional Heads and on the basis of the representation made by the Company and its officer for systems and mechanisms formed for compliance, the following laws are specifically applicable to the Company;

1. Factories Act, 1948
2. MIDC and other local municipal Authorities & Act framed thereunder

## ANNEXURE TO THE DIRECTORS' REPORT

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. Industrial Disputes Act, 1947
7. Employee State Insurance Act
8. Employees Provident Fund and Miscellaneous Provisions Act, 1952.
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
14. Payment of Bonus Act, 1965.
15. Payment of Gratuity Act, 1972.
16. Industrial Employment (Standing Orders) Act, 1946.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

During the period under review the Company has generally 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. Further, the changes in the composition of the Board of Directors that took place during the period under review was in accordance with the provisions of the Act and rules made thereunder.

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 the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there were following specific events /action reported having major bearing on company's operations.

1. Re-appointment of Mr. Gulu L. Mirchandani as a Chairman & Managing Director in the designation as a Key Managerial Personnel.
2. Appointment of Mr. Kaval G. Mirchandani as Whole-Time Director of the Company as a Key Managerial Personnel.
3. Re-appointment of Mr. Shyamsunder Dhoot as Whole-Time Director of the Company as a Key Managerial Personnel.
4. The National Company Law Tribunal, Mumbai Bench approved the scheme of amalgamation between Akasaka Electronics Limited and the Company vide order dated March 23, 2017.
5. The members of the Company at the Extra Ordinary General Meeting held on March 29, 2017 have approved the Employee Stock Scheme 2017 whereby it proposed to issue upto 98,11,710 equity shares of the face value ` 1/- each under the said scheme.
6. The Company has allotted 1,55,18,417 equity shares of ` 1/-each to Bennett Coleman & Co. Ltd. at a price of ` 14.66/- per equity share (including a premium of ` 13.66/- per equity share) on January 06, 2017 in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

**FOR RAGINI CHOKSHI & CO, COMPANY SECRETARIES**

**UMASHANKAR K HEGDE**

**Date: May 22, 2017**  
**Place: Mumbai**

**(PARTNER)**  
**COP No- 11161 # M.No- A22133**



## 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]**

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	
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year;	A	Mr. Gulu L. Mirchandani Chairman and Managing Director 31:1
		B	Mr. Vijay J. Mansukhani Managing Director 31:1
		C	Mr. Kaval G. Mirchandani Whole Time Director 09:1
		D	Mr. Shyamsunder Dhoot Whole Time Director 09:1
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	A	Mr. Gulu L. Mirchandani Chairman and Managing Director No Increase
		B	Mr. Vijay J. Mansukhani Managing Director No Increase
		C	Mr. Kaval G. Mirchandani Whole Time Director No Increase
		D	Mr. Shyamsunder Dhoot Whole Time Director No Increase
		E	Mr. G. Sundar Chief Executive Officer No Increase
		F	Mr. Subrat Nayak Chief Financial Officer (Appointed w.e.f. 22.04.2016) -
		G	Mr. Lalit Chendvankar Head - Corporate Affairs, Legal & Company Secretary No Increase
3	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 12%.	
4	The number of permanent employees on the rolls of the Company;	There were 803 employees as on March 31, 2017.	
5	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 personnel and employees of the Company during the financial year.	
6	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, 2017 is given here below and forms part of Directors Report.

**A. CONSERVATION OF ENERGY:-****I. Steps taken on conservation of energy and for utilising alternate sources of energy;**

Your Company is conscious about its responsibility to conserve energy, power and other natural resources wherever possible. It lays great emphasis towards a safe and clean environment and continues to adhere to all regulatory requirements and guidelines. Your Company strives to ensure environment friendly initiatives when implementing various projects on energy saving at its units. List of proposals and initiatives taken in this regard are as under:

**a) For plant situated at Wada, Maharashtra:-**

- Received various proposals for the Provision of Solar Panels on roof top for a potential 500KW solar power plant for self use under solar incentives and green energy;
- Continual improvements and initiatives done to Eliminate/Reduce, Reuse, Recover, Recycle & Compliance towards Environment Protection;
- Awareness and energy saving done 25th March during Earth Hour for the climate change initiative;
- Used LED lights in phased manner in place of old conventional light fittings. Further there is boiler furnace oil savings by use of an in house developed Heat Exchanger and Solar System for feed water;
- Introduced ONIDA brand BEE star rating LED televisions to Green Energy Products and social responsibility to save resources;
- Introduced energy saving products range in air conditioners with inverter technology. Also using environment friendly refrigerant gas R410a in Air-conditioner units;
- Conventional Light signage converted to LED signages, in pan India;

- Implemented low cost or no investment energy saving improvements and regularly checking its sustainability.
- b) For plants situated at Roorkee, Uttarakhand:-
  - Reduced working load from 2MVA to 650 KVA;
  - Replaced Bulbs, Tube lights & Halogen lamps with Smart LED lights which consume less energy;
  - Modified old construction and installed Poly carbonate transparent sheet for Natural light;
  - Installation of Roof top ventilators for proper Natural cooling without use of energy;
  - Number of Windows increased to enable Natural Light & Air thereby saving energy;
  - Sensor are fitted on the conveyor to stop while running Idle to save energy;
  - Power Factor has been improved up to 0.99 to save the energy.

**ii) Additional investments and proposals, if any, being implemented for reduction of consumption of energy;**

The Company with 'zero investment' initiative has taken to rearrange the workplace arrangement to reduce Air-conditioner & lighting consumption. Various shop floor improvements in energy waste elimination, awareness and regular checks resulted in ` 1.5 Lakh p.a. savings. 100% process water treated and reused. The lush green garden is well maintained with 100% use of domestic treated water reuse.

New proposals are in process for solar roof top, wind energy, optimization of contract demand.

Boilers are well maintained with efficiency of 85% and above with recovery of solar heat and condensate water heat for feed water.

**iii) Impact of the above measures as stated under (i) and (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods;**

- Due to innovative measures taken at plant located at Wada, Maharashtra, reduced energy consumption, by introducing solar panel for process heating, installation of poly carbonate transparent sheet for natural light. This has resulted in 10% reduction in energy consumption.



## ANNEXURE TO THE DIRECTORS' REPORT

- The Company's initiative to maintain unity power factor, use of LED lights in few locations as an initiative to green energy and installation of boiler furnace oil savings by using in house developed Heat Exchanger and Solar System for feed water resulted in increase in the Steam/ Furnace oil ratio and resulted in saving.
- 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.

**iv) Capital investment on energy conservation equipment;**

There were no capital investments made by the Company on energy conservation equipment during financial year 2016-2017.

**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. The Research and Development constantly works to develop uniquely designed models with User friendly features implementing latest technology.

**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, benefitted in product improvement, cost reduction and product development.

**Flat panel TVs:**

The company introduced more than 40 new models starting from 24 inch to 55 inch, resolution HD, FHD, UHD, both Basic and Smart with basic Audio to KY audio. This year the Company has introduced 55 inch UHD with latest TV version of Android (5.0) with TV Android look and Feel. This year the Company has successfully migrated to energy efficient platform, more than 83% of its TV's are 4/5 star (max one can get is 5 star) from Bureau of Energy Efficiency, Power Ministry, Gov of India.

The Company is currently working on increasing UHD range, and its audio range. To supplement the Audio range the Company will introduce two more series of Audio ranges "Rock" and "Super KY" where performance wise the current KY series will be between Rock and Super KY. This will give the customer wide range of TV to choose from - Basic, Rock, KY, Super KY. These Audio range will be introduced with-in couple of months from now. The other pain area for the customer is remembering the channel numbers from huge range of channels available, to address this the Company has started to work on "Voice controlled TV" expected to introduce in this finance year.

**Washing Machines:**

Onida has strived for continuous development and innovation in reducing the efforts required for washing of clothes, by developing newer technology machines. Specially in the Indian consumer scenario, the challenges are different due to vast range of the customer base ranging from rural to modern urban. Let it be non uniform water supply or electric supply, Onida washing machines have been tested over the years for satisfying the typical Indian consumers. In keeping with this tradition Onida last year introduced newer Fully automatic washing machine models which can work on very low inlet water pressures (ZPF- Zero Pressure Fill feature). Also to have a more effective wash quality a special clutch mechanism similar to handwash motion of rubbing the cloths in the wash drum and Jet Spray features. Additionally Dynamic user friendly display and Touch controls were introduced.

**Air Conditioners:**

Onida introduced environment friendly R410a refrigerant gas in all model categories. New range with beautiful & stunning aesthetic design models were launched with i-Feel & Anti fungus features. Inverter models' market segment is increasing rapidly. To capture the growing market we made total of 16 models available.

## ANNEXURE TO THE DIRECTORS' REPORT

**Microwave Oven:**

With strong consumer insights and strong R&D team work Onida continue to develop innovative products. The Indian consumer is being very health conscious. This led Onida to develop new recipes like "Air fryer" which will help to cook cuisines with very less oil. Indian food cooking like Roti and Naan are made simple using Microwave oven.

Egg boiling, Milk boiling, steam cleaning software algorithm are integrated in new Black Beauty Neo Microwave oven. Onida has also introduced many Indian and international recipes to suit Indian taste.

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

The Company has not imported any technology. However, the management of the Company 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 lakhs)

Particulars of expenditures		Financial year 2016-2017	Financial year 2015-2016
A	Capital	7.70	Nil
B	Recurring	349.58	390.97
<b>C</b>	<b>Total</b>	<b>357.28</b>	<b>390.97</b>
<b>D</b>	<b>Total Expenditure as a % of total Turnover</b>	<b>0.46</b>	<b>0.48</b>

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:-**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is as follows.

(` in lakhs)

Particulars		Financial year 2016-2017	Financial year 2015-2016
A	Foreign exchange earnings	1,967.04	1,739.50
B	Foreign exchange outgo	38,840.54	41,340.90

# MANAGEMENT DISCUSSION AND ANALYSIS

The management of the Company is pleased to present this Management Discussion and Analysis Report in compliance with Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian economy will become the third largest consumer economy in the world by 2025. Today Indian electronic market has boomed to USD 125 billion and is projected to grow as high as USD 400 billion by 2020. India will be the world's largest middle class consumer market with aggregated consumer spending of nearly USD 13 trillion by 2030. The recent demonetization drive has hit sales with dealer reporting a 40-70% decline but the credit rating agencies continue to see India as one of the world's fastest growing economies. The Government policies have given a boost to the growth of the consumer electronics sector, which will be fuelled further with the implementation of GST in few months.

China's scale of productions is almost 7 to 10 times as compared to the level of production in the India market. Indian manufacturers still have to import a lot of their components. Besides, Indian manufacturers also suffer from various disability factors such as higher freight cost, interest cost, electricity cost and China has also devalued their currency, making manufacturing in India unviable. To avoid this and also to carry forward the momentum of make in India, Govt has taken several initiatives such as approving a policy for providing preference to local manufacturers in government procurement which will boost domestic manufacturing, create additional employment opportunities and stimulate flow of capital & technology. Such policies would continue to maintain the balance between promoting Make in India and ensure timely, value –for-money products for procuring entities.

The Rural hinterlands in India cover around 6,50,000 villages. These villages are inhabited by about 850 million consumers, making up for about 70% of population, who cater to around half of the country's GDP. These areas have different consumptions patterns, and what can be seen these days is that the rural populace is gradually changing to increasingly resemble the consumption patterns of urban areas. Owing to a favorable changing consumption trend and potential size of the market, the rural areas provide lucrative investment opportunity.

India offers a vast geographically diversified market to explore, the need of the hour is to focus on innovation and service. Technological innovation will be at the forefront and there will be significant development in the space of IoT, artificial intelligence and big data enabling users to lead their daily life in a smart and convenient way.

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

### LED TVs:

Smart TVs have gained traction over the past few years all over the world. Smart TV market in India is still in the nascent stage but is displaying a healthy growth rate. More than 50 percent of flat TVs in India are expected to be smart TVs by 2017. According to TechSci Research report, the television market in India is anticipated to cross US\$ 9 billion by the end of 2021. With a population of over a billion, India is one of the major developing countries with huge middle-class population base and rising per capita income. With increasing digitization, the number of DTH users in India is expected to increase to 62 million by 2021. Backed by favorable government policies and increasing number of DTH users, the demand for televisions, especially smart TVs, is expected to propel the growth of the country's television market during 2017-2021.

Higher spending on electronic items by consumers is one of the major growth drivers which is anticipated to bolster the market till 2025. Rising demand for HDR and 4K resolution features for both content and hardware access will accelerate the smart TV market globally.

A drastic fall in data prices and faster internet speeds is also letting TVs to get 'smarter' as more and more Indians are opting for flat panels that offer a web browser and a host of net-streaming applications such as Facebook, Netflix, Hotstar, Amazon Video and YouTube.

The growth in the LED TV market is also leveraged by growth in the E-Commerce market in India. Online portals offering nail biting prices has influenced the buyer to go the buy button and interest free EMI schemes offered by various credit card companies have been catalytic to this growth. Such online distribution channel has been emerging gradually in the recent years owing to the busier lifestyles of the population and the benefit of comfort provided by these online sales portals.

### Air Conditioners:

The size of the Indian Air Conditioner market in financial year 2016-2017 was around USD 2 billion. Current penetration of ACs stands at 6 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 10-12% 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 2016-2017. Within the residential segment



## MANAGEMENT DISCUSSION AND ANALYSIS

Inverter air-conditioners witnessed the highest growth on account of increasing consumer awareness, reducing price gap with the entry level models. The inverter segment will become the main revenue grosser going forward on account of the potential electricity saving for the end users and the expected star rating change in the fixed speed category which will drive up the prices of fixed speed split AC's almost equal to the inverter prices. This domination of room air conditioners segment is expected to continue over the next five years. Increase in summer temperatures, 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 wifi 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:

Consumer Electronics and Home appliances brand Onida is aiming to capture 6% market share in the Washing Machine category in FY 2017-2018. To enable this, the Company has strengthened its product portfolio with its new array of products. Currently the Industry size is approximately 5 million units and is expected to grow at 10-12% this year. Onida eyes to mark its remarkable presence in the category and gain a prominent position.

The new range of washing machines will be in the Front load, Top load, Semi Automatic functions and Washers. The brand is slated to launch over 15 models in Super Premium, Premium and Economy ranges put together. In the super premium range, the CECED (European Committee of Domestic Equipment Manufacturers) certified high capacity Front load Washing Machine will offer features such as lowest noise levels and touch panel display that is unique in the category. The motor of this machine is directly attached to the drum without a pulley or a belt which enhances washing performance and ensures lowest noise levels and vibration. This machine is not just durable but also is highly energy efficient.

