

This is not just an annual report



Onida collection 2006





Eagle vision



An understanding of the markets, effective customisation and the deployment of cutting-edge technology represent the drivers of our success

Gulu Mirchandani,
Chairman and Managing Director,
Mirc Electronics Limited, provides a primer on the
evolving trends in India's consumer durables industry

THE TIME HAS COME WHEN I MUST SAY THAT WE ARE ADDRESSING ONE OF THE MOST EXCITING OPPORTUNITIES IN OUR INDUSTRY SPACE IN THE HISTORY OF OUR EXISTENCE.

Just consider: The Indian economy is widening faster than probably at any time in its history if one goes by the 8.4 percent GDP growth achieved in 2005-06 and 9.1 percent reported in the fourth quarter of 2005-06. This makes India the second fastest growing economy in the world.

One of the biggest drivers of this growth is the increase in consumption across various sectors, as opposed to the boom in China that is being spearheaded by growing investments in that country's infrastructure.

There are a number of reasons behind the consumption-driven boom within India.

- The increase in consumption represents a 'correction' of decades of under-penetration.
- This growth in consumption is being driven by increasing disposable incomes, prompting a greater need to spend than save.
- This consumption growth is also being driven by availability – the fact that newer retail formats are offering a wider variety.
- Most importantly, a growing proportion of the consumption boom is being driven by cheaper and easily available credit ('buy now, pay later').

Result: It is estimated that the urban

consumer durables market is growing annually at 7 to 10 percent while the rural market is growing at an amazing 25 percent, one of the fastest growth rates across such a large consuming market, probably anywhere in the world.

As a responsive business organisation, we have innovated and rejuvenated to capitalise most effectively on this opportunity with the objective to enhance value for our stakeholders in the most convincing way.

Marketing

For years, companies like ours banked on celebrations – festivals and weddings – from April to June and October to November in north India as well as October to February in south India to drive the major part of our growth.

Gradually, to even out the seasonality in the business, marketers created events out of sporting tournaments, evolving their role from market-driven to market-driving.

In view of this, Mirc conceived of an innovation centre – soon to be commissioned – to create a robust pipeline of products in order to build a sense of consumer excitement rather than merely bank on it.

The Mirc extra

For years, a number of products that we manufacture today - air-conditioners, washing machines and microwave ovens among others – were dismissed as items of

conspicuous consumption. However, a decline in their absolute cost as well as an increase in disposable incomes have helped redefine them as 'necessities'.

Concurrently, a change in the mindset has begun to transpire:

- Consumers are moving from 'using' to 'experiencing'.
- Consumers are more inclined to experience newer technologies.
- Consumers do not only want something that works well but also something that looks good.

Tapping the rural market

At Mirc, we recognise that while most urban markets in India are near-satiated, a huge opportunity is opening up in the rural markets. Just consider: rural India is home to nearly 70 percent of India's 1.3 billion population; nearly 50 percent of India's workforce is engaged in agriculture; declining sticker prices of consumer durables and rising disposable incomes are creating an unprecedented opportunity as a result of which India's rural market for consumer durables is growing at more than twice the rate of its urban counterpart. Going ahead, even a marginal incremental disposable income of a rupee per capita per month could lead to significant market growth.

To capitalise on this opportunity, we engaged in some specific initiatives:

- We positioned IGO at the mass-market

around the tagline of '*aasman choo lo*'.

- We introduced a DTH television and roped in Doordarshan to provide 33 free-to-air channels, especially in low cable penetration markets, a pioneering initiative.

As a result, IGO reported a growth that was almost thrice the growth of the broad Indian televisions industry in 2005-06, which gives us the optimism that a prudent mix of innovation, pricing and positioning will enable us to capture a growing slice of the fast growing consumer segment in our country.

At Mirc, we were one of the earliest to evolve our response in line with this rapidly changing consumer mindset: We invested in cutting-edge technologies and market-beating conveniences.

The result is that today every single Mirc product is differentiated across style and substance. For instance, our televisions are built around superior sound, acoustics and aesthetics; our air-conditioners focus on better and more energy-efficient cooling; our washing machines highlight superior cleaning through the incorporation of a high-power motor; our microwaves provide the assurance of faster and more uniform cooking; our DVD players can even play scratched disks.

Technology

For decades, our focus was on the linear growth of the respective technologies. As a result, our research and development department often went back to their

drawing boards with a relatively simple – though demanding – question: ‘How do we push the envelope further? How do we make it better? How do we make it quicker? How do we make it stronger?’

Interestingly, a development of paradigm importance has transpired since.

Technologies have begun to converge. One technology is now beginning to ‘talk’ to the other. The result is a sweeping reinvention of all that our businesses stood for: The mobile phone is becoming a miniaturised television; the television is where viewers watch films, play games and surf the internet; the PC has become the office cum study television.

Even as this represents an unprecedented challenge – whoever considered Nokia or IBM to be a television competitor? – it comes with a remarkable opportunity. Markets are growing faster. Multiple-product ownership is widening. Functional compartmentalisation is yielding as products become ‘multi-utility’.

At Mirc, we are in step with this development. We recognise the thin line between ‘fad and need’, between ‘just right’ and ‘too much in a product’; the result is the Mirc ‘differentiator’, reflected in giving the consumer just what she needs, resulting in a positioning clarity, prudent pricing and a product faithful to our line of ‘nothing but the truth’.

In doing so, Mirc is not just an increasingly preferred consumer durables company in

what is the most competitive space across any sector in India; it has also emerged as the most enduring Indian brand over nearly two and a half decades that it has been in business. The brand – Onida has been awarded as the most trusted brand in a Brand Equity - Economic Times Survey.

Distribution

Even as changes are taking place in the consumer’s mindset and product features, an interesting change is also happening in our distribution system. The high street shop of yesterday is yielding to the mall store of today and probably to the hyper market of tomorrow.

In our opinion, this trend will accelerate, requiring us to make prompt and sweeping changes in our ability to put the product on the dealer’s shelf. For one, the role of experiential selling will increase as sets and models become more sophisticated; for instance, it will no longer be enough to turn on the volume louder to demonstrate the ‘sound side’ of our television set; the points of purchase will need to be equipped with superior acoustics leading to a purer experiential experience.

Overview

In view of these proactive initiatives, we expect to widen our portfolio of products and reduce the proportion of revenues derived from televisions. In doing so, we expect to emerge as a truly diversified consumer durable company over the near future.





Taking a 'different direction' for distinction

Vijay Mansukhani,

Co-promoter and Wholetime Director,

explains why Mirc's 'difference' extends beyond products to philosophy

Dear fellow shareholders and friends,

ARTICULATING AND IMPLEMENTING OUR CORE VALUES IS WHAT DIFFERENTIATES US FROM OTHER CONSUMER ELECTRONIC COMPANIES. BEING 'UNIQUE AND DIFFERENT' HAS ALWAYS BEEN PART OF OUR PHILOSOPHY. OUR CORE IDEOLOGY IS REFLECTED IN OUR ACTIONS IN GIVING THE CONSUMER AND OUR ASSOCIATES 'PRIDE OF OWNERSHIP AND PRIDE OF ASSOCIATION'.

These differences are reflected not just in our products but also in our mindset in executing the following:

- ☐ Leveraging our core competencies.
- ☐ Faithfulness to our value systems.
- ☐ Creation of right strategies.
- ☐ Implementation of operational excellence.

Leveraging our core competencies

Our core competency is the uncanny knack that we possess in understanding what the consumer wants. This insight enables us to customise our products keeping in mind the vagaries of the Indian environmental conditions. We 'de-rate' the components used in our products to a higher degree while incorporating the latest technology and design. This differentiation clearly makes our products stand out in comparison to the competitor's products when placed on a dealer's shelf.

By leveraging our core competencies we are aggressively managing the expectations of our customers as we see the world through their eyes. We understand the product's value from the customer's perspective and this has helped boost our topline and the bottomline. We have a customer based strategy to expand the boundaries of our company's core.

Our 'association' with the consumer does not end with the sale of a product but continues for life with enhanced and upgraded service facilities. We will be extending this level of comfort to our consumers by extending our services to incorporate all non-captive consumer durable products.

Faithfulness to our value systems

Innovation is one of our key core values and we have developed a culture that fosters innovation. We are committed to innovation and will pursue it relentlessly. Our innovation cell will draw from the latest technology shaping the consumer electronic industry and by design will make it one of our most powerful cells within the company. By this we will create greater value and decrease cost.

With the fast changing business scenario and a high level of attrition we have trained all our colleagues in the value systems under which we run the company. This clear understanding has resulted in a stress free working atmosphere and has added considerably to everybody's ownership and accountability. Our value systems are the guiding principals by which we bring out the best in everyone and this helps us to identify the leaders of tomorrow.



Creation of right strategies

While staying 'close to the knitting' and leveraging the core platform, which determines the industry's existence and profitability, we have included a wide range of consumer durables in our product line. We have also focused heavily on exports and as an initial step have set up office in Dubai, Saudi Arabia, Ukraine and Russia. This experience will enable us to venture into other lucrative geographical locations. With technology evolving faster than the consumer's perception, our Research & Development center will help us strategise in catering new products of the future.

Implementation of operational excellence

Better, cheaper, faster is our motto. The implementation of Six Sigma across the company has enabled us to satisfy these requirements while at the same time creating 'customer delight'. We have recognised the need for interdependencies amongst our people and our strategic partners. This has heightened the emotional content in our working space, resulting in a better output.

We are focusing on our relationships to build an organisation with a high degree of motivation, leading to greater 'Pride of Ownership and Association'. This level of motivation is steadily increasing and attrition is at its lowest level since many years.

Using our ideology and outlook, I am confident that we will always remain at the cutting-edge of technology and provide the best to our consumers and shareholders.

Visiting card

Position

- Leading Indian consumer durables conglomerate.
- Product portfolio comprising televisions, air-conditioners, washing machines, microwave ovens, DVD players and audio-visual presentation products.
- Two principal brands - the visibly popular Onida brand addressing the premium segment and IGO targeting the mass-market.

Presence

- Principal assembly plant at Wada, located around 80 kms from Mumbai.
- Products readily available across 10,000 Indian retail outlets.
- Products also available in 16 countries including Russia, Ukraine, Middle East and SAARC, among others.
- Headquartered in Mumbai (India) with branch offices in all Indian metro cities and Dubai.

Pride-enhancing strengths

- Established the Onida brand with the Devil motif inspiring among the quickest consumer recalls.
- Strong R&D-led focus to manufacture products with cutting-edge technologies.
- Dispersed pan-Indian distribution network comprising 33 branch offices, 230 service centers and 46 stocking points.
- Strong staff strength of 1,510 employees across India.

Performance, 2005-06

- 12.64 percent growth in topline (gross) to Rs. 1343.21 cr.
- 18.02 percent increase in post-tax profit to Rs. 32.79 cr.
- Shares listed on the National and Bombay Stock Exchanges.
- Market capitalisation of Rs. 273.35 cr (as on 31st March, 2006).

As you turn the pages...

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Financial highlights

(Rs. cr)

Balance Sheet

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Sources of Funds								
Equity Share Capital	7.02	7.02	7.02	7.02	7.02	14.05	14.05	14.19
Share Capital Suspense Account	–	–	–	–	–	–	0.15	–
Preference Share Capital	2.00	–	–	–	–	–	–	–
Reserves & Surplus	141.59	178.32	200.20	163.12	207.64	173.52	180.62	201.28
Net Worth	114.20	140.02	156.38	170.14	214.66	187.57	194.82	215.47
Secured Loans	101.44	129.98	133.44	97.73	60.86	90.56	126.32	135.45
Unsecured Loans	64.78	63.09	74.24	65.57	60.32	25.03	74.93	30.74
Total Loans	166.22	193.07	207.68	163.30	121.18	115.59	201.25	166.19
Deferred Tax Liability	–	–	–	13.96	14.54	18.56	13.87	19.41
Total Liabilities	316.83	378.41	414.90	347.40	350.38	321.71	409.94	401.08
Application of Funds								
Gross Block	147.72	161.89	181.07	188.46	199.29	263.40	295.75	321.71
Depreciation	26.96	33.47	41.82	51.02	61.27	74.45	93.18	114.96
Net Block	120.76	128.42	139.25	137.44	138.02	188.95	202.57	206.75
Capital WIP	3.46	0.74	4.09	14.66	39.80	–	4.35	0.01
NB + CWIP	124.22	129.16	143.34	152.10	177.82	188.95	206.92	206.76
Investment	5.28	5.14	5.30	4.77	8.72	8.66	20.88	21.14
Deferred Tax Assets	–	–	–	0.06	0.06	–	–	–
Current Assets								
Inventories	93.62	98.82	135.90	107.74	124.03	93.78	164.25	174.88
Debtors	95.58	106.65	83.23	94.67	77.75	84.05	90.34	113.12
Cash & Bank Balances	13.29	13.66	11.55	15.57	9.99	7.12	20.80	36.72
Loans & Advances	52.52	80.33	89.68	85.93	97.64	89.69	54.30	46.91
Total Current Assets	255.01	299.46	320.36	303.91	309.41	274.64	329.69	371.63
Current Liabilities								
Liabilities	97.20	96.98	100.43	104.00	128.01	132.35	135.52	182.89
Provisions	6.89	3.69	4.51	9.44	17.62	18.19	12.03	15.56
Total Current Liabilities	104.09	100.67	104.94	113.44	145.63	150.54	147.55	198.45
Net Current Assets	150.92	198.79	215.42	190.47	163.78	124.10	182.14	173.18
Misc. Expenditure	36.41	45.32	50.84	–	–	–	–	–
Total Assets	316.83	378.41	414.90	347.40	350.38	321.71	409.94	401.08

Profit and Loss account

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Sales	683.25	791.40	708.64	760.88	980.50	1007.49	1192.51	1343.21
Excise	52.35	61.35	59.84	59.60	76.64	74.57	99.55	122.91
Net Sales	630.90	730.05	648.80	701.28	903.86	932.92	1092.96	1220.30
Service Income	6.08	6.94	8.53	10.71	3.96	2.10	–	–
Other Income	4.68	1.50	8.54	0.86	0.64	7.18	3.22	4.66
Total Income	641.66	738.49	665.87	712.85	908.46	942.20	1096.18	1224.96
Material Consumed	227.74	255.33	249.59	288.47	369.81	391.95	488.30	514.48
Cost Of Traded Goods Sold	248.75	281.96	224.79	220.54	277.02	308.60	328.65	376.47
Personnel Expenses	24.31	28.06	29.36	36.17	43.07	41.96	45.23	59.94
Freight & Forwarding Expenses	17.33	17.82	18.88	17.24	23.27	25.61	34.10	46.89
Advertisement Expenses	22.37	25.28	30.49	34.68	47.93	50.09	50.43	61.57
Other Expenses	40.84	48.83	47.29	51.18	55.85	51.28	76.51	74.85
Total Cost	581.34	657.28	600.40	648.28	816.95	869.49	1023.27	1134.20
PBDIT	60.32	81.21	65.47	64.57	91.51	72.71	72.91	90.76
Interest	22.44	19.27	21.32	13.87	10.16	6.38	12.94	17.65
PBDT	37.88	61.94	44.15	50.70	81.35	66.33	59.97	73.11
Depreciation	5.86	6.57	8.38	9.50	10.37	13.19	19.38	22.50
PBT	32.02	55.37	35.77	41.20	70.98	53.14	40.59	50.61
Tax	5.00	9.27	6.03	7.15	10.54	9.38	12.81	17.82
PAT	27.02	46.10	29.74	34.05	60.44	43.77	27.78	32.79
Equity Dividend Paid	4.57	7.02	7.02	7.02	14.05	14.05	8.52	10.65
Preference Dividend	0.23	0.07	–	–	–	–	–	–
Year End Price (Rs.)	236.30	399.50	461.20	405.55	349.50	25.70	21.45	19.25
Market capitalisation (Rs. cr)	165.88	280.45	323.76	284.70	490.70	361.19	301.46	273.35

Vision

To be the number one brand in our chosen field and to become a globally recognised, prestigious company through synergistic business investment, differentiation through innovation, passion through empowerment, cost through economies of scale and world-class systems and procedures that bring in delight of stakeholders.

Mission

To benefit society at large through innovation, quality, productivity, human development and growth, and to generate sustained surpluses, always striving for excellence, within the framework of law, and with pride in ethical values.

Values

- Respect for Individuals □ Passion for Perfection □ Achieving the Impossible
- Different and Unique □ Integrity □ Customer Relationship

Corporate Philosophy

Commitment to society/nation

We respect the society and the environment to which we belong and will contribute to its progress and welfare.

Passion for quality

Strive to make the best. Never compromise on quality. Give our customers better value-for-money, always.

Fairness

Fairness and justice in all our business and individual dealing – without this spirit, no man can win respect no matter how capable he may be.

People – our greatest assets

We value good people. It is our responsibility to create actively and constantly an environment that supports them to grow and flourish.

Harmony and co-operation

Alone we are weak. Together we are strong. Work together as a family in mutual trust and responsibility.

Courtesy and humility

Respect the right of others. Be cordial, modest and humble. Praise and encourage freely.

Strive for continuous improvement (Kaizen)

Seek and find in every action a way to

do things better, always better.

Growth

Growth is vital. Increasingly seek out ways and means to constantly move forward.

Innovation

Progress by adjusting to ever-changing environment around us. As the world moves forward, we must keep in step.

Gratitude

Always repay the kindness of our customers, associates, community, nation and friends worldwide with gratitude.

Directors' Profile

Mr. Gulu Mirchandani

Mr. Gulu Mirchandani is the Chairman and Managing Director of Mirc Electronics Limited, manufacturers of the prestigious and leading brand of consumer durables in India 'Onida'. He is an alumnus of BITS Pilani and holds a degree in B. E. (Mechanical). Mr. Mirchandani remains closely involved with the development of corporate strategy and formulating, incubating and delivering emerging technologies and services in the area of televisions. Mirc won an 'Award for Excellence in Electronics' under his leadership in 1999 from the Ministry of Information Technology, Government of India. He was also the president of 'Consumer Electronics and TV Manufacturers Association' (CETMA) for two consecutive years in 1992-94. He was also the Chairman of the Bombay Chapter of the World Presidents' Organisation (WPO), an international organisation of more than 3000 CEOs with operations in more than 60 countries.

Mr. Vijay Mansukhani

Mr. Vijay Mansukhani is a co-promoter of Mirc Electronics Limited. He has been associated with the company since its inception in 1981. He is a graduate from the College of Marine Engineering, Mumbai. He has over 30 years of experience and proven abilities in driving the organisational growth through the enhancement of existing growth areas and developing potential opportunities. He has been a key player in devising and implementing corporate growth strategies for Mirc.

Mr. Mansukhani is also involved in the telecom sector and is the Managing Director of Adino Telecom Limited, a joint venture with Enkay Telecommunications (India) Limited.

Mr. Manoj Maheshwari

Mr. Manoj Maheshwari is an entrepreneur with interests in consumer products, pharmaceuticals and chemical industries. He is a graduate from Bombay University with a major in Chemistry and is a post graduate in Industrial Management. In addition, he is also on the Board of public limited companies as an Independent Non-executive Director. He brings to the Mirc Board a judicious mix of entrepreneurial and professional skills.

Mr. Vimal Bhandari

Mr. Vimal Bhandari, is a Chartered Accountant from the Institute of Chartered Accountants of India (ICAI) New Delhi and a Bachelor of Commerce from the University of Mumbai. He is currently Country Manager, India of AEGON International NV and Director of AEGON India Business Services Private Limited. He was functional head of financial services business of ILFS and played a key role in managing the asset-based activities, non-fund based advisory activities, encompassing company valuation, mergers and acquisitions, strategic financial planning, disinvestments and dilutions by recourse to capital markets. He spearheaded various strategic forays into new initiatives

such as retail distributions, insurance, merchant banking, etc. He is also on the Board of various public limited companies.

Mr. Harsh Mariwala

Mr. Harsh Mariwala is an entrepreneur of repute, with interests in consumer products and other fields. He is a graduate from Mumbai University with a major in Commerce. He is the Chairman and Managing Director of Marico Industries Limited, and is also on the Board of various public limited companies. During his tenure in Marico Industries Limited the portfolio of brands has increased which includes major brands like 'Parachute', 'Saffola' and 'Sweekar'. He brings to the Mirc Board a blend of both entrepreneurial and professional skills.

Mr. Ranjan Kapur

Mr. Ranjan Kapur has a Masters degree in English from Delhi University, and a degree in Advanced Advertising Studies from the Advertising Agencies Association of America. He is a Country Manager, WPP Group, which is one of the world's largest communications company, and is the parent of well-known advertising agencies such as JWT, Young & Rubicam and Ogilvy & Mather. He has almost four decades of marketing and communications experience across several countries in East Asia, the US and India. He currently is on the Board of several WPP operating companies, Pidilite Industries Limited, The Magic Bus and Childline. The last two are NGOs that look after marginalised children.

Directors' Report



Dear Shareholders

Your Directors are pleased to present the twenty fifth Annual Report, together with the Audited Accounts for the financial year ended 31st March, 2006.