The primary needs of consumers, when it comes to a Washing Machine are good quality wash, durability and low noise levels. In the overall wash function types; the front load washing machines have a louder spin cycle than Top loaders, therefore machines with lower DBA are preferred for a better user experience. With the launch of this product, we are addressing the specific issue of higher pitch during wash and spin cycles and are making an attempt to improve consumers' quality of life in a meaningful way.

### Microwave Ovens:

Rising disposable income coupled with changing lifestyle will have a favorable impact on the Indian microwave ovens market. The increasing urbanization and decreased number of subsidized gas cylinders for cooking. So far, of the estimated 14.78 crore LPG consumers in the country, over 52 lakh are reported to have given up access to subsidised fuel voluntarily in support to the government's 'Give it Up' campaign. This has helped in increasing demand of this product. Also e-commerce has helped in increasing the sales of this category.

## 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;
- b) The demands for flat TVs, Washing Machines and Air Conditioners is on a rise with reduced penetration of products vis-à-vis global levels, rising disposable income and urbanization of consumers;
- c) There has been rise in import from low-cost regions such as China and South East Asia due to various free trade agreements and availability of products at a lower cost as compared to cost incurred in local manufacturing;
- d) To meet rising the local demand and export demand to neighbouring regions and Middle East Asia, companies are planning to expand their local manufacturing in India and make the country an export hub; and
- 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) Inverted duty structure due to FTAs makes Indian manufacturing uncompetitive for white goods such as washing machines and air conditioners;
- e) Insufficient and under developed local supplier base; and



## MANAGEMENT DISCUSSION AND ANALYSIS

- f) High cost of capital and other manufacturing costs due to frequently revised energy efficiency requirements.

### 3. RISKS & CONCERNS

- a) Tax and duty structure: India's taxation system is unusually complex, especially where indirect taxes are concerned. While Income Tax, GST and Custom Duties are set by the Central Government, State and Municipalities also levy their own taxes;
- b) Limited scale and quality from domestic suppliers: Most of the suppliers of raw materials and components in India do not have the scale to cater to the substantial demand in the industry, making them less cost competitive as compared to imports. Moreover, the quality of input is not as competitive to Chinese or other South East Asian counter parts. This has led various global majors to scale down operations in the country;
- c) Increasing competition from Chinese and South East Asian manufacturers: Indian manufacturers face strong competition from Chinese and other South East Asian counter parts which have a huge supply base and installed capacities. Moreover, China Government provides numerous subsidies for manufacturing units development;
- d) Capital incentive nature of business: Cost of production in India is higher as compared to China and other South East Asian countries due to high finance costs. Moreover, given the frequently changing energy efficiency norms, manufactures will need to invest substantial amounts for products with high ratings;
- e) Infrastructure bottlenecks: India's spend on infrastructure was only 7.2% of its GDP in 2012. The basic infrastructure for any industry comprises good roads, power, water, telecommunications, finance, raw materials, components and logistics, etc. In India this facilities are not upto the mark even in established industrial estates;
- f) Less expenditure on the area of Research and Development (R&D): In India, the expenditure on R&D is very less which in turn, is hampering the growth of the Indian electronics industry; and
- g) Inflation: 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

**LED / Panel:** During the year under review, the turnover of this segment is marginally down by 10% as compared to last financial year.

**Air Conditioner:** During the year under review, the turnover of this segment is up by 25%.

**Washing Machine:** During the year under review, despite the turnover of this segment is up by 2% as compared to previous year, the Company was able to hold its gross margin.

The Company has consciously focused on margins and therefore even on a lower volume, the Company has able to sustain its margin and trying to improve & achieve it further.

### 5. OUTLOOK

The consumer durable market is expected to reach US\$ 20.6 billion by 2020. Urban markets account for the major share (65 per cent) of total revenue in the consumer durable sector in India. There is lot of scope for growth from rural market with the consumption expected to growth in these areas as penetration of brands increases. Also consumer durable goods are likely to witness growing demands in coming years in the rural markets as the government plans to invest significant in the rural electrification.

Under the upcoming union budget scheme 2017-2018, the government is likely to retain its focus on rural economy by continuing the pro-poor and pro-farmer schemes.

The near term condition might pose a challenge but opportunities in the consumer durable sector continue to grow. Industry analysts expecting an increase in consumption and growth for air conditioners because of harsher summers. The Government is investing significant in rural electrification and to switch to LED for all street lamps and public space lightings. Indian consumer are growing aware of the importance of green initiatives and they are also now shifting towards higher star rated products. In financial year 2017-2018, GST is the key factor to look out for. As announced in GST committee meeting, electronic items such as air conditions, washing machines and other white goods will get cheaper once GST is implemented.

Growing awareness, easier access and changing lifestyles have been the key growth drivers for the consumer market. The Government of India's policies and regulatory frameworks such as relaxation of license rules and approval of 51 per cent foreign direct investment (FDI) in multi-brand and 100 per cent in single-brand retail are some of the major growth drivers for the consumer markets.

### 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 and 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.



## MANAGEMENT DISCUSSION AND ANALYSIS

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 of Directors of the Company 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 appropriate risk delegations and corresponding risk management framework across the Company and ensure the Company 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 person from taking adverse personal 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 Listing Regulations 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 financial year 2016-2017 was a year of challenges in terms of demonetisation and uncertainties for businesses across various segments of industry with the financial crisis, volatile prices, sharp movement in currencies and severe liquidity crisis. Your Company too was not insulated from

these challenges as the business had its impact on top line. The exchange rate fluctuation was favourable towards the end of the year due to rupee strengthening. Your Company in the current financial year could able to realise better margins which are reflected in performance. During the financial year 2016-2017, the turnover of the Company stood at ₹ 784 Crores with Operating Profit of ₹ 2.98 Crores and loss of ₹ 5.68 Crores.

We believe our strengths give us the competitive advantage to position ourselves as a leading innovative electronics products company. Our strategic objective is to build a sustainable organization that remains relevant to the requirements of consumer while generating profitable growth for our investors.

We experience intense competition in our products and see a rapidly-changing market place with new competitors arising in new technologies who are focused on agility, flexibility and innovation.

The Company improved the performance in key product category like Air Conditioner, LED's and Washing Machine. Better product mix helped improve margins in these categories and helped turnaround the Company.

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

MIRC recognises human capital as the primary source of its competitiveness.

The Company has formulated a comprehensive human resource strategy which addresses key aspects of human resource development. The focal point is on attracting the right and competent talent, developing and retaining them.

The Company believes in people development by building up a continuously learning human resource base to unleash their potential. Training and development opportunities are provided to the employees to enhance their skills which in turn enables the Company to achieve its business objectives.

Employee involvement and engagement is best fostered here which creates an environment of stimulation, motivation through the element of Fun@Work.

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 HR Team will be working very closely with the management on the Company's vision of making Onida as an employer of choice, the focus for Onida ver2.0 will be towards attracting young & bright talent and focus on building future leaders by creating world class HR & People practices.

MIRC has 803 employees on its payroll as on March 31, 2017.



## MANAGEMENT DISCUSSION AND ANALYSIS

### 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 of the Company 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. Readers are cautioned not to place undue reliance on the forward looking statements.

**On behalf of the Board of Directors**

**Place : Mumbai**  
**Date : May 22, 2017**

**Gulu L. Mirchandani**  
**Chairman and Managing Director**  
**DIN: 00026664**

# CORPORATE GOVERNANCE REPORT

The Corporate Governance Report, as applicable for the year ended March 31, 2017 is set out below for the information of shareholders, investors and other stakeholders of MIRC Electronics Limited (hereinafter referred to as "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, 2017, the Board of Directors of the Company comprises of eight Directors, out of which three directors are Promoters cum Executive Directors, one Non-Promoter Executive Director and four are Non-Executive Independent Directors. Ms. Sujata Deshmukh is woman director on the Board of the Company. The Chairman is a Promoter & Executive Director. Accordingly, 50% of the Board comprises of Independent Directors.

During the financial year 2016-2017, 5 (five) meetings of the Board of Directors were held. These 5 (five) meetings were held on April 22, 2016, May 26, 2016, August 10, 2016, November 14, 2016 and February 13, 2017. The maximum time gap between any two board 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 Chairmanship / Membership (including the Company)			
		Number of Board Meetings			Directorship	Directorship in Listed companies	Committee Chairmanship	Committee Membership
		Held during tenure	Attended	Last AGM				
Mr. Gulu L. Mirchandani	Promoter [CMD]	5	5	Yes	3	3	0	2
Mr. Vijay J. Mansukhani	Promoter [MD]	5	5	Yes	2	1	0	1
Mr. Kaval G. Mirchandani	Promoter [WTD]	3	2***	Yes	4	1	0	0
Mr. Shyamsunder Dhoot	Non Promoter [WTD]	5	5	Yes	2	1	0	0
Mr. Rafique Malik	I & NED*	5	4****	Yes	3	2	1	3
Mr. Carlton Pereira	I & NED*	5	5	Yes	4	2	1	0
Ms. Radhika Piramal	I & NEWD**	3	2*****	N.A.	5	2	0	1
Mr. Arvind Sharma	I & NED*	1	1	N.A.	1	1	0	1
Ms. Sujata Deshmukh	I & NEWD**	1	1	N.A.	1	1	0	0

\* Independent & Non- Executive Director.

\*\* Independent & Non- Executive Women Director.

\*\*\*Leave of Absence was granted for the Board Meeting held on November 14, 2016.

\*\*\*\*Leave of Absence was granted for the Board Meeting held on May 26, 2016.

\*\*\*\*\*Leave of Absence was granted for the Board Meeting held on August 10, 2016.

## CORPORATE GOVERNANCE REPORT

Dates on which Board Meetings were Held	Total Strength of the Board	No. of Directors Present
April 22, 2016	6	6
May 26, 2016	6	5
August 10, 2016	7	6
November 14, 2016	6	6
February 13, 2017	8	8

**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. Kaval G. Mirchandani was appointed as a Whole Time Director with effect from May 26, 2016.
5. Ms. Radhika Piramal resigned with effect from close of business hours on August 11, 2016.
6. Mr. Arvind Sharma and Ms. Sujata Deshmukh were appointed as an Additional (Independent & Non Executive) Director with effect from November 14, 2016.

**B] Information placed before the Board of Directors**

The Company Secretary prepares the Agenda in consultation with the Chairman of the Board of Directors and the Chairman of the various Committees. The information as specified to be provided under Part – A of Schedule II of Regulation 17 (7) of the Securities and Exchange Board of India (**SEBI**) (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as “**SEBI (LODR) Regulations, 2015**”).

SEBI (LODR) Regulations, 2015 is made available to the Board. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents and papers are circulated well in advance of the meetings to enable the Board and the Committees to deliberate and take informed decisions.

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, minutes of the wholly owned subsidiary company, 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 special attention of the Board of Directors of the Company. 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 meeting of the Board of Directors covers items set out in the Listing Regulations read with Schedule V to the SEBI (LODR) Regulations, 2015 to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board of Directors 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](http://www.onida.com). The Code has been circulated to all members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration by the Chief Executive Officer of the Company as required under the Listing Agreement read with Regulation 17(5), 26(3), 34(3) and Clause D of Schedule V to the SEBI (LODR) Regulations, 2015 is annexed herewith.

**D] Independent Directors**

Mr. Carlton Pereira and Mr. Rafique Malik were appointed as Independent Directors for a period of 5 (five) years with the effect from September 3, 2014 by the shareholders at the Thirty- Third Annual General Meeting of the Company. Mr. Arvind Sharma and Ms. Sujata Deshmukh were appointed as an Additional and Independent Directors by the Board of Directors at their Meeting held



# CORPORATE GOVERNANCE REPORT

on November 14, 2016 for the term of 5 (five) years pursuant to the provisions of the Section 149 read with Schedule IV of the Companies Act, 2013 which is subject to the approval of members in the ensuing 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](http://www.onida.com). The Independent Directors have confirmed about their independence and eligibility as required under Section 149(7) of the Companies Act, 2013.

## E] Role of Independent Directors

The Independent Directors plays 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 independence as defined in the Listing Agreement read with the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. They perform the duties as stipulated in the Companies Act, 2013.

The Independent Directors had a separate meeting on February 13, 2017 without the attendance of non independent directors and members of the management of the Company and reviewed the following:

- performance of non independent directors and the Board as a whole;
- review the performance of the Chairman; and
- assess the quality, quantity and timeliness of flow of information between the management of the Company 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 and business model of the Company. This is also disclosed on the website of the Company i.e. [www.onida.com](http://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, Corporate Social Responsibility Committee and Risk Management Committee as per the requirement of Listing Agreement read with SEBI (LODR) Regulations, 2015. The minutes of the aforesaid 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 Listing Agreement read with Part C of Schedule II with reference to the Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

As at March 31, 2017, the Audit Committee comprised of following Independent Directors:

- 1) Mr. Carlton Pereira, Chairman;
- 2) Mr. Rafique Malik; and
- 3) Mr. Arvind Sharma.

The Company Secretary acts as the Secretary to the Audit Committee.

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. Mr. Carlton Pereira, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 28, 2016 to reply to the queries raised by the members of the Company.

### B] Meetings of Audit Committee

During the financial year 2016-2017, 5 (five) meetings of the members of the Audit Committee were held. These meetings were held on April 22, 2016, May 26, 2016, August 10, 2016, November 14, 2016 and February 13, 2017. Mr. Gulu L. Mirchandani, Chairman and Managing Director, Mr. Vijay J. Mansukhani, Managing Director and Mr. G. Sundar, the Chief Executive Officer

# CORPORATE GOVERNANCE REPORT

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 Audit Committee meetings as and when necessary. The attendance of each member of the Audit Committee in the above meetings is given hereunder:-

Name of member	Audit Committee Meetings (Financial Year 2016-2017)	
	Held during tenure	Attended
Mr. Carlton Pereira (Chairman) I & NED*	5	5
Mr. Rafique Malik (Member) I & NED*	5	4***
Ms. Radhika Piramal (Member) I & NEWD**	3	2****
Mr. Arvind Sharma (Member) I & NED*	1	1

\* Independent & Non-Executive Director.

\*\* Independent & Non- Executive Women Director.

\*\*\*Leave of Absence was granted for the Audit Committee Meeting held on May 26, 2016.

\*\*\*\*Leave of Absence was granted for the Audit Committee Meeting held on August 10, 2016.

Dates on which Audit Committee Meetings were held	Total Strength of the Committee	No of Members Present
April 22, 2016	3	3
May 26, 2016	3	2
August 10, 2016	3	2
November 14, 2016	2	2
February 13, 2017	3	3

## Notes:

- Ms. Radhika Piramal resigned as a member of Audit Committee with effect from August 11, 2016.
- Mr. Arvind Sharma was appointed as a member of Audit Committee with effect from November 14, 2016.