Financial results

(Rs. cr)

Parameters	2005-06	2004-05
Turnover	1343.21	1192.51
Profit before tax	50.61	40.59
Provision for taxation including deferred tax	17.82	12.81
Profit after tax	32.79	27.78
Profit available for appropriation	139.36	120.79
Proposed dividend	10.65	8.52
Tax on dividend	1.49	1.19
Transfer to General Reserve	4.10	4.50
Surplus carried to Balance Sheet	123.12	106.58

Financial performance

Mirc had another successful year with a growth of 12.64 percent in the overall turnover of Rs.1343.21 cr from Rs.1192.51 cr for the year ended 31 st March 2006. Profit before tax registered a growth of 24.69 percent at Rs.50.61 cr from Rs.40.59 cr, while profit after tax stood at Rs.32.79 cr, up from Rs.27.78 cr, an increase of 18.02 percent.

Dividend

For the year under review, the Directors of the company have recommended a dividend (free of tax in the hands of recipients) of Re. 0.75

per share (Re.0.60 per share for the previous year) on its equity capital amounting to Rs.10.65 cr.

Deposits

The company has not accepted any deposits from the public or its employees during the year under review.

Consolidated Financial Statements

In compliance with the Accounting Standard 21 and the Listing Agreement entered into with the stock exchange, Mumbai and the National Stock Exchange, this Annual

Report also includes Consolidated Financial Statements of Mirc Electronics Limited and its subsidiaries, Akasaka Electronics Limited and Imercius Technologies (India) Limited, for 2005-06.

Subsidiary companies

Your company has two direct subsidiaries viz. Akasaka Electronics Limited and Imercius Technologies (India) Limited. As per Section 212 of the Companies Act, 1956 your company is required to attach the Directors' Report, Balance Sheet and Profit and Loss Account of these subsidiaries. Your company had



applied to the Central Government for an exemption from such attachments as it presents the audited consolidated accounts of the company and its subsidiaries in the Annual Report. Your company believes that the consolidated accounts present a full and fair picture of the state of affairs and the financial conditions, as is done globally. The Central Government has granted your company exemption from complying with Section 212 with respect to its subsidiaries, Akasaka Electronics Limited and Imercius Technologies (India) Limited. Accordingly the Annual Report of your company does not contain the financial statement of these subsidiaries, but contains the audited consolidated financial statements of the company and its subsidiaries.

The annual accounts of these subsidiary companies along with related information, is available for inspection during business hours at the company's registered office. Copies of the audited accounts of the subsidiary companies can be sought by any member by making a written request to the company in this regard.

Quality

Mirc is committed to enrich the quality of its products. Quality is enriched through undertaking a number of initiatives comprising six-sigma quality management and

vendor innovation management (VIM) among others. The company is also equipped with a state-of-the-art laboratory for conducting various quality tests at its manufacturing facility at Wada.

Research and development

Cutting-edge research capabilities enable Mirc to develop products, which are customised to the needs and preferences of the consumer. As a step towards strengthening its research focus and to develop a strong pipeline of products, the company intends to commission an innovation centre, which will be an industry first.

Human resource development

In today's competitive environment the 'War for Talent' is intense. One of the biggest challenges before organisations is to attract and retain the best talent at all levels.

We realise that the best way to attract and retain talent is to ensure a conducive atmosphere for our associates to experience a sense of identity, a sense of importance and a sense of development.

It has been our endeavour to enhance employee engagement by providing them with a value based professional environment. A culture of meritocracy is being built up.

We recognise that we still have "..... miles and miles to go before....." and hence continue to benchmark our practices against the 'best in class' and continuously learn from other organisations.

Employee relations

Relations between employees and the management continued to be cordial during the year.

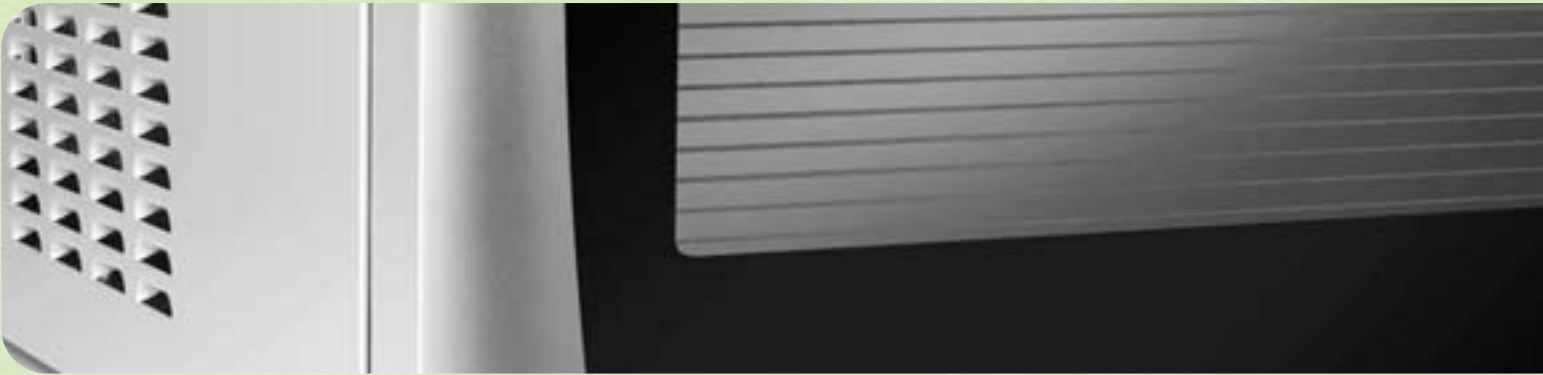
Information as per Section 217(2A) of the Companies Act, 1956 ("the Act") read with the Companies (Particulars of Employees) Rules 1975 forms a part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the shareholders of the company excluding the statement of particulars of employees under Section 217(2A) of the Act.

Industrial relations

The relationship with the recognised unions has remained cordial.

Corporate governance

Good governance has always been an integral part of your company's guiding philosophy. The Board of Directors supported the broad principles and the company complied with all the mandatory provisions prescribed in the Listing Agreement with the stock exchanges. In addition, the Board laid a strong emphasis on



transparency, accountability and integrity. Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis, Corporate Governance Report, together with the auditor's certificate, on compliance of conditions of Corporate Governance, form part of this annual report.

Directors

In accordance with the Articles of Association of the company, Mr. Ranjan Kapur and Mr. Vimal Bhandari, Non-executive and Independent Directors, retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The particulars of the Directors retiring by rotation and being eligible for re-appointment are given in the notice convening the Twenty Fifth Annual General Meeting.

Auditors

Messrs. N. M. Rajji & Company, Chartered Accountants, the Statutory Auditors of the company, hold office upto the conclusion of the forthcoming Annual General Meeting and have given their consent for re-appointment. It is proposed to re-appoint them as auditors for the financial year 2006-07 and fix their remuneration.

The company has received a written confirmation from Messrs. N. M. Rajji

& Co. to the effect that their appointment, if made, would be in conformity with the limits prescribed in Section 224 (1B) of the Companies Act.

Directors' responsibility statement

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) we 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 at the end of the financial year and of the profits of the company for that period;
- c) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) we have prepared the annual accounts on a going concern basis.

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

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

Acknowledgement

Your Directors thank the financial institutions and commercial banks associated with your company for their support. Since your company's employees enabled it to scale new heights, your Directors place, on record, their deep appreciation of their commitment and contribution as well. Your involvement as shareholders is also valued and your Directors look forward to your continuing support.

For and on behalf of the Board of Directors



G. L. Mirchandani
Chairman & Managing Director

Mumbai, 29th May, 2006

Annexure to the Directors' Report

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

1. Conservation of energy

The operations of your company are not energy-intensive. Your company is conscious about its responsibility towards a safe and clean environment and continues to adhere to all regulatory requirements and guidelines.

2. Technological absorption

Your company has not imported any technology.

3. Research and Development

Research and Development of new designs, frameworks, processes and methodologies continue to be of critical importance as they enhance innovation-led quality, productivity and customer satisfaction.

a) Specific areas in which Research

and Development is carried out by your company

Research and Development team at Mirc has always strived to deliver products with a consumer-centric focus, catering to their changing lifestyles.

Onida TVs deliver outstanding sound quality, air conditioners deliver powerful cooling even at highest temperatures, microwave ovens help the consumers prepare finest recipes in quick time, washing machines come with high power motors which, with the sheer force of water, scare away the stains, and DVD players with the help of scratch error correction play even scratched discs with ease.

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

- ☐ A wider product range that incorporates the latest technology.

- ☐ Cost benefits achieved through value engineering, indigenisation and quality improvement.

- ☐ Product differentiation that helps the company enjoy a price premium in a fiercely competitive market.

c) Plan of action

The company intends to strengthen its research focus through the enhancement of technology, which will help it to develop products for an unforgettable consumer satisfaction.

d) Expenditure on Research and Development

(Rs. in lacs)

	2005-06
1. Capital	28.45
2. Recurring	428.30
3. Total	456.75
4. Percentage of research and development as expenditure to total turnover	0.34

4. Foreign exchange earnings and outgo

(Rs. in lacs)

Parameters	2005-06	2004-05
Foreign exchange earnings	4983.57	4579.72
Foreign exchange outgo (including capital goods and imported software packages)	28618.25	23884.49

Management Discussion and Analysis



Industry structure and development

The globalisation and restructuring of the Indian economy triggered an unprecedented growth in the Indian consumer durables industry. The growth in this industry is redefining the lives of Indians in terms of employment generation and catering to their ever changing needs in the world of entertainment, information and education.

This industry in India is now at the cusp of an exponential growth. While there is a growing demand for skilled workers in this industry, semi-skilled and unskilled workers have also found employment. The industry is now worth Rs. 200 billion, staggering by any standards; over the years, the sector has enriched the lives of millions in more ways than one.

India's burgeoning middle class and the rise in their standard of living have contributed substantially to the growth of the Indian consumer durables industry. There has been a paradigm transition in the attitudes and preferences of Indian consumers, especially those in the age group of 18-35. These consumers do not look upon consumer durables as items of luxury any longer but as integral to their lives. This population segment is estimated at 300 million and is expected to grow to 450 million by

the end of the current decade, auguring well for sectoral growth.

The scenario is even more encouraging in rural India. Most Indian villages are attractive income earners and rural India accounts for an annual 25 percent growth in the offtake of consumer durables, catalysed in no small measure by the government's rural electrification programme

The other factor to have contributed to the growth of India's colour television industry, Mirc's mainstay business, has been growth in the Indian population. India has 1.3 billion people with a yearly population increment of 1.3 percent; vis-à-vis this phenomenal growth in population the colour television penetration per 1,000 persons was estimated at 73 compared to 847, 715 and 707 in the United States, Canada and Japan respectively. This indicates an ample scope for the Indian consumer durables industry to grow sustainably over the coming years.

The future is attractive for a company like Mirc for another reason: a significant cross-over of demand from the conventional cathode ray tube televisions to the contemporary flat televisions and this cross-over is expected to accelerate. Mirc is suitably placed to make the best of this emerging scenario. For the last 25 years the company captured

consumer recall through the introduction of innovative models, extended product range and superior price-value. The company has now extended to the manufacture and marketing of air-conditioners, DVDs, washing machines and microwave ovens as well, reinforcing its overall recall.

Opportunities and threats

The Indian economy is increasingly consumption-led, creating a number of opportunities for the consumer durables industry. A preference for sophisticated and 'experiential' brands along with the transformation of certain product categories from luxuries to necessities is expected to grow the Indian consumer durables industry. Besides, the market will ride the incidence of low product penetration, a large growing population and the commissioning of modern retail formats, encouraging manufacturers to introduce modern technology-based, feature-rich products.

There is also a considerable room for growth in rural India, constituting nearly 70 percent of the total number of Indian households. According to FICCI estimates, there exists a significant potential for the enhanced penetration of consumer durables; for instance, refrigerators suffer from a penetration of only two percent while



washing machines suffer from a penetration of 0.5 percent, considerably below even the prevailing benchmarks of the peer developing countries.

In response to this widening potential, the company expanded its scope from a single product to a multi-product portfolio, resulting in an enhanced possibility to occupy a larger shelf space. The company invested heavily in research and development to drive its innovation and cost-effectiveness; it emphasised a unique selling proposition to position and promote its products (described below).

ACs: Efficient cooling at all temperatures with a relatively higher energy efficiency ratio.

DVDs: Ability to play scratched discs.

Washing machines: Rust-resistant tubs and the ability of highly agitated water to clean clothes better.

Microwave ovens: Uniform heating.

Opportunities

- India's rising GDP growth can drive the demand for consumer durables.
- The penetration of consumer durables in rural India will only increase as disposable incomes rise.
- Attractive financing schemes will drive demand .
- Exports to South East Asian countries could increase .

- Media growth could enhance product awareness.

Threats

- Cyclicalities could trigger an industry recession.
- Exchange schemes and pricing strategies could have a negative industry impact.
- Cheaper imports from China and South East Asian countries could hurt the industry.
- A time lag between input cost escalation and increase in end product realisations could erode margins.
- A higher leverage could increase the interest outflow.

Risks and concerns

Risk is the potential harm that may arise from any present or future event. Macro economic risks like economic recession, poor monsoon, natural disasters or sudden political and social upheavals could adversely affect the industry. Mirc has always been proactive in risk identification and mitigation.

As part of a comprehensive de-risking strategy, the company initiated an organised system of forecasting and cost budgeting leading to an optimal utilisation of resources. The company expects to enhance its global presence to rationalise its significant dependence on the Indian geography.

Overview


The financial statements for 2005-06 were prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India. The management of the company accepts responsibility for the integrity and objectivity of these financial statements as well as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis so that the financial statements reflect in a true and fair manner the state of business and profits for the year under review.

Financial performance

Mirc reported a 12.64 percent growth in its topline (gross) to Rs. 1343.21 cr and an 18.02 percent increase in its post-tax profit to Rs. 32.79 cr in 2005-06. A significant proportion of the sales growth was derived from the increased offtake of color televisions, LCD monitors, projection televisions and other luxury consumer electronic products.

Resource and liquidity

Technology obsolescence and evolving consumer preferences have always threatened the consumer durables industry. In such a scenario, Mirc prudently opted for a



conservative gearing. Even after making substantial investments in its Wada factory and Imercius Technologies (India) Limited, the company enjoyed a gross debt-equity ratio (including long-term and short-term debt) of a mere 0.22 as on 31st March 2006; the company's long-term requirements were funded from accruals.

Outlook

Mirc remains optimistic for the following reasons:

- Its leverage of cutting-edge technologies has translated into an attractive product pipeline.
- It has extended from a single item to a multi-product portfolio.
- It provides a professional service to consumers.
- It relies on an honest, ethical approach, inspiring stakeholder confidence.

The company expects that the spirit of innovation will continue to strengthen its brand and enhance value for its stakeholders.

Internal control system

Mirc possesses adequate internal controls. These provide reasonable assurance that all its assets are safeguarded and transactions are authorised, recorded and reported correctly; they also ensure a

compliance with policies, statutes and codes of conduct. The internal control system provides for well-documented policies, guidelines, authorisation and approval procedures. The company also has an exhaustive budgetary control system. The actual performance is reviewed with reference to the budget by the management on an ongoing basis.

The company has an Audit Committee, which regularly reviews the reports submitted by the audit team on the adequacy, relevance and effectiveness of control systems, compliance with policies, plans and statutory requirements.

Human resources

Mirc's HR policy is aimed at improving employer-employee relations. The company's HR department takes a proactive role in responding to genuine grievances of employees to foster a warm positive relationship between the management and employees, increase job satisfaction and ensure that employees can add value to their lives. Customer needs are also comprehensively addressed by the HR department. The HR department is empowered to look after administration, recruitment, compensation, training, development, health and safety and employee

relations.

The management is continuously working on the development of human capital to enhance responsiveness, efficiency and effectiveness in an ever-changing business environment. Employee performance is continuously evaluated against agreed KRAs as well as a feedback on behavioural competencies.

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 expectations 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.

For and on behalf of the Board of Directors



G. L. Mirchandani
Chairman & Managing Director

Mumbai, 29th May, 2006

Directors' Report on Corporate Governance

Philosophy

At Mirc, a rare confluence of employee and customer satisfaction leads to enhanced value for shareholders. No wonder, its philosophy of corporate governance embraces transparency, integrity, accountability and responsibility.

The company seeks feedback leading to a periodic review and strengthening of its guidelines to keep itself abreast of the changing times.

Board of Directors Composition and category

The Board of Directors of the company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management, law and marketing. The composition of the Board of Directors with reference to the number of Executive and Non-executive Directors, meets with the requirements of Clause 49(I)(A) of the Listing Agreement.

The present strength of the Board of Directors is six, whose composition is given below:

- ☐ Two promoters, Executive Directors
- ☐ Four Independent, Non-executive Directors

None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees across all companies in which they are Directors.

Mirc's Board is constituted as under:

Name	Category of Directorship	Number of outside Directorships held	As Chairman/Member of Board committees other than Mirc Electronics Limited	
			Chairman	Member
Mr. G. L. Mirchandani	Chairman and Managing Director	10	Nil	1
Mr. V. J. Mansukhani	Wholetime Director	4	Nil	Nil
Mr. Manoj Maheshwari	Independent and Non-Executive Director	5	Nil	5
Mr. Vimal Bhandari	Independent and Non-Executive Director	4	Nil	1
Mr. Harsh Mariwala	Independent and Non-Executive Director	4	3	Nil
Mr. Ranjan Kapur	Independent and Non-Executive Director	1	Nil	Nil

Note: (1) Private Limited Companies, Foreign Companies and Companies constituted under Section 25 of the Companies Act, 1956 are excluded for the above purpose. (2) Only Audit Committee, Investors' Grievance Committee and Remuneration Committee are considered for the purpose of Committee positions as per Listing Agreement.

Board procedure and responsibilities

The Board meets at least once a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/ business plans, financial results, annual budgets, detailed presentations are made. The agenda and the relevant notes are sent in advance separately to each Director

and only in exceptional cases, the same is tabled at the meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman. The members of the Board enjoy complete access to all information of the company. The senior management is invited to attend these Board meetings to provide additional inputs.

The Board of Directors represents the interests of the company's shareholders in optimising long-term value by providing the management with guidance and strategic directions on behalf of the shareholders. The Board's mandate is to oversee the corporation's strategic decisions,

review corporate performance, authorise and monitor strategic investments, ensure regulatory compliance and safeguard shareholders' interest. These Board members ensure that their other responsibilities do not impinge on their responsibility as Directors of Mirc.

Board meetings

During the financial year 2005-06, the Board met on six occasions (5th April, 2005; 30th June, 2005; 28th July, 2005; 28th November, 2005; 21st December, 2005 and 30th January, 2006). The interval between any two meetings was not more than four calendar months.

The attendance record of each Director at the Board Meetings and the last Annual General Meeting is given below:

Name	Board Meetings		Attendance at last AGM
	Held	Attended	
Mr. G. L. Mirchandani	6	5	Yes
Mr. V. J. Mansukhani	6	6	Yes
Mr. Manoj Maheshwari	6	5	No
Mr. Vimal Bhandari	6	4	Yes
Mr. Harsh Mariwala	6	4	No
Mr. Gautam Doshi*	6	3*	NA
Mr. Ranjan Kapur **	6	5**	Yes

* Resigned w.e.f. 28th November, 2005

**Appointed w.e.f. 28th November, 2005

Board committees

To facilitate focused attention, the Board delegates specific matters to

committees set up for the purpose. These committees prepare the groundwork for decision-making and

report it at the subsequent Board Meeting.

Audit Committee

The company's Audit Committee comprises Non-executive, Independent Directors namely, Mr. Vimal Bhandari (as Chairman), Mr. Ranjan Kapur and Mr. Manoj Maheshwari. These members possess a sound knowledge of financials, accounting, audit and company law. The terms of reference of the Audit Committee are wide enough to cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 and inter-alia include:

- Review 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.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditor and fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the management, the annual financial statement before submission to the Board for approval, with particular reference to:
 - i) Matters required to be included in the Directors' Responsibility Statement, which forms part of the Directors' Report, pursuant to Clause 2AA of Section 217 of the Companies

Act, 1956.

- ii) Changes, if any, in accounting policies and practices and reasons for the same.
- iii) Major accounting entries involving estimates based on the exercise of judgement by management.
- iv) Significant adjustments made in the financial statements arising out of audit findings.
- v) Compliance with listing and other legal requirements relating to financial statements.
- vi) Disclosure of any related party transactions.
- vii) Qualifications in the draft Audit Report.
- viii) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- ix) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- x) 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.
- xi) Discussion with internal auditors any significant findings and follow up thereon.
- xii) 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 material nature and reporting the matter to the Board.

- xiii) Discussion with Statutory Auditors before audit commences, about the nature and scope of the audit as well as post audit discussions to ascertain any area of concern.
- xiv) Carry out any other function as mentioned in the terms of reference of the Audit Committee.