## C] Powers of Audit Committee

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

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

## D] Role / Terms of Reference of Audit Committee

The role of the Audit Committee includes the following:

- 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;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - 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. modified opinions on 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. reviewing and monitoring 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;
3. Management letters/letters on internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor; and

## CORPORATE GOVERNANCE REPORT

## 6. Statement of deviations:

- a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (LODR) Regulations, 2015.
- b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (LODR) Regulations, 2015.

## IV. Nomination and Remuneration Committee

## A] Constitution:

The composition, role and powers of the Nomination and Remuneration Committee meet the requirements of the Listing Agreement read with Part D of Schedule II with reference to Regulation 19 of the SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

As at March 31, 2017, the Nomination and Remuneration Committee consist of the following members:

1. Mr. Rafique Malik, Chairman
2. Mr. Carlton Pereira, and
3. Ms. Sujata Deshmukh

## B] Meetings of Nomination and Remuneration Committee

During the financial year 2016-2017, four meeting of the members of the Nomination and Remuneration Committee were held. These meetings were held on April 22, 2016, May 26, 2016, November 14, 2016 and February 13, 2017. The attendance of each member of the Nomination and Remuneration Committee in the above meetings is given below:

Name of member	Nomination and Remuneration Committee meetings (Financial Year 2016-2017)	
	Held during tenure	Attended
Mr. Rafique Malik, I & NED* (Chairman)	4	3***
Mr. Carlton Pereira, I & NED* (Member)	4	4
Ms. Radhika Piramal, I & NEWD** (Member)	2	2
Ms. Sujata Deshmukh, I & NEWD** (Member)	1	1

\* Independent & Non- Executive Director.

\*\* Independent & Non- Executive Woman Director.

\*\*\*Leave of Absence was granted for the Nomination and Remuneration Committee Meeting held on May 26, 2016.

Dates on which Nomination and Remuneration Committee Meetings were Held	Total Strength of the Committee	No of Members Present
April 22, 2016	3	3
May 26, 2016	3	2
November 14, 2016	2	2
February 13, 2017	3	3

## CORPORATE GOVERNANCE REPORT

### Notes:

1. Ms. Radhika Piramal resigned as a member of Nomination and Remuneration Committee with effect from August 11, 2016.
2. Ms. Sujata Deshmukh was appointed as a member of Nomination and Remuneration Committee with effect from November 14, 2016.

### C] Powers of Nomination and Remuneration Committee

The Nomination and Remuneration Committee is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of the Directors, Key Managerial Personnel and other Senior Management Employees 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 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.

### 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, 2013 as notified till date. The remuneration to the executive directors comprises of basic salary, allowances and perquisites 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 operations of the Company successfully;
- (b) relationship of remuneration to the performance is clear and meets appropriate performance benchmarks;
- (c) remuneration to the 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; and
- (e) the pay structures are appropriately aligned across levels in the Company.

### Performance Evaluation 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.

## CORPORATE GOVERNANCE REPORT

3. Professional qualifications and experience of the individual concerned.
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.
9. Attendance at the Board meetings.
10. Active participation in the meetings.
11. Understanding the critical issues affecting the Company.
12. Prompts Board discussion on strategic issues.
13. Brings relevant experience to the Board and uses it effectively.
14. Understands and evaluate the risk environment of the organization.
15. Conducts himself/herself in a manner that is ethical and consistent with the laws of the land.
16. Maintains confidentiality wherever required.
17. Communicates in an open and constructive manner.
18. Seeks satisfaction and accomplishment through serving on the Board.

### i) Remuneration to Executive Directors

The Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meeting held on May 26, 2016 approved the re-appointment and remuneration of Mr. Gulu L. Mirchandani, as Chairman & Managing Director of the Company for a period of 3(three) years with effect from December 01, 2016 to November 30, 2019 pursuant to the provisions of Section 196, 197 read with Schedule V to the Companies Act, 2013 and was approved by the members at the Annual General Meeting held on September 28, 2016.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on March 26, 2015 approved the re-appointment of Mr. Vijay J. Mansukhani as Managing Director of the Company for a period of 3 (three) years with effect from April 01, 2015 to March 31, 2018 pursuant to the provisions of Section 196, 197 read with Schedule V to the Companies Act, 2013 and was approved by the members at the Annual General Meeting held on August 21, 2015.

The Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meetings held on May 26, 2016 approved the appointment and remuneration of Mr. Kaval G. Mirchandani, Whole time Director of the Company for a period of 3 (three) years with effect from May 26, 2016 to May 25, 2019, pursuant to the provisions of Section 196, 197 read with Schedule V to the Companies Act, 2013, and was approved by the members at the Annual General Meeting held on September 28, 2016.

The Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meetings held on February 13, 2016 approved the re-appointment and remuneration of Mr. Shyamsunder Dhoot, Whole time Director of the Company for a period of 3 (three) years with effect from February 16, 2016 to February 15, 2019, pursuant to the provisions of Section 196, 197 read with Schedule V to the Companies Act, 2013 and was approved by the members at the Annual General Meeting held on September 28, 2016.

### 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 is subject to approval by the members if applicable.

The sitting fees shall be paid as remuneration to the Non-Executive Directors. The Company is availing professional expertise of the Non-Executive Directors through their participation in the Board meetings. The Non-executive Directors are paid sitting fees of ` 20,000/- (Rupees Twenty Thousand only) per meeting for attending Board Meetings and Audit Committee Meetings and ` 10,000/- (Rupees Ten Thousand only) 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.

There are no pecuniary relationship or transaction of the non-executive directors with the Company.





## CORPORATE GOVERNANCE REPORT

The details of remuneration paid/ payable to the Directors for the financial year 2016-2017 are as follows:

(Amount in `)

Sr. No.	Director	Relation with the Company	Inter-se Relation	Remuneration for Financial Year 2016-2017					
				Sitting fees	Salary allowance & perquisites	Commission	Provident Fund & Super-annuation/ Gratuity	Performance Linked Incentives	Total
1	Mr. Gulu L. Mirchandani	Promoter [CMD]	Brother in law of sr. no.2	Nil	1,12,52,000	Nil	9,79,200	Nil	1,22,31,200
2	Mr. Vijay J. Mansukhani	Promoter [MD]	Brother in Law of sr. no.1	Nil	1,12,52,000	Nil	9,79,200	Nil	1,22,31,200
3	Mr. Kaval G. Mirchandani	Promoter [WTD]	Son of sr. no. 1	Nil	33,56,772	Nil	1,72,800	Nil	35,29,572
4	Mr. Shyamsunder Dhoot	Non Promoter [WTD]	NA	Nil	32,66,628	Nil	1,04,083	Nil	33,70,711
5	Mr. Rafique Malik	I & NED*	N.A.	2,20,000	N.A.	Nil	N.A.	Nil	2,20,000
6	Mr. Carlton Pereira	I & NED*	N.A.	2,40,000	N.A.	Nil	N.A.	Nil	2,40,000
7	Mr. Arvind Sharma	I & NED*	N.A.	60,000	N.A.	Nil	N.A.	Nil	60,000
8	Ms. Radhika Pirmal	I & NEWD**	N.A.	1,00,000	N.A.	Nil	N.A.	Nil	1,00,000
9	Ms. Sujata Deshmukh	I & NEWD**	N.A.	50,000	N.A.	Nil	N.A.	Nil	50,000

\* Independent & Non Executive Director

\*\* Independent & Non- Executive Woman Director

#### Note:

- Mr. Kaval G. Mirchandani was appointed as a Whole Time Director with effect from May 26, 2016.
- Ms. Radhika Pirmal resigned with the effect from close of business hours on August 11, 2016.
- Mr. Arvind Sharma and Ms. Sujata Deshmukh were appointed as an Additional & Independent - Non Executive Director with effect from November 14, 2016.
- The remuneration paid to Mr. Gulu L. Mirchandani, Chairman and Managing Director, Mr. Vijay J. Mansukhani, Managing Director, Mr. Kaval G. Mirchandani, Whole Time Director and Mr. Shyamsunder Dhoot, Whole Time Director of the Company are within the limit prescribed under Schedule V to the Companies Act, 2013.
- The Company has not granted any stock options to any directors.

#### V. Stakeholders Relationship Committee

##### A] Constitution

The composition, role and powers of the Stakeholders Relationship Committee meet the requirements of the Listing Agreement read with Part D of Schedule II with reference to Regulation 20 of the SEBI (LODR) Regulations, 2015 and Section 178 (5) of the Companies Act, 2013.

As at March 31, 2017, the Stakeholders Relationship Committee consists of the following members:

- Mr. Rafique Malik, Chairman;
- Mr. Gulu L. Mirchandani; and
- Mr. Vijay J. Mansukhani.
- Mr. Lalit Chendvankar, Head - Corporate Affairs, Legal and Company Secretary acts as the Compliance Officer of the Company.



## CORPORATE GOVERNANCE REPORT

**B] Meetings of Stakeholders Relationship Committee**

During the financial year 2016-2017, four meetings of the members of Stakeholders Relationship Committee were held. These meetings were held on May 26, 2016, August 10, 2016, November 14, 2016 and February 13, 2017. The attendance of each member of the Stakeholder Relationship Committee in the above meetings is given below:

Name	Stakeholders Relationship Committee Meetings (Financial Year 2016-2017)	
	Held during tenure	Attended
Mr. Rafique Malik (Chairman) I & NED*	4	3**
Mr. Gulu L. Mirchandani (Member) Promoter (CMD)	4	4
Mr. Vijay J. Mansukhani (Member) Promoter (MD)	4	4

\* Independent & Non-Executive Director.

\*\*Leave of Absence was granted for the Stakeholders Relationship Committee Meeting held on May 26, 2016.

Dates on which Stakeholders Relationship Committee Meetings were held	Total Strength of the Committee	Number of Members Present
May 26, 2016	3	2
August 10, 2016	3	3
November 14, 2016	3	3
February 13, 2017	3	3

Status Report of investor queries and complaints for the period from April 01, 2016 to March 31, 2017 is given below:

Sr. No.	Particulars	No. of Complaints
1	Investor complaints pending at the beginning of the year	Nil
2	Investor complaints received during the year	10
3	Investor complaints disposed of during the year	10
4	Investor complaints remaining unresolved at the end of the year	Nil

**C] Powers of Stakeholders Relationship Committee**

The Committee is entrusted with the responsibility of redressing the shareholders' / investors' complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend and other queries/ complaints, if any. This committee also oversees the performance of the Registrar and Share Transfer Agent of the Company relating to the investor services and recommends measures for improvement.

**VI General Body Meetings**

The location, time and date where Annual 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
2015-2016	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai -400 018	Annual General Meeting	September 28, 2016	03.00 p.m.	3
2014-2015	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai -400 018	Annual General Meeting	August 21, 2015	03.00 p.m.	2
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.	Nil

## CORPORATE GOVERNANCE REPORT

**Postal Ballot**

During the year, 1 (One) ordinary resolution was passed by the members of the Company through Postal Ballot. The Company has followed the provisions and process of conducting Postal Ballot as required under Section 110 of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014.

The Board of Directors of the Company had appointed Mr. Mahesh Darji, Practising Company Secretary (FCS No. 7175, C.P. No. 7809 with the Institute of Company Secretaries of India), as the scrutinizer to conduct the Postal Ballot process. The results of the postal ballot were declared on October 01, 2016. Details of the voting pattern were as under:

Brief Particulars of the Ordinary Resolution	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
Approval of the Scheme of Amalgamation between Akasaka Electronics Limited and MIRC Electronics Limited	90	87	3*	58,57,408	99.94	3268	0.06

\* There are 3 shareholders (all in favour of the resolution) whose folio has been clubbed on account of multiple folios.

**VII. Disclosures****A] Materially significant Related Party Transactions**

None of the transactions that transpired between the Company and its promoters, directors, management or their relatives were in potential conflict with the interest of the Company at large.

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](http://www.onida.com) and the link is <http://www.onida.com/policies>.

**B] Subsidiary**

Your Company was having a Wholly Owned Subsidiary Company (WOS) i.e. Akasaka Electronics Limited which was not a 'Material Non-Listed Indian Subsidiary'. During the previous year, the Board of Directors of the Company in their meeting held on February 13, 2016 approved the Scheme of Amalgamation ("the Scheme") for Amalgamation of WOS with the Company and the same was approved by the members of the Company through the postal ballot (including e-voting) on October 01, 2016. The National Company Law Tribunal, Mumbai Bench ("Tribunal") vide its Order dated March 23, 2017 sanctioned the scheme of amalgamation of WOS with the Company. The Scheme became effective on March 30, 2017. The Appointed Date being April 01, 2015, the financials for the year under review have been prepared after giving effect to the Scheme of Amalgamation.

The performance and management of the WOS was monitored inter-alia by the following means:

- Financial Statements and in particular the investments made by the unlisted wholly owned subsidiary company are reviewed by the Audit Committee of the Company.
- The minutes of the Board meetings of the WOS are placed before the Board of Directors of the Company for its regular review.

The Company formulated the policies on Material Subsidiaries and Related Party Transactions. The same is uploaded on the website of the Company i.e. [www.onida.com](http://www.onida.com).



# CORPORATE GOVERNANCE REPORT

## C] Status of regulatory compliances

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

## D] Vigil Mechanism/ Whistle Blower Policy

The Company has a Vigil Mechanism/ Whistle Blower Policy for its Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or ethics. This mechanism provides adequate safeguards against victimisation of director(s)/employee(s) who avail this mechanism and also provide direct access to the Chairman of the Audit Committee in exceptional cases. Further no personnel have been denied access to the Chairman of the Audit Committee.

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

## E] Risk Management Committee

The Board of Directors of 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 the Listing Agreement read with Regulation 34 (2) (e) and Part B of Schedule V to the SEBI (LODR) Regulations, 2015.

## G] Details of Director seeking appointment/re-appointment as required under Regulation 36 (3) of SEBI (LODR) Regulations, 2015

As required under the Listing Agreement read with Regulation 36 (3) of SEBI (LODR) Regulations, 2015, 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 new Code of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information (UPSI) of the Company w.e.f. August 13, 2015 and revoked the erstwhile MIRC Employee (Dealing in Securities & Prevention of Insider Trading) Rules, 2002. This new code is applicable to all directors and designated employees of the Company. This 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.

The Code of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information (UPSI) are disclosed by the Company on its website [www.onida.com](http://www.onida.com) and the link is <http://www.onida.com/policies>.

## I] CEO/ CFO certification

The certificate in terms of Regulation 17 (8) read with Part B of Schedule II to the SEBI (LODR) Regulations, 2015 for the financial year ended March 31, 2017 was placed before the Board of Directors of the Company in their meeting held on May 22, 2017 and is annexed to this Report.