In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference to seek information from employees and to obtain outside legal and professional advice.

The Audit Committee reviews the quarterly, half-yearly and yearly financial results with the management before submitting it to the Board for its consideration and approval.

The Audit Committee met five times during the year on the following dates (30th June, 2005; 28th July, 2005; 28th November, 2005; 21st December, 2005 and 30th January, 2006). Mr. G. L. Mirchandani, Chairman and Managing Director, and Mr. V. J. Mansukhani, Wholetime Director, are permanent invitees to the Audit Committee Meetings. The Company Secretary acted as Secretary in the Audit Committee.

The attendance record of each Director at the Audit Committee Meetings is given below:

Name	Audit Committee Meetings	
	Held	Attended
Mr. Gautam Doshi*	5	2*
Mr. Manoj Maheshwari	5	4
Mr. Vimal Bhandari	5	3
Mr. Ranjan Kapur**	5	2**

* Resigned w.e.f. 28th November, 2005

**Appointed w.e.f. 28th November, 2005

Remuneration Committee

The company's Remuneration Committee comprised three Non-executive Directors (all independent) namely Mr. Harsh Mariwala, Mr. Vimal Bhandari and Mr. Manoj Maheshwari. The annual compensation of the Executive Directors was recommended by the Remuneration Committee and approved by the Board. The Board also approved the compensation of the Non-executive Directors.

The terms of reference of the Remuneration Committee included a

review and recommendation to the Board of Directors on compensation payable to the Executive Directors. The Committee also structured a performance-oriented compensation policy for its senior management and staff.

Remuneration Policy

Mirc's Executive Directors were appointed on a contractual basis following shareholders' approval. The remuneration package of the Executive Directors was determined by this Remuneration Committee

within the permissible limits under the applicable provisions of law and following shareholders' approval. The remuneration comprised salary, allowances, perquisites and commissions as approved by the shareholders. The Remuneration Committee also decided annual increments. The elements of the remuneration package of Non-Executive Directors consisted of an annual commission in addition to sitting fees. The details of remuneration to Directors are as follows:

Director	Relationship with Mirc	Remuneration paid during 2005-06			
		Sitting fees	Salary and perquisites	Commission	Total
Mr. G. L. Mirchandani	Promoter	–	77,31,600	58,95,550	1,36,27,150
Mr. V. J. Mansukahani	-do-	–	77,18,804	58,95,550	1,36,14,354
Mr. Gautam Doshi*	Independent and Non-Executive Director	25,000	–	1,43,000	1,68,000
Mr. Harsh Mariwala	-do-	20,000	–	1,33,000	1,53,000
Mr. Vimal Bhandari	-do-	35,000	–	1,27,000	1,62,000
Mr. Manoj Maheshwari	-do-	45,000	–	2,00,000	2,45,000
Mr. Ranjan Kapur**	-do-	35,000	–	2,00,000	2,35,000

* Resigned w.e.f. 28th November, 2005

**Appointed w.e.f. 28th November, 2005

Investors' Grievance Committee

Mirc's Investors' Grievance Committee comprised Mr. Harsh Mariwala, Mr. G. L. Mirchandani and

Mr. V. J. Mansukhani. This Committee is authorised to approve the transfer of shares and monitors other investors' grievances. The details of the transfers are reported

to the Board of Directors. The meetings were generally held each fortnight. Mr. Harsh Mariwala is the Chairman of the Committee.

Name	Share Transfer Committee Meetings	
	Held	Attended
Mr. G. L. Mirchandani	21	21
Mr. V. J. Mansukhani	21	20
Mr. Harsh Mariwala	21	21

Name and designation of the Compliance Officer: Mr. Girjesh Shrivastava, Asst. Company Secretary.

Details of General Body Meetings

Location and time where last three AGMs, including the Extraordinary General Meeting (EGM) were held

Year	Location	Type of Meeting	Date	Time
2004-05	Hall of Harmony, Mumbai	Annual General Meeting	30th January, 2006	11.30 a.m.
2004-05	Hall of Harmony, Mumbai	Extraordinary General Meeting	3rd June, 2005	11.00 a.m.
2003-04	Dinanath Mangeshkar Natyagriha, Mumbai	Annual General Meeting	12th August, 2004	11.00 a.m.
2002-03	Dinanath Mangeshkar Natyagriha, Mumbai	Annual General Meeting	25th August, 2003	11.00 a.m.

All the resolutions in the AGM/EGM were passed through a show of hands.

Details of Special Resolutions passed in the last three Annual General Meetings:

Year	Brief particulars of the Resolution
2004-05	i) To authorise the payment of commission at the rate not exceeding one percent of the net profits of the company in each year to Directors (other than the Directors who are either in the whole time employment of the company or Managing Director of the company) for a period of five years.
	ii) To appoint Mr. Kaval G. Mirchandani, relative of Mr. G.L. Mirchandani, CMD of the company, in management cadre, under Section 314 (1B) of the Companies Act, 1956.
2003-04	i) To appoint Mr. Sasha G. Mirchandani, relative of Mr. G.L. Mirchandani, CMD of the company, in management cadre, under Section 314 (1B) of the Companies Act, 1956.
2002-03	i) To keep the company's registers and indices of members at the office of the Registrars and Share transfer Agents of the company M/s Intime Spectrum Registry Limited.
	ii) Delisting of shares of the company from stock exchange, Ahmedabad, the Bangalore Stock Exchange, the Calcutta Stock Exchange Association, the Delhi Stock Exchange and the Madras Stock Exchange Limited.

Disclosures

Materially significant related party transactions

No transaction of a material nature transpired between the company and its promoters, Directors, management or their relatives who could have represented a potential conflict with the interests of the company. The register of contracts containing the transactions in which the Directors are interested was placed regularly before the Board. There were no pecuniary transactions with the Independent / Non-Executive Directors, other than the payment of remuneration.

Accounting treatment and significant accounting policies

In the preparation of the financial

statements, the company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India and the significant accounting policies, which are consistently applied and set out in the Annexure to the notes to the accounts.

Risk evaluation and management

Business risk evaluation and management is an ongoing process within the company. All risk management aspects are incorporated in a comprehensive risk warning system. During the year under review, a detailed exercise on 'Risk Assessment and Management' was carried out covering the entire gamut of business operations.

Status of regulatory compliances

The company has complied with all requirements of the Listing Agreements entered into with the stock exchanges as well as the regulations and guidelines of SEBI. Consequently, there are no strictures or penalties imposed on any matter relating to capital markets during the last three years.

Means of communication

The audited financial results were published in the *Business Standard* and *Sakal*, a vernacular newspaper. All material information about the company was sent through facsimile to the stock exchange where the company's shares are listed and released for dissemination to the public at large.

General shareholders' information

Annual General Meeting:

Date and Time	27th September, 2006 at 11.00 a.m.
Venue	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018

Financial calendar (tentative):

Results for the quarter ending 30th June, 2006	Last week of July, 2006
Results for the half year ending 30th September, 2006	Last week of November, 2006
Results for the quarter ending 31st December, 2006	Last week of January, 2007
Results for the year ending 31st March, 2007	Last week of May, 2007

Book Closure:	16th September, 2006 to 27th September, 2006 (Both days inclusive)
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Dividend payment date:	On or after 27th September, 2006
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Stock exchanges where the company's shares are listed	Bombay Stock Exchange National Stock Exchange
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Note : (i) Annual listing fees for the year 2006-07 (as applicable) has been paid to the stock exchanges.
(ii) The company's equity shares have been delisted from the Stock Exchanges of Delhi, Chennai, Bangalore and Ahmedabad. The company's application to Calcutta stock exchange for delisting is in an advanced stage of delisting.

Stock code at BSE	500279
Stock Symbol at NSE	MIRCELECTR
Demat ISIN numbers in NSDL and CDSL for equity shares	INE831A01028

Nomination facility

Individual shareholders of physical shares can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transmitted to his name. Members are requested to write to the Registrar and Share Transfer Agents to avail the facility.

Senapati Bapat Marg,
Lower Parel, Mumbai 400 013,
email: info@nsdl.co.in,
website: www.nsdl.com or
Central Depository Services (India)
Limited, Phiroze Jeejeebhoy Towers,
28th Floor, Dalal Street,
Mumbai 400 023,
email: investors@cdslindia.com,
website www.cdslindia.com

transferred to the Investor Education and Protection Fund, constituted and administered by the Central Government. Unclaimed dividend for the financial year 1997-98 was transferred to the said fund in December 2005 in accordance with the current regulations. The following table gives the dates of dividend declaration or payment since 1999 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government along with the total unclaimed dividend amount with respect to each dividend. No claim would lie against the fund or the company after the said transfer.

Depository services

For guidance on depository services, shareholders may write to the Registrar and Share Transfer Agent or National Securities Depository Limited, Trade World, 5th Floor, Kamla Mills Compound,

Unclaimed dividends

As of 31st March, 2006, dividend amounting to Rs. 96.84 lacs had not been claimed. Under the Companies Act, 1956, dividends lying unclaimed for a period of seven years from the date of their payment must be

Year	Dividend	Date of declaration	Date of transfer	Amount of dividend (Rs. Lacs)	Dividend unclaimed as on 31st March, 2006 (Rs. Lac)	% unclaimed
1998-99	Final	23rd September, 1999	4th November, 2006	456.76	6.04	1.32
1999-00	1st interim	14th July, 1999	25th August, 2006	245.95	3.07	1.25
	2nd interim	16th October, 1999	27th November, 2006	105.40	1.64	1.56
	3rd interim	1st January, 2000	12th February, 2007	351.35	5.49	1.56
	Final	31st March, 2000	13th May, 2007	210.81	3.14	1.49
2000-01	1st interim	31st July, 2000	12th September, 2007	70.27	1.37	1.95
	2nd interim	31st October, 2000	13th December, 2007	105.41	1.63	1.55
	3rd interim	30th January, 2001	29th January, 2008	175.67	2.72	1.55
	Final	25th September, 2001	24th October, 2008	140.54	2.25	1.60
2001-02	Final	30th September, 2002	29th October, 2009	702.70	7.96	1.13
2002-03	Final	25th August, 2003	6th October, 2010	1405.40	15.02	1.07
2003-04	Final	12th August, 2004	30th September, 2011	1405.40	17.17	1.22
2004-05	Final	30th January, 2006	29th January, 2013	852.00	29.34	3.44

Market price data

Month	Mirc at BSE		BSE sensex		Mirc price movement (%)		BSE sensex movement (%)	
	High	Low	High	Low				
Apr 05	23.00	19.70	6649.42	6118.42	-	-	-	-
May 05	26.40	19.55	6772.74	6140.97	15	-1	2	-
Jun 05	24.75	20.70	7228.21	6647.36	-6	6	7	8
Jul 05	24.00	21.50	7708.59	7123.11	-3	4	-6	7
Aug 05	27.50	22.60	7921.39	7537.50	14	5	3	6
Sep 05	27.50	23.45	8722.17	7818.90	-	4	10	4
Oct 05	24.80	20.50	8821.84	7656.15	-10	-12	1	-2
Nov 05	23.90	20.25	9033.99	7891.23	-3	-1	2	1
Dec 05	23.40	21.45	9442.98	8769.56	-2	6	4	11
Jan 06	25.35	21.90	9945.19	9158.44	8	2	5	4
Feb 06	22.85	19.35	10422.65	9713.51	-10	-11	5	6
Mar 06	20.30	18.55	11356.95	10344.26	-11	-4	9	6

Source: www.bseindia.com

Share Transfer System

The Registrar and Share Transfer Agents registered share transfers in physical form within 15 days of the receipt of the completed documents. Invalid share transfers were returned within 15 days of receipt. All requests

for de-materialisation of shares were processed and confirmation were given to the respective Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The company also offered transfer-cum-demat facility.