## J] Non – Compliance of any requirement of Corporate Governance Report

The Company has complied with all mandatory requirements as mentioned in Schedule V, Para C, sub-para (2) to (10) of the SEBI (LODR) Regulations, 2015 along with some of the non-mandatory requirements.

## K] Compliance with SEBI (LODR) Regulations, 2015

The Company has complied with the requirements as specified in the SEBI (LODR) Regulations, 2015 to the extent applicable.

## VIII. Means of Communication

The Company has furnished quarterly financial results along with notes on a regular basis as per the format prescribed in Listing Agreement read with the Regulation 33 of the SEBI (LODR) Regulations, 2015, within prescribed time to the stock exchanges in respect of first three quarters in financial year 2016-2017. In respect of last quarter of financial year 2016-2017, the Company has furnished audited financial results within 60 (Sixty) 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 which was held on May 22, 2017.

# CORPORATE GOVERNANCE REPORT

The quarterly financial results of the Company were published within 48 hours of conclusion of the meeting of the Board of Directors of the Company 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 2016-2017 were published in "Financial Express" and 'Mumbai Lakshdeep'. The Company informs the stock exchanges where its shares are listed, about the meeting of the Board of Directors of the Company atleast 7 (seven) days in advance as specified under the Listing Agreement read with Regulation 29 (2) of SEBI (LODR) Regulations, 2015 and also issues an advertisement in at least one national newspaper (Financial Express) and one in regional language newspaper (Mumbai Lakshdeep) about the meetings of the Board of Directors of the Company.

In terms of Regulation 46 of the SEBI (LODR) Regulations, 2015, the Company is maintaining its functional website i.e. [www.onida.com](http://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, terms and conditions of appointment of independent directors, composition of various committees of board of directors, code of conduct of board of directors and senior management personnel and various policies of the Company etc. The same information is updated on the website viz. [www.onida.com](http://www.onida.com) within the prescribed time limit.

## IX. General Shareholders Information

Annual General Meeting Date, Time and Venue	Friday, August 18, 2017 at 3.00 p.m. Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
Financial year	1 <sup>st</sup> April – 31 <sup>st</sup> March
Book Closure	Friday, August 11, 2017 to Friday , August 18, 2017 (Both days inclusive)
Dividend payment date: [if declared]	Nil
Listing on Stock Exchange	BSE Limited and National Stock Exchange of India Limited. Listing fees for the financial year 2017-2018 have been paid for both the stock exchanges.
Address of Stock Exchange	BSE Limited: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.  National Stock Exchange of India Limited: C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400 051.
Stock code at BSE	500279
Stock symbol at NSE	MIRCELECTR
ISIN of the Company	INE831A01028
Website	<a href="http://www.onida.com">www.onida.com</a>
Email ID	investors@onida.com
Corporate Identification No. (CIN)	L32300MH1981PLC023637

### Unclaimed Dividends

Pursuant to the provisions of Section 124 and Section 125 of the Companies Act, 2013 and Section 205A and Section 205C of the erstwhile Companies Act, 1956, dividend for the financial year ended March 31, 2010 and dividend declared thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to the Investor Education and Protection Fund. In terms of the provisions of Section 125 of the Companies Act, 2013 and Section 205C of the erstwhile Companies Act, 1956, no claim shall lie against the Company or IEPF after the said transfer:

Financial Year	Type of dividend	Date of Declaration of Dividend	Last date of claiming Unpaid Dividend
2009-2010	Final	June 28, 2010	July 29, 2017
2010-2011	Final	June 24, 2011	July 25, 2018

## CORPORATE GOVERNANCE REPORT

Pursuant to the provisions of Section 124 and Section 125 of the Companies Act, 2013 and Section 205A and Section 205C of the erstwhile Companies Act, 1956, dividend for the financial year ended March 31, 2009 (Final Dividend) and March 31, 2010 (Interim Dividend), which remain unpaid and unclaimed for a period of seven years, have been transferred by the Company to the Investor Education and Protection Fund established by the Central Government.

### Market Price Data: (Financial Year 2016-2017)

Month	STOCK EXCHANGE					
	BSE Limited			National Stock Exchange of India Limited		
	Share Price		Sensex	Share Price		Nifty
	High (₹)	Low (₹)	Close	High (₹)	Low (₹)	Close
April 2016	13.16	10.25	25606.62	13.15	10.15	7849.80
May 2016	13.00	11.10	26667.96	13.05	11.00	8160.10
June 2016	12.50	10.55	26999.72	12.45	10.50	8287.75
July 2016	12.51	10.90	28051.86	12.50	10.90	8638.50
August 2016	13.75	9.90	28452.17	13.80	10.00	8786.20
September 2016	14.75	11.60	27865.96	14.75	11.60	8611.15
October 2016	19.15	13.15	27930.21	19.15	13.15	8625.70
November 2016	17.20	11.56	26652.81	17.15	11.50	8224.50
December 2016	15.17	12.25	26626.46	15.20	12.10	8185.80
January 2017	15.30	13.07	27655.96	15.35	13.00	8561.30
February 2017	14.59	12.70	28743.32	14.45	12.75	8879.60
March 2017	14.58	12.40	29620.50	14.60	12.40	9173.75

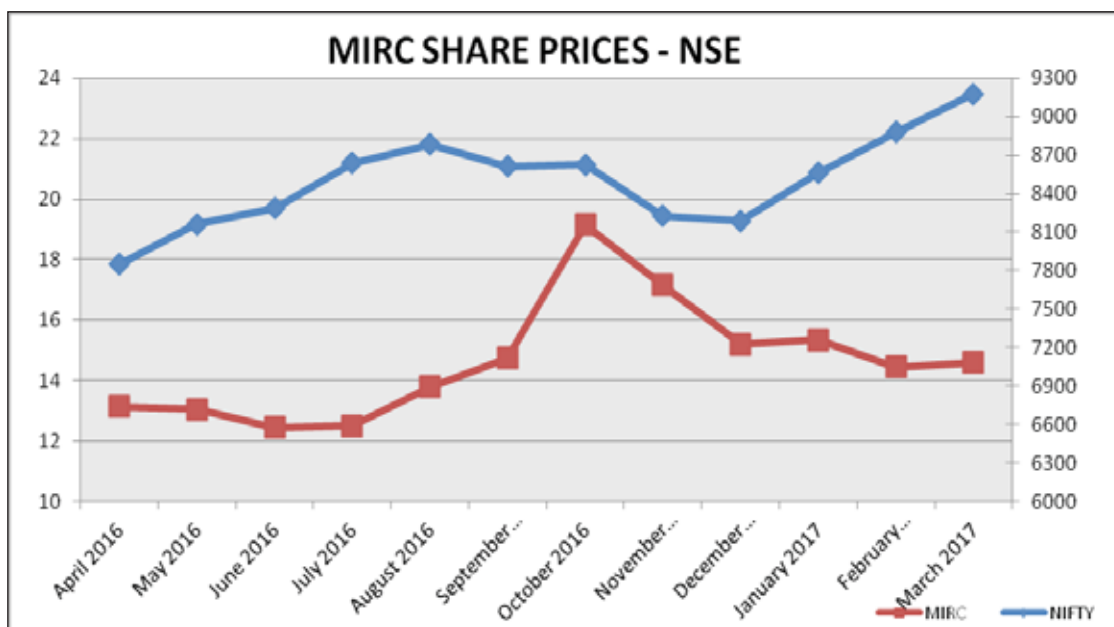
Market price data (source: [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com))

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-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai:- 400 083

Ph.: 022-25946970-78. Fax: 022-25946969

E-mail: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

**Share Transfer System**

The Registrar and Share Transfer Agent registers the share transfers in physical form within 15 (Fifteen) days from the receipt of the duly completed documents. Invalid share transfers are returned within 15 (Fifteen) 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 (NSDL) and Central Depository Services (India) Limited (CDSL).

**Shareholding distribution schedule as on March 31, 2017**

Equity shares held	No. of Shareholders	%	Shares	%
1-500	48,033	76.95	52,11,914	2.46
501-1000	6,024	9.65	54,56,953	2.58
1001-2000	4,947	7.92	89,34,253	4.22
2001-3000	1,073	1.72	28,44,433	1.34
3001-4000	480	0.77	17,85,561	0.84
4001-5000	493	0.79	23,85,223	1.13
5001-10000	713	1.14	54,69,623	2.58
10001 and above	660	1.06	17,96,64,659	84.85
<b>Total</b>	<b>62,423</b>	<b>100.00</b>	<b>21,17,52,619</b>	<b>100.00</b>

**MIRC**

MIRC ELECTRONICS LIMITED

## CORPORATE GOVERNANCE REPORT

## Shareholding pattern as on March 31, 2017

Category		Number of shares	Percentage of Holding
<b>A</b>	<b>Promoter's Holding</b>		
1	Indian Promoter	12,21,92,638	57.71
2	Foreign Promoter	0	0.00
	Sub Total (A)	<b>12,21,92,638</b>	<b>57.71</b>
<b>B</b>	<b>Non Promoter's Holding</b>		
	<b>Institutional Investors</b>		
1	Mutual Fund	1,700	0.00
2	Foreign Portfolio Investor	34,04,541	1.61
3	Financial Institutions / Banks	2,00,367	0.09
4	Insurance Companies	8,00,000	0.38
5	Any Other (Specify)		
	Foreign Financial Institution	16,500	0.01
	UTI	1,000	0.00
	<b>Total (Institutional Investors)</b>	<b>42,24,108</b>	<b>2.09</b>
	<b>Non Institutional Investors</b>		
1	Individuals	5,44,93,706	25.73
2	Trusts	210	0.00
3	Foreign Nationals	10,000	0.00
4	Hindu Undivided Family	25,14,622	1.19
5	Non Resident Indians	701,136	0.33
6	Clearing Member	19,28,465	0.91
7	Bodies Corporate	2,54,87,734	12.04
	<b>Total (Non-Institutional Investors)</b>	<b>8,51,35,873</b>	<b>40.21</b>
	<b>Sub Total (B)</b>	<b>8,95,59,981</b>	<b>42.29</b>
	<b>Grand Total (A + B)</b>	<b>21,17,52,619</b>	<b>100.00</b>

**Dematerialisation of shares and liquidity**

As at March 31, 2017, 97.67% (20,68,20,910 shares) of paid up share capital were held in dematerialised form with NSDL and CDSL, while 2.33% (49,31,709 shares) were held in physical form. All Promoters shareholdings are in dematerialised form.

**Outstanding GDRs / ADRs / Warrants**

There are no outstanding GDRs / ADRs or any other convertible instruments as on March 31, 2017 which likely to have an impact on the equity share capital of the Company.

**Commodity price risk or foreign exchange risk and hedging activities**

The Company has finance committee which undertakes foreign currency decision. Any risk arising from foreign currency transactions including imports and exports are being hedged on a continuous basis.

## CORPORATE GOVERNANCE REPORT

### Plant Locations

<b>1. Wada</b> Village Kudus Bhiwandi Wada Road Taluka Wada Palghar – 421 312 Maharashtra.	<b>2. Roorkee – Plant I</b> Khasra No.158, Village- Raipur, Pargana - Bhagwanpur, Roorkee, District - Haridwar, Uttarakhand- 247670
<b>3. Roorkee – Plant II</b> 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	<b>4. Chiulun</b> Plot No. G-1, Lote Parshuram Industrial Area, Village Dhamandevi, Tal. Khed, Dist. Ratnagiri

### 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](mailto:investors@onida.com), Website: [www.onida.com](http://www.onida.com)

**For and on behalf of the Board of Directors**

**Place : Mumbai**

**Date : May 22, 2017**

**Gulu L. Mirchandani**  
**Chairman and Managing Director**  
**DIN: 00026664**

## CORPORATE GOVERNANCE REPORT

### CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER'S CERTIFICATE PURSUANT TO REGULATION 17(8) READ WITH PART B OF SCHEDULE II TO THE SEBI (LODR) REGULATIONS, 2015

We, G. Sundar, Chief Executive Officer and Subrat Nayak, Chief Financial Officer of MIRC Electronics Limited, to the best of our knowledge and belief, hereby certify to Board that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 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.

**For MIRC Electronics Limited**

**Place: Mumbai**  
**Date: May 22, 2017**

**G. Sundar**  
**Chief Executive Officer**

**Subrat Nayak**  
**Chief Financial Officer**

### COMPLIANCE OF CODE OF CONDUCT OF THE COMPANY

As provided under the New Listing Agreement read with Regulation 17(5), 26(3) and Clause D of Schedule V to the SEBI (LODR) Regulations, 2015, 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, 2017.

**For MIRC Electronics Limited**

**Place : Mumbai**  
**Date : May 22, 2017**

**G. Sundar**  
**Chief Executive Officer**

**MIRC**

MIRC ELECTRONICS LIMITED

## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**MIRC ELECTRONICS LIMITED**  
Mumbai.

We have examined the compliance with conditions of Corporate Governance by MIRC ELECTRONICS LIMITED ('the Company'), for the year ended on 31st March, 2017, as stipulated in Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance with conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and Listing Regulation.

Based on the representation received from the Company, no investor grievance is pending for a period exceeding one month as on March 31, 2017 against the Company and the Registrar of Companies and Share Transfer Agent have reported to the Stakeholders' Relationship Committee on the status of the grievances.

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 Nilesh Shah & Associates  
Company Secretaries**

**Place: Mumbai  
Date: May 22, 2017**

**(Nilesh Shah)  
Partner (FCS - 4554)  
C.P. No: 2631**

## INDEPENDENT AUDITOR'S REPORT

To the Members of MIRC Electronics Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of MIRC Electronics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 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 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 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. 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2017, its loss, 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, 2016 ("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 financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) 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 31 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.
    - iv. The Company has provided requisite disclosures in Note 42 to these financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, as stated in Note 42 to the financial statements amounts aggregating to Rs. 0.44 lacs as represented to us by the management have been utilized for other than permitted transactions.

### For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi  
Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 22, 2017

**MIRC**

MIRC ELECTRONICS LIMITED



# ANNEXURE 1 TO THE INDEPENDENT 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.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (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 manufacture or service of consumer appliances, and are of the opinion that prima facie, the specified 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 sales-tax, duty of custom, duty of excise, cess and other material statutory dues have been regularly deposited with the appropriate authorities except income-tax, value added tax, entry tax, employees state insurance, profession tax, service tax, provident fund, labour welfare fund where there have been delays in few cases, which are, however, not serious.

- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, value added tax, labour welfare fund, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

### Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Name of the Statute	Nature of the Dues	Amount (' in lacs)	Due Date	Date of Payment
The Maharashtra Labour Welfare Fund Act, 1953	MLWF	0.01	April 15, 2015	Not paid
The Employees State Insurance Act, 1948	ESIC	0.25	April 21, 2015	Not paid
The Maharashtra State Tax on Professions, Trade, Callings and Employment Act, 1975	Professional Tax	0.15	April 30, 2015	Not paid
The Employees Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	0.71	April 20, 2015	Not paid
The Finance act, 1994	Service Tax	1.64	April 06, 2016	Not paid
The Income Tax Act, 1961	TDS	0.65	April 30, 2015	Not paid
The Income Tax Act, 1961	TDS	2.45	April 30, 2015	Not paid
The Maharashtra VAT Act, 2002	VAT	5.88	April 22, 2016	Not paid
The Maharashtra VAT Act, 2002	VAT	0.44	Sept 22, 2016	Not paid

- (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:

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

(` in lacs)			
Nature of Dues	Forum	Financial Year	Amount
Income Tax	ITAT	2010-2013	286.09
	CIT(A)	2014-2015	66.44
	High Court	2001- 2006, 2008	1,608.21
Service Tax	CESTAT	2005-2015	6,078.41
Excise Duty	Commissioner (Appeals)	2007-2016	207.85
	Commissioner of Central Excise	1998, 2000	2.02
	High Court	1999	10.00
	CESTAT	2000, 2005, 2007-2012	102.42
Customs Duty	CESTAT	2013	174.18
	Commissioner of Customs	2013, 2014	50.88
	Commissioner of Customs (Appeals)	2016	0.10
	Deputy Commissioner of Customs	2015, 2016	88.74
	Supreme Court	2013	1,406.94
	Additional Commissioner (Appeals)	2011	0.87
Sales Tax (Centre and state)	Appellate Authority	2012-2014	29.90
	Assessing Authority	2011-2013	643.81
	Assistant Commissioner	2012-2015	272.24
	Board of Madhya Pradesh Commercial Taxes, Bhopal	1998	9.72
	Commissioner	1993-1994, 1996-1999, 2001-2004, 2006-2009	129.28
	Deputy Commissioner (Appeals)	2001, 2009	410.20
	Deputy excise and taxation Commissioner	2010	0.14
	Deputy Commissioner	1998, 2000-2001, 2004- 2006, 2008-2013	33.31

(` in lacs)			
Nature of Dues	Forum	Financial Year	Amount
	Excise & Taxation officer	2009, 2013	4.09
	High Court	2003- 2005, 2011	225.49
	Joint Commissioner	2002, 2004, 2006, 2009, 2011, 2013, 2014, 2016	12.89
	Joint Commissioner (Appeals)	2006-2010	3,846.54
	Revisional Board	2006-2011	474.57
	VAT Officer	2011-13	16.67
	Sr. Joint commissioner	2013	9.99
	Supreme Court	2008, 2010- 2011	892.66
	Tribunal	2003-2004, 2006-2007	221.05

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of equity shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 22, 2017

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

### ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MIRC ELECTRONICS LIMITED

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MIRC Electronics Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 22, 2017

**MIRC**

MIRC ELECTRONICS LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2017

	Notes	31st March, 2017 in lacs	31st March, 2016 in lacs
<b>Equity and Liabilities</b>			
<b>Shareholder's Funds</b>			
Share capital	2	2,119.39	1,964.20
Reserves and surplus	3	12,995.44	12,022.43
Money received against share warrant		-	568.75
		15,114.83	14,555.38
<b>Non-current Liabilities</b>			
Long-term borrowings	4	537.03	759.25
Deferred tax liabilities (Net)	5	-	-
Long-term provisions	8	456.97	259.57
		994.00	1,018.82
<b>Current Liabilities</b>			
Short-term borrowings	6	15,978.67	18,962.84
Trade payables	7	-	-
Total outstanding dues of micro enterprises and small enterprises		17,584.36	20,396.06
Other current liabilities	7	4,507.32	3,964.35
Short-term provisions	8	342.69	289.24
		38,413.04	43,612.49
<b>TOTAL</b>		<b>54,521.87</b>	<b>59,186.69</b>
<b>Assets</b>			
<b>Non-current Assets</b>			
Fixed assets			
Property, plant and equipment	9	11,362.28	11,469.24
Intangible assets	9	6.09	7.83
Intangible assets under development		26.10	-
		11,394.47	11,477.07
Non-current investments	10	-	2,625.80
Long-term loans and advances	11	4,987.32	4,066.99
Other non-current assets	12	837.95	56.20
		17,219.74	18,226.06
<b>Current Assets</b>			
Inventories	14	12,830.55	13,208.94
Trade receivables	15	1,901.25	1,547.74
Cash and bank balances	11	1,540.33	1,565.89
Short-term loans and advances	16	456.95	547.18
Other current assets		37,302.13	40,960.63
<b>TOTAL</b>		<b>54,521.87</b>	<b>59,186.69</b>
Summary of significant accounting policies	1		

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

As per our report of even date

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

ICAI Firm Regn. No. 324982E/E300003  
Chartered Accountants

per Jayesh Gandhi  
Partner  
Membership No. 037924

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

Subrat Nayak  
Chief Financial Officer  
  
Lalit Chendvankar  
Head Corporate Affairs,  
Legal and Company Secretary

G. L. Mirchandani  
Chairman and Managing Director

V. J. Mansukhani  
Managing Director

Place : Mumbai  
Date : 22nd May, 2017

**MIRC**

MIRC ELECTRONICS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Notes	2016-17 in lacs	2015-16 in lacs
<b>Income</b>			
Revenue from operations (Net of excise duty)	17	74,758.81	77,198.10
Other Income	18	57.51	325.98
<b>Total Revenue</b>		<b>74,816.32</b>	<b>77,524.08</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	19	20,908.45	27,905.93
Purchases of Traded Goods	20	28,479.07	28,442.00
(Increase) / Decrease in inventories of Finished Goods, Work-in-progress and Traded Goods	21	4,266.11	1,359.55
Employee benefits expense	22	7,283.99	7,104.33
Finance Cost	23	2,359.32	2,878.87
Depreciation and amortisation expense	24	1,045.60	1,162.87
Other Expenses	25	10,175.50	12,459.57
<b>Total Expenses</b>		<b>74,518.04</b>	<b>81,313.12</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>298.28</b>	<b>(3,789.04)</b>
<b>Exceptional items</b>	45	866.11	469.70
<b>Profit / (Loss) after exceptional items and before tax</b>		<b>(567.83)</b>	<b>(3,319.34)</b>
<b>Tax Expenses</b>			
Current Tax		-	(618.05)
<b>Total Tax Expense</b>		-	<b>(618.05)</b>
<b>Profit / (Loss) For The Year</b>		<b>(567.83)</b>	<b>(2,701.29)</b>
<b>Earnings per Equity Shares [Nominal Value of share ` 1 each (31 March, 2016: ` 1 each)]</b>			
- Basic and Diluted (in `)	39	(0.28)	(1.38)
Summary of significant accounting policies	1		

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

As per our report of even date

For **S R B C & CO LLP**  
ICAI Firm Regn. No. 324982E/E300003  
Chartered Accountants

per Jayesh Gandhi  
Partner  
Membership No. 037924

Place : Mumbai  
Date : 22nd May, 2017

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

Subrat Nayak  
Chief Financial Officer  
  
Lalit Chendvankar  
Head Corporate Affairs,  
Legal and Company Secretary

G. L. Mirchandani  
Chairman and Managing Director

V. J. Mansukhani  
Managing Director

**MIRC**

MIRC ELECTRONICS LIMITED



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31st March, 2017	31st March, 2016
	in lacs	in lacs
<b>Cash flow from operating activities</b>		
Loss before tax	(567.83)	(3,319.34)
Adjustment to reconcile loss before tax to net cash flows		
Depreciation / amortization	1,045.60	1,162.87
Profit on sale of fixed assets	(99.60)	(469.70)
Unrealized foreign exchange loss / (Gain )	(42.05)	(285.50)
Provision for doubtful debts	228.10	25.38
Liabilities written back	(88.55)	(152.56)
Interest expense	2,359.32	2,878.87
Interest income	(24.47)	(53.45)
<b>Operating profit before working capital changes</b>	<b>2,810.52</b>	<b>(213.43)</b>
Movements in working capital :		
Increase / (decrease) in trade payables	(2,741.61)	(4,580.97)
Increase / (decrease) in provisions	250.85	80.94
Increase / (decrease) in other current liabilities	407.18	60.28
Decrease / (increase) in trade receivables	(647.84)	(696.53)
Decrease / (increase) in inventories	3,555.85	4,185.21
Decrease / (increase) in loans and advances	170.03	240.55
Decrease / (increase) in other assets	(2.91)	2,349.23
<b>Cash generated from / (used in) operations</b>	<b>3,802.07</b>	<b>1,425.27</b>
Direct taxes paid (net of refunds)	(19.66)	753.45
<b>Net cash flow from operating activities (A)</b>	<b>3,782.41</b>	<b>2,178.72</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(43.40)	(33.90)
Proceeds from sale of fixed assets	109.81	1,348.93
Redemption / (Purchase) of bank deposits (having original maturity of more than three months)	(242.09)	(52.21)
Purchase of non current Investments	-	(0.88)
Interest received	117.61	8.24
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(58.07)</b>	<b>1,270.18</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of Equity share capital ( Net of share issue expenses and allotment of share warrants)	1,697.97	-
Loan given to wholly owned Subsidiary Company	-	(448.38)
Loan repaid by wholly owned Subsidiary Company	-	264.50
Proceeds from money received against share warrant	-	568.75
Proceeds from long term borrowings	-	1,500.00
Repayment of long term borrowings	(222.22)	(518.53)
Proceeds from short term borrowings	2,004.38	-
Repayment of short term borrowings	(5,043.20)	(2,149.86)
Interest paid	(2,393.20)	(2,976.01)
Unpaid Dividend deposited in Investor Eductaion and Protection Fund	(10.46)	(27.60)
<b>Net cash flow from / (used in) in financing activities (C)</b>	<b>(3,966.73)</b>	<b>(3,787.13)</b>
<b>Net increase / (decrease) in cash and cash equivalentents (A + B + C)</b>	<b>(242.39)</b>	<b>(338.23)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,489.06</b>	<b>1,827.29</b>
<b>Cash and Cash Equivalents acquired on amalgamation (Refer Note 26)</b>	<b>296.92</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,543.59</b>	<b>1,489.06</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	6.74	9.41
With banks- on current account	151.09	34.47
Cheques on hand	1,338.33	1,387.29
Unclaimed Dividend Accounts	47.43	57.89
<b>Total cash and cash equivalents</b>	<b>1,543.59</b>	<b>1,489.06</b>

### Notes

- i) The above Cash Flow Statement has been prepared under the "Indirect method" as set out in Accounting Standard 3 (AS-3) on Cash Flow Statement as notified under section 133 of the Companies Act, 2013 read together with Rule 7 of Companies (Account) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.
- ii) Unclaimed dividend accounts of ` 47.43 lacs (previous year ` 57.89 lacs) are not available for use as they represent the corresponding unpaid dividend liability.
- iii) The figures of current year include changes in cash flow of the erstwhile Akasaka Electronics Limited which was amalgamated with the Company and is to that extent not comparable with previous year figures (Refer Note 26).
- iv) The amalgamation of Akasaka Electronics Limited with the Company is a non cash transaction (Refer Note 26).
- v) The figures of the previous year are regrouped / rearranged wherever considered necessary.

As per our report of even date

For **S R B C & CO LLP**  
ICAI Firm Regn. No. 324982E/E300003  
Chartered Accountants

per Jayesh Gandhi  
Partner  
Membership No. 037924

Place : Mumbai  
Date : 22nd May, 2017

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

Subrat Nayak  
Chief Financial Officer  
  
Lalit Chendvankar  
Head Corporate Affairs,  
Legal and Company Secretary

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, 2017

## 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 Rule 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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 Property, Plant and Equipment

Property, Plant and Equipment, Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation 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 recognised in the statement of profit and loss when the asset is derecognised.

### 1.3 Depreciation on Property, Plant and Equipment

Leasehold Land is amortised on a straight line basis over the period of lease. Depreciation on property, plant and equipment is calculated on a straight line basis using the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

### 1.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets (Computer Software) is amortised on a straight line basis over the useful life estimated to be 6 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of Profit and Loss when the asset is derecognised.

### 1.5 Leases

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 recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### 1.6 Impairment of Property, Plant and Equipment

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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 recognised 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 realisable 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 recognise 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 realisable 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 are determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable 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 weighted average basis.

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

Net realisable 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.

Goods in transit is measured at cost to date as at Balance Sheet date.

### 1.9 Revenue Recognition

Revenue is recognised 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 recognised:

#### Sale of Goods

Revenue from sale of goods is recognised 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 recognised 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### **Dividends**

Dividend income is recognised 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.

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense / income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or an expense for the period. All other derivative contracts not covered by AS-11, are measured using the mark to market principle, with resultant losses being recorded in the Statement of Profit and Loss and gains being not accounted.