Registrar and Share Transfer Agent:

M/s Intime Spectrum Registry Limited,
C 13, Pannalal Silk Mills Compound,
Lal Bahadur Shastri Marg, Bhandup,
Mumbai 400 078.
Telephone: 25963838

Distribution schedule as on 31st March, 2006

Equity shares held	Shareholders	% of shareholders	Shares	% of shareholding
1-5000	29229	97.66	23459477	16.69
5001-10000	371	1.24	2903269	2.07
10001-20000	188	0.63	2805081	2.00
20001-30000	51	0.17	1313583	0.93
30001-40000	20	0.07	702044	0.50
40001-50000	13	0.04	611626	0.44
50001-100000	25	0.08	1902332	1.35
100001 and above	33	0.11	106842708	76.02
Total	29930	100.00	140540120	100.00

Category of shareholders as on 31st March, 2006

Category	Number of shareholders	Voting strength (%)	Number of shares held
A. Promoter's Holding			
Indian Promoters	6	54.43	76491061
Persons Acting in Concert	6	0.06	87104
B. Non-promoter's Holding			
Mutual Funds and UTI	3	2.42	3396714
Banks, financial institutions, companies (Central/ State Government, Non Government Institutions)	5	2.91	4085818
FII's	15	9.07	12747810
C. Others			
Private corporate bodies	740	9.21	12947228
Indian public	28897	21.47	30169744
NRI's/ OCB's	147	0.32	461056
Any other clearing members	111	0.11	153585
Total	29930	100.00	140540120

Dematerialisation of shares and liquidity

The company entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31st March, 2006, 94.92 percent of the company's total shares (133400473 shares) were held in a dematerialised form while 5.08 percent (7139647 shares) were held in the physical form.

Outstanding GDRs/ADRs/ warrants or any convertible instruments, conversion date likely impact on equity - Not applicable

Address for correspondence

Mirc Electronics Limited
Onida House,
G1, MIDC, Mahakali Caves Road,
Andheri (East), Mumbai 400 093
www.truthatonida.com

Plant location

Village Kudus,
Bhiwandi Wada Road,
Taluka Wada,
District Thane

Declaration

As provided under Clause 49 of the Listing Agreement with the stock exchanges, all Board members and senior management personnel have affirmed compliance with Mirc Electronics Limited's code of business conduct and ethics for the year ended 31st March, 2006.

For and on behalf of the Board of Directors



G. L. Mirchandani

Chairman & Managing Director

Mumbai, 29th May, 2006

Compliance certificate of the auditors

The Statutory Auditors have certified that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the stock exchanges and the same is annexed to the Directors' Report and Management Discussion and Analysis.

Auditors' Certificate

To the Members of Mirc Electronics Limited

We have examined the compliance of conditions of Corporate Governance by Mirc Electronics Limited for the year ended on March 31, 2006, as stipulated in Clause 49 of the listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

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

For **N.M. Raiji & Co.**
Chartered Accountants



J. M. Gandhi
Partner

Mumbai, May 29, 2006

Membership No: 37924

Auditors' Report

To the Members of Mirc Electronics Limited

We have audited the attached Balance Sheet of Mirc Electronics Limited, as at March 31, 2006 and also the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003, as amended by the DCA notification GSR 766(E) dated November 25, 2004, (hereinafter to be referred to as "the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors as on March 31, 2006 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2006 from being appointed as a director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon give the information required by the Companies Act, 1956, and gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2006;
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **N.M. Raiji & Co.**
Chartered Accountants



J. M. Gandhi
Partner

Mumbai, May 29, 2006

Membership No: 37924

Annexure to the Auditors' Report

Referred to in paragraph 3 of the Auditors report of even date of Mirc Electronics Limited for the year ended March 31, 2006.

- (i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets;
 - b) According to the information and explanations given to us, the company has a regular programme of physical verification by which a substantial portion of the fixed assets has been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on verification conducted during the year as compared with the book records and the same have been appropriately dealt with in the books of accounts.
 - c) The assets disposed off during the year are not significant and therefore do not affect the going concern assumption;
- (ii)
 - a) Inventories have been physically verified by the Management, during the year. In our opinion, the frequency of verification is reasonable. In the case of service spares lying with the third parties; certificates confirming stocks have been obtained.
 - b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of the inventories followed by the management were generally reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) In our opinion the Company is maintaining proper records of inventory. The discrepancies noticed between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.
- (iii)
 - a) During the year, the Company has granted unsecured loans to two companies covered in the register maintained under Section 301 of the Companies Act, 1956. The aggregate maximum amount during the year and outstanding amount on the balance sheet date of such loans is Rs. 509.75 lacs.
 - b) In case of outstanding amount from one of the subsidiary, interest for the year has been waived by the Management. In our opinion and according to the information and explanations given to us, the rate of interest (on the loan other than referred before) and other terms and conditions on which said loans have been granted are not, prima facie, prejudicial to the interest of the Company.
 - c) Considering waiver by the Company, there are no overdue amounts of principal and interest in respect of loans granted.
 - d) The Company has taken unsecured loan from a company covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount during the year and outstanding amount on the balance sheet date of such loans are Rs.1340.50 lacs and Rs.1074.50 lacs respectively.
 - e) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which said loans have been taken are not, prima facie, prejudicial to the interest of the Company.
 - f) The company is repaying the principal amounts as stipulated and has been regular in the payment of interest thereon.
- (iv) In our opinion and according to the information and explanations given to us, generally there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v)
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements that need to be entered into the register maintained under section 301 have been properly entered in the said register.
 - b) During the year, there are transactions of purchase of materials and services from three parties covered under section 301 of the Companies Act, 1956 and exceeding Rupees five lacs. As per the information and explanation provided to us, the said purchases are made at prevailing market prices except for purchases of special nature wherein comparative prices of similar goods are not available. Also, there are transactions of sale of spares to one of the parties covered under section 301 of the Companies Act, 1956 exceeding Rupees five lacs. These are entered at prices which are reasonable having regard to the prevailing market prices at the time of sale.
- (vi) The Company has not accepted any deposits from the public, hence the provision of Section 58A, 58AA or any other relevant provisions of the Companies Act 1956 and the rules framed there under are not applicable.
- (vii) In our opinion, the Company has a system of internal audit, which is, commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government under Section 209(1) (d) of the Companies Act, 1956 for maintenance of cost records in respect of products manufactured and are of the opinion that, prima facie, the prescribed accounts and records have been maintained by the company. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.


Annexure to the Auditors' Report

- (ix) a) According to the information and explanation provided to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including amount of provident fund, investor education protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, custom duty, excise-duty, service tax, cess and other material statutory dues, applicable to it. According to the information and explanations given to us, no undisputed amounts were in arrears, as at March 31, 2006 for a period of more than six months from the date they became payable.
- b) The following are the details of disputed Income Tax, Excise Duty, and Sales tax that have not been paid to the concerned authorities.

Name of Statute	Relevant Financial Year	Forum where Dispute is Pending	Unpaid Amount (Rs. in Lacs)
Income Tax	1991-1992, 1994-1995	High Court	206.84
Income Tax	1987-1988, 1989-1990, 1990-1991, 1992-1993, 1993-1994, 1996-1997	ITAT	474.39
Income Tax	2001-2002	CIT (A)	71.03
Excise	1998-1999	High Court	14.04
Excise	1997-2000	Commissioner	50.42
Excise	1999-2000	Joint Commissioner (Appeals)	5.99
Custom Act	1998-1999	Commissioner	35.77
Sales Tax	2000-2001	Joint Commissioner (Appeals)	5.49
Sales Tax	1999-2000, 2000-2001	Tribunal	24.16
Sales Tax	1997-2005	AC/ACCT (Appellate)	585.56
Sales Tax	1999-2002	Board of Madhya Pradesh Commercial Taxes, Bhopal	3.56

- (x) The company does not have accumulated losses and has not incurred cash losses during the financial year and the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xiii) The Company is not a chit fund or a nidhi/mutual fund benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, and debentures. However, it has dealings in Mutual Fund Units during the year. For the transactions in Mutual fund units the company has maintained proper records and has made timely entries therein. All the shares, securities and other investments are held by the company in its own name except for 28900 units of UTI Master Gain 1992 for which necessary provision has been made.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by its subsidiaries from bank is not, prima facie, prejudicial to the interest of the Company.
- (xvi) In our opinion and on the basis of the information and explanation given to us, the term loans have been applied for the purpose for which they were raised other than amounts temporarily invested pending utilization of the funds for the stated use.
- (xvii) On the basis of our examination of the books of accounts and the information and explanation given to us, we report that, the funds raised on short-term basis have not been used for long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us the Company has not issued any secured debentures, which are outstanding during the year.
- (xx) During the period covered by our audit report, the Company has not raised any money by way of a public issue;
- (xxi) According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year.