### **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 recognises 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 recognised 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 recognised 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 recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

The Company recognises 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against the current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

### 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 issue, bonus element in rights issue, share split, and reverse share split (consolidation of shares) 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### **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 Research and Development**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development cost of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

### **1.20 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, 2017

## NOTE 2 - SHARE CAPITAL

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
<b>Authorised :</b>		
57,80,20,000 Equity Shares of Re.1 each (Refer Note 26)	5,780.20	3,680.20
(Previous year 36,80,20,000 Equity Shares of Re.1 each)		
10,000 8% Cumulative Redeemable Preference Shares of ` 100 each	10.00	10.00
(Previous year 10,000 8% Cumulative Redeemable Preference Shares of ` 100 each)		
10,00,000 11% Non-Cumulative Redeemable Preference Shares of ` 100 each	1,000.00	1,000.00
(Previous year 10,00,000 11% Non-Cumulative Redeemable Preference Shares of ` 100 each)		
<b>Issued, Subscribed and Paid Up :</b>		
21,17,52,619 Equity Shares of Re.1 each fully paid up	2,117.53	1,962.34
(Previous year 19,62,34,202 Equity Shares of Re.1 each fully paid up)		
Add : 2,48,000 Forfeited Equity Shares of Re.1 each partly paid up	1.86	1.86
(Previous year 2,48,000 Forfeited Equity Shares of Re.1 each partly paid up)		
	<u>2,119.39</u>	<u>1,964.20</u>
	<b>2,119.39</b>	<b>1,964.20</b>

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

	31st March, 2017		31st March, 2016	
	No. in lacs	` in lacs	No. in lacs	` in lacs
Fully paid up shares				
At the beginning of the year	1,962.34	1,962.34	1,962.34	1,962.34
Add : Issued during the year on preferential basis (Refer note 28)	155.19	155.19	-	-
At the end of the year	2,117.53	2,117.53	1,962.34	1,962.34
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 Re.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) Pursuant to rights issue of equity shares, the Company had allotted 5,44,82,524 equity shares of Re.1 each at a premium of ` 5 per share on 22nd October, 2014

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## (d) Details of Shareholders holding more than 5 % shares in the Company:

	31st March, 2017		31st March, 2016	
	No. in Lacs	% holding in the class	No. in Lacs	% holding in the class
Mr. Gulu L. Mirchandani	463.96	21.91	219.84	11.20
Gulita Securities Limited	272.27	12.86	272.27	13.87
Mr. V.J. Mansukhani	259.86	12.27	-	-
Bennett Coleman and Company Limited	155.19	7.33	-	-
IIFL Investment Adviser & Trustee Services Limited ( Formerly IIFL Trustee Services Limited) (Beneficial owner Mr.Vijay J. Mansukhani)	141.75	6.69	401.61	20.47
Mr. Kaval G. Mirchandani	0.49	0.02	122.60	6.25
Mr. Sasha G. Mirchandani	0.06	-	122.07	6.22

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, 2017 in lacs	31st March, 2016 in lacs
Capital Reserve		
Balance as per last Balance Sheet	7.07	7.07
Add : Addition on amalgamation of Akasaka Electronics Ltd. (Refer Note 26)	207.55	-
	214.62	7.07
Capital Redemption Reserve		
Balance as per last Balance Sheet	1,891.51	1,891.51
Add : Addition on amalgamation of Akasaka Electronics Ltd. (Refer Note 26)	99.23	-
	1,990.74	1,891.51
Securities Premium Account		
Balance as per last Balance Sheet	2,623.35	2,623.35
Add : Premium on equity shares issued on preferential basis (Refer note 28)	2,119.82	-
Less: Share issue expenses	8.29	-
	4,734.88	2,623.35
General Reserve		
Balance as per last Balance Sheet	8,902.96	8,902.96
Less: Excess of investment over equity share capital of the transferror company Akasaka Electronics Ltd. (Refer Note 26)	1,810.05	-
	7,092.91	8,902.96
Surplus in Statement of Profit and Loss		
Balance as per last Balance Sheet	(1,402.46)	1,298.83
Add : Addition on amalgamation of Akasaka Electronics Ltd. (Refer Note 26)	(85.90)	-
Add : Addition to surplus post amalgamation of Akasaka Electronics Ltd.	1,018.48	-
Add : Loss for the year	(567.83)	(2,701.29)
	(1,037.71)	(1,402.46)
	<b>12,995.44</b>	<b>12,022.43</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## NOTE 4 - LONG-TERM BORROWINGS

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
<b>Secured</b>		
Term loan		
Loan from banks (secured)	759.25	981.47
Less:- Disclosed under Other current liabilities	(222.22)	(222.22)
	<b>537.03</b>	<b>759.25</b>

Security	Repayment terms
Secured by exclusive charge by way of equitable mortgage on the commercial property situated at Onida House. Rate of interest 11% per annum.	Monthly equal installments of ` 18.51 lacs payable over a period of five years. Last instalment is due on 25th August, 2020

## NOTE 5 - DEFERRED TAX LIABILITIES (NET)

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
<b>Deferred Tax Liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	1,903.65	1,646.27
<b>Gross Deferred Tax Liabilities</b>	<b>1,903.65</b>	<b>1,646.27</b>
<b>Deferred Tax Assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	274.99	192.29
Provision for doubtful debts and advances	490.76	389.29
Carry forward of Income Tax Loss and unabsorbed depreciation	1,137.90	1,064.69
<b>Gross Deferred Tax Assets</b>	<b>1,903.65</b>	<b>1,646.27</b>
<b>Net Deferred Tax Liabilities</b>	<b>-</b>	<b>-</b>

Note: As a prudent measure, on account of no virtual certainty supported by convincing evidence, Deferred Tax Asset on carry forward Income Tax loss and unabsorbed depreciation is created to the extent of Deferred Tax Liability.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## NOTE 6 SHORT-TERM BORROWINGS

	31st March, 2017 in lacs	31st March, 2016 in lacs
<b>Secured</b>		
Cash Credit Facility from banks (Secured)	9,961.50	13,191.56
Loan from bank (Secured)	1,944.53	-
Buyers Credit (Secured)	4,072.64	5,771.28
	<b>15,978.67</b>	<b>18,962.84</b>

### Security

Cash Credit Facility, Loan from bank 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 12.00% to 14.50% (Previous year 12.15% to 15.75%), Loan from banks is at 3 months LIBOR plus 4% plus hedging cost (effective interest rate 10.80%) and Buyers credit is at LIBOR plus spread.

## NOTE 7 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	31st March, 2017 in lacs	31st March, 2016 in lacs
Acceptances	3,046.82	4,792.30
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 41)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,537.54	15,603.76
	<b>17,584.36</b>	<b>20,396.06</b>
<b>Other current liabilities</b>		
Current maturities of long-term borrowings (Refer Note 4)	222.22	222.22
Interest accrued but not due on borrowings	47.82	54.54
Unclaimed dividends	47.43	57.89
Advances from Customers	159.18	111.75
Others payables		
Dealer Deposits	108.68	113.48
Employee Benefits	1,598.23	1,168.35
Statutory Dues	2,057.31	2,065.31
Creditors for Capital items	0.60	2.06
Liability for expenses	-	9.20
Others	265.85	159.55
	<b>4,030.67</b>	<b>3,517.95</b>
	<b>4,507.32</b>	<b>3,964.35</b>

## NOTE 8 - PROVISIONS

	Long Term in lacs		Short Term in lacs	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
<b>Provision for employees benefit</b>				
Provision for gratuity	456.97	259.57	122.15	137.72
Provision for leave benefits	-	-	220.54	151.52
	<b>456.97</b>	<b>259.57</b>	<b>342.69</b>	<b>289.24</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## NOTE 9 - FIXED ASSETS Property, Plant and Equipment

	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, 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
Additions	-	-	-	24.57	0.01	10.68	-	-	-	-	-	35.26
Disposals	54.31	-	17.09	29.94	5.64	5.46	17.16	-	2.38	0.19	-	132.17
<b>As at 31st March, 2016</b>	<b>531.59</b>	<b>1,776.68</b>	<b>9,992.80</b>	<b>24,046.07</b>	<b>749.84</b>	<b>543.07</b>	<b>305.11</b>	<b>157.08</b>	<b>663.05</b>	<b>87.30</b>	<b>40.25</b>	<b>38,892.84</b>
Addition on amalgamation of Akasaka Electronics Ltd. (Refer Note 26)	57.82	-	713.93	276.07	-	-	-	-	-	-	-	1,047.82
Additions	-	-	-	5.13	-	2.99	-	-	-	-	7.70	15.82
Disposals	-	-	22.56	4.53	1.18	0.10	27.62	-	-	-	0.08	56.07
<b>As at 31st March, 2017</b>	<b>589.41</b>	<b>1,776.68</b>	<b>10,684.17</b>	<b>24,322.74</b>	<b>748.66</b>	<b>545.96</b>	<b>277.49</b>	<b>157.08</b>	<b>663.05</b>	<b>87.30</b>	<b>47.87</b>	<b>39,900.41</b>
Depreciation												
As at 1st April, 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
Charge for the year	7.05	-	293.08	752.79	18.56	37.43	29.45	1.10	19.09	2.12	0.14	1,160.81
Disposals	7.17	-	6.16	30.89	6.46	8.41	16.29	-	2.37	0.19	-	77.94
<b>As at 31st March, 2016</b>	<b>127.38</b>	<b>-</b>	<b>4,591.83</b>	<b>20,626.91</b>	<b>659.07</b>	<b>469.32</b>	<b>199.88</b>	<b>103.21</b>	<b>527.43</b>	<b>80.09</b>	<b>38.48</b>	<b>27,423.60</b>
Addition on amalgamation of Akasaka Electronics Ltd. (Refer Note 26)	1.16	-	45.54	69.82	-	-	-	-	-	-	-	116.52
Charge for the year	7.05	-	306.57	640.51	14.88	25.00	29.52	1.10	17.57	1.51	0.15	1,043.86
Disposals	-	-	13.90	5.36	0.19	0.10	26.23	-	-	-	0.07	45.85
<b>As at 31st March, 2017</b>	<b>135.59</b>	<b>-</b>	<b>4,930.04</b>	<b>21,331.88</b>	<b>673.76</b>	<b>494.22</b>	<b>203.17</b>	<b>104.31</b>	<b>545.00</b>	<b>81.60</b>	<b>38.56</b>	<b>28,538.13</b>
Net Block												
As at 31st March, 2016	404.21	1,776.68	5,400.97	3,419.16	90.77	73.75	105.23	53.87	135.62	7.21	1.77	11,469.24
As at 31st March, 2017	453.82	1,776.68	5,754.13	2,990.86	74.90	51.74	74.32	52.77	118.05	5.70	9.31	11,362.28

## INTANGIBLE ASSETS

	R&D Software	TOTAL
Cost		
As at 1st April, 2015	66.92	66.92
Additions	-	-
Disposals	-	-
<b>As at 31st March, 2016</b>	<b>66.92</b>	<b>66.92</b>
Additions	-	-
Disposals	-	-
<b>As at 31st March, 2017</b>	<b>66.92</b>	<b>66.92</b>
Depreciation		
As at 1st April, 2015	57.03	57.03
Charge for the year	2.06	2.06
Disposals	-	-
<b>As at 31st March, 2016</b>	<b>59.09</b>	<b>59.09</b>
Charge for the year	1.74	1.74
Disposals	-	-
<b>As at 31st March, 2017</b>	<b>60.83</b>	<b>60.83</b>
Net Block		
As at 31st March, 2016	7.83	7.83
As at 31st March, 2017	6.09	6.09



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## NOTE - 10 - NON-CURRENT INVESTMENTS

	No. of Shares	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
<b>Non Trade investments (valued at cost unless stated otherwise)</b>			
<b>Unquoted Equity Instruments</b>			
<b>Investment in fully owned subsidiary</b>			
Akasaka Electronics Limited (Face value ` 10) (Refer Note 26)	- (PY.8,157,480)	-	2,625.80
<b>Investment In Others</b>			
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
		-	-
		-	<b>2,625.80</b>
Aggregate amount of Unquoted Investments at Cost		140.77	2,766.57
Less: Provision for diminution in the value of Investments		140.77	140.77
		-	<b>2,625.80</b>

## NOTE - 11- LOANS AND ADVANCES

	Long Term ` in lacs		Short Term ` in lacs	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Security Deposits, unsecured, considered good	2,294.22	2,788.40	-	-
<b>Loans and advances to related parties, unsecured, considered good</b>				
Subsidiary Company	-	-	-	183.88
Entity in which Directors have significant influence	-	125.00	-	-
<b>Other Loans and Advances, Unsecured, considered good</b>				
Advance Income-tax (Net of Provisions)	88.37	28.61	-	-
Balance with Excise and Customs, etc	-	-	649.21	736.13
Prepaid Expenses	10.55	55.71	171.39	177.82
Advance paid to Vendors	2,594.18	1,069.27	385.15	88.14
Other Receivables	-	-	334.58	379.92
	<b>4,987.32</b>	<b>4,066.99</b>	<b>1,540.33</b>	<b>1,565.89</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## NOTE - 12 - OTHER NON-CURRENT ASSETS

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
Unsecured, considered good unless stated otherwise		
Long term trade receivable	837.95	-
Margin Money with Banks	-	56.20
	<b>837.95</b>	<b>56.20</b>

## NOTE - 13 - INVENTORIES

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
Raw materials and components [includes Goods in transit ` 1,666.00 lacs (31st March, 2016 ` 797.95 lacs)]	7,280.69	6,548.50
Stores and Spares	266.32	250.23
Work-in-Progress	842.13	839.28
Finished Goods	3,695.93	4,662.20
Traded Goods [includes Goods in transit ` 3,890.51 lacs (31st March, 2016 ` 4,990.21 lacs)]	8,487.98	11,790.67
	<b>20,573.05</b>	<b>24,090.88</b>

## NOTE - 14 - TRADE RECEIVABLES

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured - considered good	1,348.23	2,115.32
- considered doubtful	1,471.98	1,177.41
	2,820.21	3,292.73
Less : Provision for Doubtful Debts	1,471.98	1,177.41
	1,348.23	2,115.32
<b>Other receivables</b>		
Secured	5.11	61.37
Unsecured	11,477.21	11,032.25
	11,482.32	11,093.62
	<b>12,830.55</b>	<b>13,208.94</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## NOTE - 15 - CASH AND BANK BALANCES

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
<b>Cash and cash equivalents</b>		
Balance with Banks		
Current Accounts	151.09	34.47
Unclaimed Dividend Accounts	<u>47.43</u>	<u>57.89</u>
	198.52	92.36
Cash in hand	6.74	9.41
Cheques on hand	<u>1,338.33</u>	<u>1,387.29</u>
	1,543.59	1,489.06
<b>Other bank balances</b>		
Margin Money Deposits	<u>357.66</u>	<u>58.68</u>
	<b><u>1,901.25</u></b>	<b><u>1,547.74</u></b>

## NOTE - 16 - OTHER CURRENT ASSETS

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
Deferred Premium on Forward Contract	31.40	74.00
Unsecured, considered good unless stated otherwise		
Insurance claims receivable (Refer Note 30)	324.20	331.19
Interest accrued	48.85	141.99
Others	<u>52.50</u>	<u>-</u>
	<b><u>456.95</u></b>	<b><u>547.18</u></b>

## NOTE - 17- REVENUE FROM OPERATIONS

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
<b>Revenue from operations</b>		
Sale of Products		
Finished Goods	35,121.95	43,059.84
Traded Goods	<u>43,327.56</u>	<u>38,039.73</u>
	78,449.51	81,099.57
<b>Other operating revenue</b>		
Refund of Custom Duty	-	312.27
Sale of Scrap	20.01	64.97
Export Incentives	1.86	4.49
Liabilities written back	88.55	152.56
Others	<u>11.09</u>	<u>1.78</u>
	<u>121.51</u>	<u>536.07</u>
Revenue from operations (gross)	78,571.02	81,635.64
Less : Excise duty #	<u>3,812.21</u>	<u>4,437.54</u>
<b>REVENUE FROM OPERATIONS (NET)</b>	<b><u>74,758.81</u></b>	<b><u>77,198.10</u></b>