For N.M. Raiji & Co.
Chartered Accountants


J. M. Gandhi
Partner

Mumbai, May 29, 2006

Membership No: 37924

Balance Sheet as at

Rs. in Lacs

	Schedule	31st March, 2006	31st March, 2005
SOURCES OF FUNDS			
Shareholders Funds:			
Capital	1	1419.35	1404.76
Share Capital Suspense Account	1 A	-	14.59
Reserves and Surplus	2	20127.68	18062.80
		21547.03	19482.15
Loan Funds			
Secured	3	13544.96	12632.59
Unsecured	4	3074.50	7492.66
		16619.46	20125.25
Deferred Tax Liabilities (Net)		1941.18	1386.55
(Refer Note 17 of Schedule 21)			
TOTAL		40107.67	40993.95
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		32170.55	29574.74
Less: Depreciation		11495.63	9318.49
Net Block		20674.92	20256.25
Capital Work in Progress		1.01	435.27
		20675.93	20691.52
Investments	6	2113.53	2087.62
Current Assets, Loans and Advances			
Inventories	7	17488.06	16424.77
Sundry Debtors	8	11311.71	9033.85
Cash and Bank Balances	9	3672.42	2080.43
Loans and Advances	10	4691.53	5430.41
		37163.72	32969.46
Less: Current Liabilities and Provisions			
Liabilities	11	18289.15	13552.08
Provisions	12	1556.36	1202.57
		19845.51	14754.65
Net Current Assets		17318.21	18214.81
TOTAL		40107.67	40993.95
Notes Forming Part of The Accounts	21		

As per our Report attached
For **N.M. RAIJI & CO.,**
Chartered Accountants



J.M.GANDHI
Partner

For and on behalf of the
BOARD OF DIRECTORS



G.L.MIRCHANDANI
Chairman and Managing Director



MANISH DESAI
G.M.Finance



V.J.MANSUKHANI
Whole Time Director

Mumbai, May 29, 2006

Profit and Loss Account for the year ended

Rs. in Lacs

	Schedule	31st March, 2006	31st March, 2005
INCOME			
Sales/Income from Operation (Gross)	13	134321.05	119250.82
Less : Excise Duty on Sales		12291.02	9955.45
Sales/Income from Operation (Net)		122030.03	109295.37
Other Income	14	466.45	322.38
TOTAL		122496.48	109617.75
EXPENDITURE			
Materials Consumed	16	52073.30	50312.68
Cost of Traded Goods Sold	17	37646.75	32864.80
Personnel Expenses	18	5993.92	4523.34
Depreciation	5	2250.43	1937.86
Financial Expenses	19	1764.93	1293.82
Other Expenses	20	18331.38	16109.52
		118060.71	107042.02
(Less)/Add:(Accretion) / Decretion in Stocks	15	(625.38)	(1,483.32)
TOTAL		117435.33	105558.70
PROFIT BEFORE TAX		5061.15	4059.05
Fringe Benefit Tax		166.98	-
Current Tax (Including Wealth Tax)		1060.29	315.09
Deferred Tax		554.63	965.51
PROFIT AFTER TAX		3279.25	2778.45
Surplus Brought Forward from previous Year		10657.27	9300.27
TOTAL		13936.52	12078.72
APPROPRIATIONS			
Dividend on Equity Shares			
Final Equity Dividend - Proposed		1065.00	852.00
Tax on Proposed Dividend		149.37	119.45
Transfer to General Reserve		410.00	450.00
Surplus carried to Balance Sheet		12312.15	10657.27
TOTAL		13936.52	12078.72
Notes Forming Part of The Accounts	21		
Basic & diluted earnings per share (Rs.)		2.31	1.98

As per our Report attached
For **N.M. RAIJI & CO.**,
Chartered Accountants



J.M.GANDHI
Partner

For and on behalf of the
BOARD OF DIRECTORS



G.L.MIRCHANDANI
Chairman and Managing Director



MANISH DESAI
G.M.Finance



V.J.MANSUKHANI
Whole Time Director

Mumbai, May 29, 2006

Schedules forming part of the Balance Sheet as at

Rs. in Lacs

	31st March, 2006	31st March, 2005
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
15,00,00,000 Equity Shares of Re.1/- each (Previous year 15,00,00,000 Equity Shares of Re.1/- each)	1500.00	1500.00
20,00,000 (Previous year 20,00,000) Preference Shares of Rs.100/- each	2000.00	2000.00
	3500.00	3500.00
Issued, Subscribed and Paid Up		
14,19,99,584 Equity Shares of Re.1/- each fully paid up (Previous year 14,05,40,120 Equity Shares of Re.1/- each fully paid up)	1419.99	1405.40
Less: Calls in arrears	0.64	0.64
	1419.35	1404.76
Notes: Of the above		
-> 7,48,96,575 (Previous year 7,48,95,060) Equity Shares are held by the Holding Company, Guviso Holdings Limited.		
-> 9,36,95,620 (Converted into Face value of Re.1/-) Equity Shares are allotted as fully paid Bonus Shares by capitalisation of General Reserve and Capital Redemption Reserve.		
-> 14,59,464 Equity Shares were allotted as per the scheme of Amalgamation of Onida Savak Ltd. with the Company		
TOTAL	1419.35	1404.76
SCHEDULE 1 A		
SHARE CAPITAL SUSPENSE ACCOUNT		
14,59,464 Equity Shares of Re. 1/- each to be issued as fully paid-up to the Shareholders of Onida Savak Limited as per the Scheme of Amalgamation	-	14.59
TOTAL	-	14.59

Schedules forming part of the Balance Sheet as at

Rs. in Lacs

	31st March, 2006	31st March, 2005
SCHEDULE 2		
RESERVES AND SURPLUS		
Capital Reserve	7.07	7.07
Share Premium		
Opening	1.39	1.31
Add : Receipts during the year	-	0.08
	1.39	1.39
General Reserve		
As per last Balance Sheet	7397.07	8042.98
Add : Impact of Amalgamation	-	(1095.91)
Add : Transferred from Profit & Loss Account	410.00	450.00
	7807.07	7397.07
Profit and Loss Account	12312.15	10657.27
TOTAL	20127.68	18062.80
SCHEDULE 3		
SECURED LOANS		
From Banks	13544.96	12632.59
TOTAL	13544.96	12632.59
Of the above Rs. 9875.58 (Previous year : Rs. 6530.33) is repayable within one year		
Notes		
1) Cash Credit is secured by first pari passu charge in favour of the bankers by hypothecation of Company's current assets, and by second charge on the Company's immovable and movable properties and further secured by the corporate guarantee of the Holding Company.		
2) Long term Loan from UTI Bank Limited is secured by way of sub servient charge on all movable Plant & Machinery / Furniture & Fixtures etc.		
3) Long term foreign currency loan from HDFC Bank Limited is secured by first charge on Fixed Assets at Wada Factory.		
SCHEDULE 4		
UNSECURED LOANS		
From Banks	2000.00	4295.16
From Others	1074.50	3197.50
TOTAL	3074.50	7492.66
Of the above, Rs. 2074.50 (Previous year: Rs. 4992.66) is repayable within one year.		

Schedules forming part of the Balance Sheet as at

Rs. in Lacs

SCHEDULE 5

FIXED ASSETS - [Refer Note 1 (b) of Schedule 21]

Description	Gross Block			As at 31.03.2006	Depreciation			Net Block	
	As at 01-04-2005	Additions/ Adjustments	Deletions/ Adjustments		For the year 2005-06	Deletions/ Adjustments	Upto 01.04.2005	Upto 31.03.2006	As on 31.03.2006
INTANGIBLE ASSETS									
1 R & D Software	24.57 20.14	8.37 4.42	- (0.01)	32.94 24.57	3.56 2.49	- -	11.64 9.15	15.20 11.64	17.74 12.93
TANGIBLE ASSETS									
2 Leasehold land	382.70 382.70	- -	(354.35) -	737.05 382.70	9.39 5.16	(0.01) -	52.17 47.01	61.57 52.17	675.48 330.53
3 Freehold land	992.05 585.51	6.10 406.54	354.35 -	643.80 992.05	- 0.01	0.01 -	0.01 -	- 0.01	643.80 992.04
4 Buildings	7568.40 6823.34	1411.62 834.49	- 89.43	8980.02 7568.40	264.47 218.84	- 38.01	974.93 794.10	1239.40 974.93	7740.62 6593.47
5 Plant and Machinery and Electrical Fittings	18519.53 16528.48	1238.36 2001.10	53.94 10.05	19703.95 18519.53	1849.55 1582.83	41.01 7.25	7188.26 5612.68	8996.80 7188.26	10707.15 11331.27
6 Furniture, Fixtures and Equipments	1028.11 942.29	29.24 87.59	7.11 1.77	1050.24 1028.11	59.58 53.28	2.23 0.61	548.56 495.89	605.91 548.56	444.33 479.55
7 Motor Vehicles	367.73 378.17	- 17.57	56.51 28.01	311.22 367.73	31.02 35.09	30.04 18.45	151.49 134.85	152.47 151.49	158.75 216.24
8 R & D - Building	157.08 157.08	- -	- -	157.08 157.08	5.25 5.24	- -	53.78 48.54	59.03 53.78	98.05 103.30
9 R & D - Plant and Machinery and Electrical Fittings	425.95 415.22	20.08 10.74	0.40 0.01	445.63 425.95	22.09 29.45	0.01 -	277.25 247.80	299.33 277.25	146.30 148.70
10 R & D - Furniture, Fixture and Equipments	108.62 106.88	- 1.74	- -	108.62 108.62	5.52 5.47	- -	60.40 54.93	65.92 60.40	42.70 48.22
TOTAL	29574.74 26339.81	2713.77 3364.19	117.96 129.26	32170.55 29574.74	2250.43 1937.86	73.29 64.32	9318.49 7444.95	11495.63 9318.49	20674.92 20256.25
CAPITAL WORK-IN-PROGRESS									
TOTAL									1.01 435.27
TOTAL									20675.93 20691.52

Note : 1. The additions to fixed assets during the year includes foreign exchange loss of Rs. 33.94 (Previous year - loss of Rs. 27.73)

2. Figures in italics are as on 31st March, 2005.

Schedules forming part of the Balance Sheet as at

Rs. in Lacs

	Face Value Rs.	31st March, 2006 Nos.		31st March, 2005 Nos.	
SCHEDULE 6					
INVESTMENTS					
(Unquoted and Fully Paid unless otherwise stated)					
LONG TERM INVESTMENTS (AT COST)					
IN SUBSIDIARY COMPANIES (in Equity Shares)					
Akasaka Electronics Limited	10	4230000	423.00	4230000	423.00
Imercius Technologies (India) Limited	10	16000000	1600.00	16000000	1600.00
	(A)		2023.00		2023.00
CURRENT INVESTMENTS (AT COST)					
NON-TRADE INVESTMENTS (in Equity Shares)					
BPL Engineering Limited (Quoted)	10	23100	17.32	23100	17.32
D.G.P. Windsor Limited (Quoted)	10	300	0.38	300	0.38
Punjab Woolcombers Limited (Quoted)	10	1400	1.26	1400	1.26
Kongarar Textiles Limited	10	2600	1.17	2600	1.17
Menon Pistons Limited (Quoted)	10	125400	87.78	125400	87.78
Onida Finance Limited	10	468400	139.60	468400	139.60
NON-TRADE INVESTMENTS (in Units)					
UTI Mastergain 92 (Quoted) (Refer Note 2)	10	39700	4.88	39700	4.88
			252.39		252.39
Less: Provision for diminution in the value of Investments			161.86		187.77
	(B)		90.53		64.62
TOTAL (A + B)		2113.53		2087.62	

Notes:

Aggregate of Quoted Investments

Cost	111.62	111.62
Market Value	100.37	64.64

Aggregate of Unquoted Investments

Cost	2163.77	2163.77
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Notes :

- During the year following units were purchased and sold.