# Excise duty on sales amounting to ` 3,812.21 lacs [previous year ` 4,437.54 lacs] has been reduced from sales in the Statement of Profit and Loss and excise duty on increase / (decrease) in stock amounting to ` (108.63) lacs [previous year ` 112.85 lacs] has been considered as (income) / expense in note 25 of financial statements.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Details of Products sold	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
<b>Finished Goods Sold</b>		
Display Devices	29,152.55	36,769.04
Washing Machines	4,602.81	4,702.61
Others	1,366.59	1,588.19
	<u>35,121.95</u>	<u>43,059.84</u>
<b>Traded Goods Sold</b>		
Airconditioners	36,381.66	28,626.09
Display Devices	1,607.93	666.40
Washing Machines	2,528.64	2,224.23
Mobile	1,318.92	3,343.82
Others	1,490.41	3,179.19
	<u>43,327.56</u>	<u>38,039.73</u>
	<b><u>78,449.51</u></b>	<b><u>81,099.57</u></b>

## NOTE - 18 - OTHER INCOME

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
<b>Interest Income on :</b>		
Inter Corporate Deposit	8.34	18.80
Others	16.13	34.65
Interest on Income Tax Refund	33.04	262.54
Others	-	9.99
	<u>57.51</u>	<u>325.98</u>

## NOTE - 19 - COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
Inventory at the beginning of the year	6,548.50	9,368.94
Add : Purchases	<u>21,640.64</u>	<u>25,085.49</u>
	28,189.14	34,454.43
Less : Inventory at the end of the year	<u>7,280.69</u>	<u>6,548.50</u>
	<b><u>20,908.45</u></b>	<b><u>27,905.93</u></b>

## Details of raw material and components consumed

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
Colour Picture Tube and LCD / LED panels	11,029.11	16,979.43
Components and Parts for Display Devices	3,365.35	4,127.51
Components and Parts for Air Conditioners	155.47	470.69
Components and Parts for Washing Machine	2,346.20	2,221.57
Others	4,012.32	4,106.73
	<u>20,908.45</u>	<u>27,905.93</u>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## NOTE -20 - PURCHASES OF TRADED GOODS

	31st March, 2017	31st March, 2016
	in lacs	in lacs
Display Devices	558.24	822.45
Washing Machines	2,062.49	2,268.52
Air Conditioners	24,086.39	20,943.83
Microwave Ovens	803.77	1,378.88
Mobiles	630.14	2,656.31
Others	338.04	372.01
	<b>28,479.07</b>	<b>28,442.00</b>

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

	31st March, 2017	31st March, 2016
	in lacs	in lacs
<b>Inventory at the beginning of the year</b>		
Finished Goods	4,662.20	3,630.16
Work in Progress	839.28	1,325.01
Traded Goods	11,790.67	13,696.53
	17,292.15	18,651.70
<b>Less : Inventory at the end of the year</b>		
Finished Goods	3,695.93	4,662.20
Work in Progress	842.13	839.28
Traded Goods	8,487.98	11,790.67
	13,026.04	17,292.15
	<b>4,266.11</b>	<b>1,359.55</b>

### Details of Inventory

	31st March, 2017	31st March, 2016
	in lacs	in lacs
<b>Finished Goods</b>		
Display Devices	3,268.12	3,950.03
Washing Machine	286.14	303.14
Others	141.67	409.03
	<b>3,695.93</b>	<b>4,662.20</b>
<b>Work in Progress</b>		
Display Devices	718.00	725.64
Washing Machine	79.77	71.70
Others	44.36	41.94
	<b>842.13</b>	<b>839.28</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
<b>Traded Goods</b>		
Air Conditioners	6,523.28	8,642.15
Display Devices	224.68	223.24
DVD HTS and Induction cooker	167.74	238.09
Micro wave	239.81	367.93
Mobile	373.61	1,601.45
Washing Machine	527.21	523.66
Others	431.65	194.15
	<u>8,487.98</u>	<u>11,790.67</u>
	<b><u>13,026.04</u></b>	<b><u>17,292.15</u></b>

## NOTE - 22 - EMPLOYEE BENEFITS EXPENSE

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
Salaries, Wages and Bonus	7,215.18	6,060.63
Contribution to Provident Fund and Other Funds	298.87	253.35
Gratuity expense	177.69	155.06
Staff Welfare Expenses	555.53	635.29
Less : Ex-gratia transferred to exceptional items (Refer Note 27)	(963.28)	-
	<u>7,283.99</u>	<u>7,104.33</u>

## NOTE - 23 - FINANCE COST

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
Interest Expense	1,583.13	1,998.96
Other Borrowing costs	776.19	879.91
	<u>2,359.32</u>	<u>2,878.87</u>

## NOTE - 24 - DEPRECIATION AND AMORTISATION EXPENSE

	31st March, 2017 ` in lacs	31st March, 2016 ` in lacs
Depreciation of property, plant and equipment	1,043.86	1,160.81
Amortisation of intangible assets	1.74	2.06
	<u>1,045.60</u>	<u>1,162.87</u>



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## NOTE - 25 - OTHER EXPENSES

	31st March, 2017	31st March, 2016
	in lacs	in lacs
Power and Fuel	267.96	350.26
Rent	550.77	638.69
Rates and Taxes	132.48	165.44
Repairs to		
Plant and Machinery	41.01	87.83
Building	0.37	10.89
Others	252.39	457.84
	293.77	556.56
Insurance Charges	26.48	61.83
Freight and Forwarding Charges	2,849.29	2,794.76
Advertisement and sales promotion	1,116.42	1,772.24
Special rebates and incentives	1,417.22	1,265.65
Service Charges	1,039.30	1,140.35
Travelling and Conveyance	480.07	481.61
Provision for Doubtful Debts and advances	228.10	25.38
Research and Development Expenses	327.51	366.46
Increase / (decrease) of excise duty on inventory	(108.63)	112.85
Exchange (gain) / loss (Net)	(190.19)	1,026.53
Miscellaneous Expenses	1,744.95	1,700.96
	<b>10,175.50</b>	<b>12,459.57</b>

### Miscellaneous expenses includes

#### Remuneration to Auditors:

	31st March, 2017	31st March, 2016
	in lacs	in lacs
As auditor (exclusive of Service tax)		
Audit fees	26.00	26.00
Tax audit fees	4.00	4.00
Other services	3.50	1.25
Reimbursement of expenses	2.18	1.77
	<b>35.68</b>	<b>33.02</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

**26)** The Board of Directors of the Company on 13th February, 2016 had approved a scheme of amalgamation between the Company and its wholly owned subsidiary Akasaka Electronics Limited ("the transferor Company") with effect from 1st April, 2015 (the appointed date). Akasaka Electronics Limited was a wholly owned subsidiary of MIRC Electronics Limited and was engaged in the business of manufacture of printed circuit boards. The Company had filed a petition in the High Court / NCLT for amalgamating the business of the subsidiary company w.e.f. 1 April 2015 to gain synergies of operations and to take benefits of economies in cost. NCLT vide its order dated 23rd March 2017 had issued an order approving the scheme of amalgamation between the subsidiary and the Company.

Company has considered the said amalgamation in the nature of merger, in view of fulfilling the following criteria:

- i. All the assets and liabilities of the transferor Company become, after amalgamation, the assets and liabilities of the transferee Company.
- ii. Shareholders holding not less than 90% of the face value of the equity shares of the transferor Company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee Company or its subsidiaries or their nominees) become equity shareholders of the transferee Company.
- iii. The consideration for amalgamation receivable by those equity shareholders of the transferor Company who agree to become shareholders of the transferee Company is discharged by the transferee Company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.
- iv. The business of the transferor Company is intended to be carried on, after the amalgamation, by the transferee Company.
- v. The transferee Company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor Company, except to ensure uniformity of accounting policies.

Accordingly, the Company has accounted the said merger under Pooling of Interest method as prescribed under the scheme and Accounting Standard – 14 "Accounting for Amalgamations". The accounting treatment has been given as under on 1st April, 2015

- i. All assets aggregating ` 1807.63 lacs and liabilities aggregating ` 771 lacs of the subsidiary have been taken over at book values.
- ii. Capital Reserve ` 207.55 lacs, Capital Redemption reserve ` 99.23 lacs and Surplus in the statement of profit and loss account of ` (85.90) lacs of the subsidiary have been taken over at book values.
- iii. Excess of investment over the share capital of the transferor Company, amounting to ` 1810.05 lacs has been adjusted in General Reserves of the Company.
- iv. Upon the scheme coming into effect, the authorised share capital of the Company shall stand increased to ` 5780.20 lacs.
- v. In view of the above said amalgamation with effect from 1st April, 2015 the figures for the current year are strictly not comparable to those of the previous year.

**27)** During September 2016, the Company had entered into a settlement agreement dated 13th September 2016 with workers of Wada factory to shift the worker's to other locations as per the business requirements of the Company or pay compensation to workers who are willing to voluntarily retire from the services of the Company. The above agreement has been entered considering reduction in operations of the Company over the years. Out of total workers at Wada factory 166 workers had agreed to voluntarily retire from the services of the Company and accordingly the Company has recognized an expense of ` 963.28 lacs in the Statement of Profit and Loss and classified it as an exceptional item.

The compensation has been paid as follows:-

- a) 50% of the eligible compensation has been paid within 7 days from the date of receipt of signed resignation letter;
- b) Balance 50% would be paid in 12 equated monthly installment starting from January 2017. As on 31st March 2017 an amount of ` 361.23 lacs is payable for the period April 17 to December 2017 and disclosed under other current liabilities - Employee benefit payable.

**28)** During the previous year, the Company had allotted 1 (One) Warrant to Bennett Coleman & Co. Ltd. ( BCCL ) exercisable for equity shares aggregating to ` 2,275.00 lacs. The company had received an amount of ` 568.75 lacs being 25% of the value of Warrant from BCCL and had been disclosed as Money received against share warrants below Reserves and Surplus, with such warrant carrying an option / entitlement to the warrant holder to subscribe to equity shares of the face value of Re. 1/- each for cash at a minimum price of ` 14.66/- each (including premium of ` 13.66/- each) per share, as arrived in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as on the Relevant Date i.e. 27th May, 2015 or such higher price per share equal to the average of the weekly high and low of the closing prices of the equity share of the company as quoted on the National Stock Exchange of India Ltd. during the 26 (twenty six) weeks preceding the last date of 17th (seventeenth) month from the date of allotment of warrant i.e. 10th July, 2015 after making adjustment for any bonus issue / split / consolidation.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

During the current year, the Company has received balance 75% allotment money amounting ₹ 1706.25 lacs against exercise of warrants by BCCL. The Company has issued 1,55,18,417 equity shares of face value of ₹ 1 per equity share to BCCL @ ₹ 14.66 (including securities premium of ₹ 13.66 per equity share).

As of March 31, 2017 the share capital of the Company has been increased by ₹ 155.19 lacs and securities premium account by ₹ 2119.82 lacs.

- 29)** The Company at its extraordinary general meeting dated 29th March, 2017 have approved an Employee Stock option Scheme 2017. However the scheme is not yet offered to employees as on date and hence no effect is considered in the financial statements for the year ended 31st March, 2017.
- 30)** 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 had been realised from the Insurance company in the financial year 2013-14. Based on the communication received from surveyors appointed by the Insurance company, management had reassessed the recoverability of claim and consequently a further loss of ₹ 623 lacs was charged to the statement of Profit and Loss during the year ended 31st March, 2015. During the year ended 31st March, 2016, the Company received an amount of ₹ 2474.70 lacs from the Insurance Company as full and final settlement against insurance claim receivable. For the balance amount of ₹ 265.35 lacs the Company has gone for arbitration along with interest and other claims. The said amount of claim is included under Insurance claims receivable (Refer Note 16).

### 31) Contingent Liabilities and Commitments :

₹ in lacs

	31st March, 2017	31st March, 2016
<b>Contingent Liabilities</b>		
a) Guarantees given by Bank against which ₹ 149.36 lacs (previous year ₹ 11.08 lacs) has been deposited as margin money	1,203.73	260.89
b) Income tax demands in respect of which appeals have been filed	1,960.74	623.02
c) Excise Duty, Service Tax and Custom Duty in respect of which appeals have been filed	8,430.88	2,861.30
d) Claims made against the Company not acknowledged as debts	9,318.29	9,438.75
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	77.19	-

In relation to above contingent liabilities, the Company has been advised by its legal counsel that it is possible, but not probable, that the action will succeed and accordingly no provision for liability has been recognised in the financial statements.

### 32) Employee Benefits :

#### a) Defined contribution plans

The Company has recognised an expense of ₹ 248.56 Lacs ( previous year ₹ 223.14 Lacs) towards defined contribution plans, in respect of Provident Fund.

#### 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, 2017	31st March, 2016
Discount rate	7.09%	7.79%
Rate of Return on Plan Assets	7.09%	7.79%
Salary Escalation	2.00%	4.00%

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## d) Reconciliation of Defined Benefit Obligation :

` in lacs

Particulars	Gratuity	
	31st March, 2017	31st March, 2016
Liability at the beginning of the year	1,094.14	1,039.73
Interest cost	86.24	82.61
Current Service Cost	46.63	54.34
Benefits Paid	(576.16)	(155.72)
Actuarial (Gain) / Loss on Obligations	88.08	73.18
Liability at the end of the year	738.93	1,094.14
Fair Value of Plan Assets at the end of the year	159.81	696.85
Liability at the end of the year recognised and disclosed under the head "Provisions for Employee Benefits" (Refer Note 8)	579.12	397.29
- Long term provision	456.97	259.57
- Short term provision*	122.15	137.72

\* Of the Total Provision, the Company is expected to pay an amount of ` 122.15 lacs to the fund in the year 2017-18

## e) Reconciliation of Fair value of Plan Assets :

` in lacs

Particulars	Gratuity	
	31st March, 2017	31st March, 2016
Fair Value of Plan Assets at the beginning of the year	696.85	801.49
Expected Return on Plan Assets	54.28	63.72
Benefits Paid	(576.16)	(155.72)
Actuarial Gain / (Loss) on Plan Assets	(15.16)	(12.64)
Fair Value of Plan Assets at the end of the year*	<b>159.81</b>	<b>696.85</b>

\* All the assets are categorised as Insurer Managed Funds

## f) Return on Plan Assets :

` in lacs

Particulars	Gratuity	
	2016-17	2015-16
Expected Return on Plan Assets	54.28	63.72
Actuarial Gain / (Loss) on Plan Assets	(15.16)	(12.64)
Actual Return on Plan Assets	<b>39.12</b>	<b>51.08</b>

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

` in lacs

Particulars	Gratuity	
	2016-17	2015-16
Current Service Cost	46.63	54.34
Interest Cost	86.24	82.61
Expected Return on Plan Assets	(54.28)	(63.72)
Net Actuarial (Gain) / Loss recognised	103.24	85.82
Expenses recognised in Profit and Loss Statement (Refer Note 22)	<b>181.83</b>	<b>159.05</b>

h) The expected rate of return on plan assets is determined based on the benchmark rate available on Government Securities (G. sec.) on that date, applicable to the period over which the obligation is expected to be settled.

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

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

Particulars	Gratuity				
	2016-17	2015-16	2014-15	2013-14	2012-13
Defined benefit obligation	738.93	1,094.14	1,039.73	945.30	937.78
Plan assets	159.81	696.85	801.49	775.07	798.14
Surplus / (deficit)	(579.12)	(397.29)	(238.24)	(170.23)	(139.64)
Experience adjustment on plan liabilities (gain) / loss	115.35	25.70	(50.22)	(32.51)	(23.72)
Experience adjustment on plan assets (loss) / gain	(15.16)	(12.64)	(3.61)	0.83	1.94

33) Imported and Indigenous Material Consumed : in lacs

Sr. No.	Particulars	2016-17	%	2015-16	%
a)	Imported	17,896.87	85.60	22,414.12	80.32
b)	Indigenous	3,011.58	14.40	5,491.81	19.68
	<b>Total</b>	<b>20,908.45</b>	<b>100.00</b>	<b>27,905.93</b>	<b>100.00</b>

34) Value of Imports (on C.I.F. basis) : in lacs

Sr. No.	Particulars	2016-17	2015-16
a)	Raw Materials and Spare parts (Including in-transit)	16,488.94	19,636.84
b)	Finished Goods - Stock in Trade (Including in-transit)	21,548.45	20,879.43
c)	Capital Goods	6.05	-

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

Particulars	2016-17	2015-16
Exports (at FOB Value)	1,967.04	1,739.50

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

Sr. No.	Particulars	2016-17	2015-16
a)	Royalty	18.36	12.46
b)	Finance cost	170.71	150.12
c)	Employee expenses	193.07	188.81
d)	Freight and Forwarding	66.71	79.80
e)	Travelling and conveyance	36.88	35.94
f)	Professional Fees	165.15	170.59
g)	Rent	47.34	45.20
h)	Others	98.88	141.71
	<b>Total</b>	<b>797.10</b>	<b>824.63</b>

37) 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, 2017

## 38) Foreign Currency exposure :

The Company enters into forward exchange contracts to hedge foreign exchange exposure of the company. The Company does not enters into any forward contract which is intended for trading or speculative purposes.

The details of Forward exchange contracts outstanding as on the balance sheet date are as follows :

₹ in lacs

Particulars	Currency	Amount in foreign currency	Amount in Indian Rupees
Amount payable on account of import of goods, buyers credit and foreign currency loan	USD	86.23	5,592.28
( Previous year )	USD	(126.16)	(8,357.91)

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	86.72	5,624.28
		RMB	44.36	421.00
		AED	0.07	1.21
	( Previous year )	USD	(194.79)	(12,904.40)
		JPY	(7.64)	(4.51)
		RMB	(282.16)	(2,888.80)
b)	Amount receivable on export of goods	USD	2.12	137.78
	( Previous year )	USD	(4.17)	(276.13)

The forward contracts and foreign currency exposures have been converted into Indian Rupees , at the spot rates , as at 31st March 2017 to facilitate reading purposes only.

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

₹ in lacs

Particulars	2016-17	2015-16
Profit / (Loss) after Tax (₹ in lacs)	(567.83)	(2,701.29)
Net Profit / (Loss) after tax attributable to Equity shareholders (₹ in lacs)	(567.83)	(2,701.29)
Weighted average number of Equity Shares outstanding	199,848,080	196,234,202
Basic / Diluted Earnings Per Share (₹ )	(0.28)	(1.38)

40) Research and development expenses consist of employee expenses and other expenses of ₹ 258.87 Lacs (previous year ₹ 286.11 Lacs), and ₹ 68.64 Lacs (previous year ₹ 80.35 Lacs) respectively. Depreciation on Research and Development assets is ₹ 22.07 Lacs (previous year ₹ 24.51 Lacs) shown under Fixed Assets.

41) 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.

## 42) Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 are as below :

₹ in lacs

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	3.38	3.99	7.37
(+) Permitted receipts	0.50	31.62	32.12
(-) Permitted payments	0.30	31.10	31.40
(-) Non permitted payments	0.44	-	0.44
(-) Amount deposited in Banks	3.14	-	3.14
Closing cash in hand as on 30th December, 2016	-	4.51	4.51



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 43) 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 & description of relationship :

1. Subsidiary	Akasaka Electronics Ltd. ( Refer Note 26)
2. Key Management Personnel	<p>Mr. G.L. Mirchandani - Chairman &amp; Managing Director</p> <p>Mr. V.J. Mansukhani - Managing Director</p> <p>Mr. Kaval Mirchandani - Executive Director (wef. 26th May, 2016)</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 - Resigned wef. 15th April, 2015)</p> <p>Mr. Lalit Chendvankar - Head Corporate Affairs, Legal and Company Secretary (Joined wef. 13th August, 2015)</p> <p>Mr. Muthu Elango - Chief Financial Officer (Joined wef 8th November, 2014 - Resigned wef. 13th August, 2015)</p> <p>Mr. Subrat Nayak - Head of Finance (Joined wef. 14th March, 2016) - Chief Financial Officer (wef. 22nd April, 2016)</p>
3. 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. 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>
4. Enterprise over which any person described in 2 & 3 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>Algorhythm Tech Pvt. Ltd.</p> <p>Gulita Securities Ltd.</p>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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)
<b>Transactions during FY 2016-17</b>				
Purchase / (purchase return) of goods, services, intangible assets and spares Akasaka Electronics Limited (Refer Note 26)	- (6.36)	- -	- -	- -
Iwai Electronics Pvt.Limited	- -	- -	- -	138.41 (243.27)
Algorhythm Tech Pvt. Ltd.	- -	- -	- -	28.85 -
Sale of goods, spares and services Iwai Electronics Pvt. Limited	- -	- -	- -	1.61 (0.59)
Inter Corporate Deposits / Loan received V.J.Mansukhani	- -	- (1,000.00)	- -	- -
Repayment of Inter Corporate Deposits / Loan received V.J.Mansukhani	- -	- (1000.00)	- -	- -
Kaval Mirchandani - (repayment of loan acquired from transferor Company Akasaka Electronics Ltd. (Refer Note 26)	- -	108.08 -	- -	- -
Inter Corporate Deposits / Loan given Akasaka Electronics Limited (Refer Note 26)	- (448.38)	- -	- -	- -
Realisation of Inter Corporate Deposits / Loan given Akasaka Electronics Limited (Refer Note 26)	- (264.50)	- -	- -	- -
Adino Telecom Limited	- -	- -	- -	125.00 -

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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)
Interest received / receivable on Inter Corporate Deposits / loans / advances Akasaka Electronics Limited (Refer Note 26)	- (13.91)	- -	- -	- -
Adino Telecom Limited	- -	- -	- -	8.78 (18.75)
Interest paid / payable on Inter Corporate Deposits / loans / advances V.J.Mansukhani	- -	- (2.96)	- -	- -
Rent paid G.L.Mirchandani	- -	4.03 (4.03)	- -	- -
Gita Mirchandani	- -	- -	11.86 (18.90)	- -
Marissa Mansukhani	- -	- -	- (2.47)	- -
Akshay Mansukhani	- -	- -	0.89 (0.89)	- -
Ayesha Mansukhani	- -	- -	0.89 (0.89)	- -
G.L.Mirchandani (HUF)	- -	- -	- (5.20)	- -
Gulita Wealth Advisors Private Limited	- -	- -	- -	30.00 30.00

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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)
Refund of rent deposit				
Gita Mirchandani	-	-	8.87	-
	-	-	(488.93)	-
Marissa Mansukhani	-	-	2.98	-
	-	-	(2.23)	-
G.L.Mirchandani (HUF)	-	-	51.46	-
	-	-	(295.26)	-
V.J. Mansukhani (HUF)	-	-	2.59	-
	-	-	-	-
Remuneration				
G.L. Mirchandani	-	122.31	-	-
	-	(122.31)	-	-
V.J.Mansukhani	-	122.31	-	-
	-	(122.31)	-	-
Kaval Mirchandani	-	35.30	-	-
	-	(35.30)	-	-
S.K. Dhoot	-	33.71	-	-
	-	(34.57)	-	-
G. Sundar	-	194.40	-	-
	-	(191.84)	-	-
Aashay S. Khandwala	-	-	-	-
	-	(5.91)	-	-
Lalit Chendvankar	-	32.58	-	-
	-	(19.34)	-	-

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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)
Muthu Elango	-	-	-	-
	-	(38.39)	-	-
Subrat Nayak	-	45.00	-	-
	-	(2.02)	-	-

**Closing Balance as at 31st March, 2017**

<b>Receivable</b>				
Akasaka Electronics Limited (Refer Note 26)				
Inter corporate Deposit given	-	-	-	-
	(183.88)	-	-	-
Interest on Inter corporate Deposit given	-	-	-	-
	(13.90)	-	-	-
Gita Mirchandani				
Rent Deposit given	-	-	127.64	-
	-	-	(136.52)	-
Marissa Mansukhani				
Rent Deposit given	-	-	-	-
	-	-	(2.98)	-
Akshay Mansukhani				
Rent Deposit given	-	-	0.89	-
	-	-	(0.89)	-
Ayesha Mansukhani				
Rent Deposit given	-	-	0.89	-
	-	-	(0.89)	-
G.L.Mirchandani (HUF)				
Rent Deposit given	-	-	-	-
	-	-	(51.46)	-
V.J.Mansukhani (HUF)				
Rent Deposit given	-	-	-	-
	-	-	(2.59)	-
G.L.Mirchandani				
Rent Deposit given	-	119.82	-	-
	-	(119.82)	-	-
Gulita Wealth Advisors Private Limited				
Rent Deposit	-	-	-	1,000.00
	-	-	-	(1000.00)

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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)
Adino Telecom Limited Debtors	-	-	-	4.29
	-	-	-	(9.10)
Inter corporate deposit given	-	-	-	-
	-	-	-	(125.00)
Interest Receivable	-	-	-	35.07
	-	-	-	(27.16)
Adino Electronics Limited Debtors	-	-	-	5.45
	-	-	-	(5.45)
<b>Payable</b>				
Iwai Electronics Private Limited Creditors payable	-	-	-	12.73
	-	-	-	(38.06)
Remuneration payable				
G.L. Mirchandani	-	7.64	-	-
	-	(7.64)	-	-
V.J.Mansukhani	-	10.14	-	-
	-	(10.14)	-	-
Kaval Mirchandani	-	2.66	-	-
	-	(2.66)	-	-
S.K. Dhoot	-	2.63	-	-
	-	(2.63)	-	-
G. Sundar	-	16.04	-	-
	-	(15.08)	-	-
Lalit Chendvankar	-	2.55	-	-
	-	(2.55)	-	-
Subrat Nayak	-	3.47	-	-
	-	(2.02)	-	-

Note :

Figures in brackets are of previous year

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## 44) 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	31st March, 2017	31st March, 2016
At the beginning of the year	88.62	68.00
Provisions		
Created	299.23	88.62
Utilised	88.62	68.00
Reversed	-	-
Balance as at the end of the year		
Current	299.23	88.62
Non current	-	-

## 45) Exceptional items for the current year ended 31st March, 2017 includes :-

- Additional compensation cost of ` 963.28 lacs (previous year nil), pursuant to separation of certain employees on rationalisation of operations at Wada for the year ended 31st March, 2017 (Refer note 27);
- Profit on sale of factory building at Vasai and residential building at Tansa Darshan of ` 96.83 lacs and profit on sale of miscellaneous assets of ` 0.34 lacs (previous year includes profit on sale of land and building at Noida of ` 466.93 lacs, and profit on sale of other miscellaneous assets of ` 2.77 lacs).

## 46) The Company has incurred a net loss in its immediately three 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.

## 47) Figures for the previous year have been regrouped wherever necessary to conform to current year's classification.

As per our report of even date

For **SRBC & CO LLP**  
ICAI Firm Regn. No. 324982E/E300003  
Chartered Accountants

per Jayesh Gandhi  
Partner  
Membership No. 037924

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

Subrat Nayak  
Chief Financial Officer  
  
Lalit Chendvankar  
Head Corporate Affairs,  
Legal and Company Secretary

G. L. Mirchandani  
Chairman and Managing Director

V. J. Mansukhani  
Managing Director

Place : Mumbai  
Date : 22nd May, 2017



## MIRC ELECTRONICS LIMITED

Regd. Office: Onida House, G-1, M.I.D.C, Mahakali Caves Road, Andheri (East), Mumbai - 400 093,  
CIN: L32300MH1981PLC023637 Website: [www.onida.com](http://www.onida.com)

### Form No. MGT-11

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L32300MH1981PLC023637  
Name of the Company: MIRC Electronics Limited  
Registered Office: Onida House, G-1, M.I.D.C, Mahakali Caves Road, Andheri (East), Mumbai 400093  
Name of the Member(s):  
Registered address:  
E-mail ID:  
Folio No./DP ID-client ID : \_\_\_\_\_ No. of Shares: \_\_\_\_\_

I/We, \_\_\_\_\_ being the Member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint.

1.	Name:	E-mail ID:	
	Address:	Signature:	or failing him/her
2.	Name:	E-mail ID:	
	Address:	Signature:	or failing him/her
3.	Name:	E-mail ID:	
	Address:	Signature:	or failing him/her

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Thirty-Sixth Annual General Meeting of the Company, to be held on Friday, August 18, 2017 at 3:00 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution No	Description	For*	Against*
1	To receive, consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon.		
2	To appoint a Director in place of Mr. Shyamsunder Dhoot (DIN: 06502107), who retires by rotation and being eligible, offers himself for re-appointment.		
3	To ratify the appointment of statutory auditors of the Company and to fix their remuneration.		
4	To approve the re-appointment of Mr. Arvind Sharma (DIN: 01229072) as an Independent Director of the Company.		
5	To approve the re-appointment of Ms. Sujata Deshmukh (DIN: 07624836) as an Independent Director of the Company.		
6	To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2018.		

Signed this.....day of.....2017

Affix Re 1  
Revenue  
Stamp

Signature of shareholder

#### Notes:

- \* 1. Member may vote either for or against each resolution. Please put a 'X' in the box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. A proxy need not be a member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.
3. This form of proxy, to be effective, should be deposited at the Registered Office of the Company at Onida House, G-1, M.I.D.C, Mahakali Caves Road, Andheri (East), Mumbai – 400 093 not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

[illegible]





MIRC Electronics Ltd. Onida House, G-1, M.I.D.C. Mahakali Caves Road, Andheri (E), Mumbai - 400 093.  
Institutional enquiries: [corporate.sales@onida.com](mailto:corporate.sales@onida.com), [response@onida.com](mailto:response@onida.com)



[www.facebook.com/onida.live](http://www.facebook.com/onida.live)



[www.onidalive.blogspot.com](http://www.onidalive.blogspot.com)



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@ Mail us at [response@onida.com](mailto:response@onida.com)