	Units
a) Prudential ICICI Mutual Liquid Fund	266581103.57
b) Kotak Mutual Liquid Fund	4498392.37
c) SBI Mutual Fund	106992275.11
- Out of 39700 Units of Mastergain 92, 28900 units are not transferred in the name of the company for which necessary provision has been made.

Schedules forming part of the Balance Sheet as at

Rs. in Lacs

	31st March, 2006	31st March, 2005
SCHEDULE 7		
INVENTORIES		
Raw Materials including Packing Materials and Service Spares	6766.26	6766.51
Stores & Spares	137.66	75.52
Semi Finished Goods	1408.81	1347.45
Finished Goods : Manufactured	3977.40	3413.38
Traded	3893.50	3252.52
Goods in transit	1304.43	1569.39
TOTAL	17488.06	16424.77
SCHEDULE 8		
SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months	1509.83	1152.64
Other Debts	10527.52	8713.95
	12037.35	9866.59
Less: Provision for Doubtful Debts	725.64	832.74
TOTAL	11311.71	9033.85
Considered Good - Secured	121.06	135.21
Considered Good - Unsecured	11190.65	8898.64
Considered Doubtful - Unsecured	725.64	832.74
	12037.35	9866.59
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on hand	25.59	21.12
Cheques on hand	0.44	1229.91
Bank Remittances in Transit	2161.24	637.91
Balances with Scheduled Banks		
Current Accounts	174.20	113.54
Fixed Deposit Accounts	1305.56	55.36
Balances with Non - Scheduled Bank		
HSBC Bank Middle East - AED Current Account	5.39	3.82
(Maximum amount outstanding during the year Rs.25.60 previous year Rs.14.25)		
HSBC Bank Middle East - USD Call Deposit Account	-	18.77
(Maximum amount outstanding during the year Rs.137.64 previous year Rs.107.72)		
TOTAL	3672.42	2080.43

Schedules forming part of the Balance Sheet as at

Rs. in Lacs

	31st March, 2006	31st March, 2005
SCHEDULE 10		
LOANS AND ADVANCES		
(Refer Note 8 of Schedule 21)		
(Unsecured - considered good unless otherwise stated)		
Loans	126.85	114.95
Advances recoverable in cash or kind or for value to be received	3829.57	4635.44
Advance Income-tax (Net of Provisions)	154.66	242.02
Balance with Excise and Customs Authorities	580.45	438.00
TOTAL	4691.53	5430.41
SCHEDULE 11		
CURRENT LIABILITIES		
Acceptances	8521.63	4948.39
Sundry Creditors (Refer Note 6 (b) of Schedule 21)	3567.66	3390.32
Advances from Customers	615.88	414.58
Unclaimed Dividend Accounts (Refer Note 6 (c) of Schedule 21)	96.84	75.30
Other Liabilities	5077.28	4341.19
Interest accrued but not due	151.40	121.88
Deposits from Dealers	258.46	260.42
TOTAL	18289.15	13552.08
SCHEDULE 12		
PROVISIONS		
Proposed Dividends	1065.00	852.00
Tax on Proposed Dividends	149.37	119.45
Provision for Retirement Benefits	341.99	231.12
TOTAL	1556.36	1202.57

Schedules forming part of the Profit and Loss Account for the year ended

Rs. in Lacs

	31st March, 2006	31st March, 2005
SCHEDULE 13		
SALES / INCOME FROM OPERATIONS		
Sales	133997.24	118773.71
Export Benefits received	323.81	477.11
TOTAL	134321.05	119250.82
SCHEDULE 14		
OTHER INCOME		
Dividend Income (includes Rs. 42.30 (previous year Rs. 42.30) received from Akasaka Electronics Limited, a Subsidiary Company)	53.16	47.31
Interest Income - Gross (Tax Deducted at source : Rs. 2.87 (previous year Rs.14.81))	9.45	79.33
Profit on Sale of Assets	0.42	41.53
Sale Tax Refund	27.89	2.79
Write back of provision againsts investments	25.91	21.71
Interest on Income-Tax Refund	90.21	62.24
Miscellaneous Income	259.41	67.47
TOTAL	466.45	322.38
SCHEDULE 15		
(ACCRETION)/DECRETION IN STOCKS		
Opening Stock - Semi-finished Goods	1347.45	780.74
Finished Goods	3413.38	2048.57
Add: Transferred on Amalgamation		
Semi-finished Goods	-	36.41
Finished Goods	-	411.79
	4760.83	3277.51
Less:		
Closing Stock - Semi-finished Goods	1408.81	1347.45
Finished Goods	3977.40	3413.38
	5386.21	4760.83
TOTAL	(625.38)	(1483.32)
SCHEDULE 16		
MATERIALS CONSUMED		
Opening Stock	6766.51	4366.04
Add: Transferred on Amalgamation	-	225.37
	6766.51	4591.41
Add: Purchases	52073.05	52487.78
	58839.56	57079.19
Less: Closing Stock	6766.26	6766.51
TOTAL	52073.30	50312.68

Schedules forming part of the Profit and Loss Account for the year ended

Rs. in Lacs

	31st March, 2006	31st March, 2005
SCHEDULE 17		
COST OF TRADED GOODS SOLD		
Opening Stock	3252.52	1901.85
Add : Purchases	38287.73	34215.47
	41540.25	36117.32
Less: Closing Stock	3893.50	3252.52
TOTAL	37646.75	32864.80
SCHEDULE 18		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	4490.45	3541.38
Contribution to Provident Fund and Gratuity	452.32	266.20
Staff Welfare Expenses	1051.15	715.76
TOTAL	5993.92	4523.34
SCHEDULE 19		
FINANCIAL EXPENSES		
Interest - Fixed Loans	1029.69	826.60
- Others	735.24	467.22
TOTAL	1764.93	1293.82
SCHEDULE 20		
OTHER EXPENSES		
Tools	0.36	0.07
Power and Fuel	597.87	454.29
Rent	231.53	205.90
Rates and Taxes	117.60	97.97
Repairs to:		
Plant and Machinery	282.03	176.51
Building	26.80	36.51
Others	383.25	302.40
Insurance Charges	100.38	89.85
Freight and Forwarding Expenses	4688.50	3415.23
Advertisement	6156.50	5042.90
Entry Tax and Turnover Tax	400.91	353.56
Sales Commission	169.54	179.45
Service Charges	759.83	1522.25
Travelling & Conveyance	1122.54	1079.96
Loss on Sale of Assets	13.32	11.36
Provision for Doubtful Debts - Written Back	(439.10)	-
Bad Debts Written Off	439.10	110.45
Provision for Doubtful Debts	332.00	512.95
Miscellaneous Expenses (Refer Note 9 of Schedule 21)	2948.42	2517.91
TOTAL	18331.38	16109.52

Notes Forming Part Of Accounts

Rs. in Lacs

SCHEDULE 21

NOTES FORMING PART OF ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) System of Accounting

- i) The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Indian Companies Act, 1956.
- ii) The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis except in case of i) Export Benefits / Government grants (ii) Refund of Sales Tax / Excise Duty.

b) Fixed Assets and Depreciation

Fixed Assets are stated at cost less depreciation. Cost comprises Cost of acquisition and any attributable cost of bringing the assets to the condition for its intended use.

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

Interest on loans taken for the procurement of specific assets accrued upto the date of acquisition/ installation of the said assets is capitalised along with the cost of asset.

Depreciation in respect of assets purchased on or after 01/01/1987 is provided on straight line method, in accordance with Schedule XIV of the Companies Act, 1956 and in respect of assets purchased prior to 01/01/1987 depreciation has been provided on Written Down Value basis.

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

Capital items costing less than Rs. 0.01 have been charged to Profit and Loss A/c at the time of purchase itself.

Leasehold Land is amortised over the period of lease.

c) Impairment of Assets

Impairment is ascertained at each balance sheet date in respect of Cash Generating Units. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

d) Investments

Investments are classified into Long Term and Current Investments. Long Term Investments are stated at cost less any provision for permanent diminution in value. Current Investments are stated at lower of cost or market value.

e) Accounting for Taxes on Income

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

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

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

f) Inventories

Maintenance Stores and Spares are charged to Revenue on consumption basis.

Raw Materials including packing materials and service spares are valued at cost, on Moving Average Price Basis net of CENVAT where applicable.

Notes Forming Part Of Accounts

Rs. in Lacs

Semi Finished Goods are valued at cost of material, labour and relevant overheads.

Finished Goods are valued at lower of cost or net realisable value. Cost includes cost of material, labour, relevant overheads and excise, where applicable.

g) Sales Promotion

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

h) Revenue Recognition

i) Sales and Related Income :

Sales are recognised on despatch and are recorded net of trade discount, rebates, sales tax but includes excise duty.

ii) Dividend Income :

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

i) Foreign Currency Transactions

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

- i) Exchange differences relating to fixed assets are adjusted in the cost of assets.
- ii) Current assets and liabilities in foreign currencies are converted at year end exchange rates and the resultant net gains or losses are adjusted in the Profit and Loss account.
- iii) Gain or losses on cancellation of forward exchange contracts are recognised as income or expense. In respect of forward exchange contracts to hedge the liabilities / assets the gains or losses are recognised over the life of the contract.

Transactions relating to overseas branch have been translated as follows

- i) Additions to fixed assets are capitalised at rates prevailing on the date of acquisition. Depreciation is accounted for on the value at which assets are converted.
- ii) Monetary assets and liabilities at the rates prevailing on the balance sheet date.
- iii) Revenue items at the weighted average rate for the year.

j) Research and Development

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

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

k) Retirement benefits

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

Gratuity & Superannuation - Gratuity is provided on the basis of premium paid on Group Gratuity cum Life Insurance Policy taken from Life Insurance Corporation Of India based on their actuarial valuation. Superannuation is provided on the basis of premium paid on the policy taken under Group Superannuation Scheme from Life Insurance Corporation of India.

Leave Encashment Benefits - Leave encashment benefits are provided based on management's estimate as on the balance sheet date.

2. The net difference in foreign exchange (i.e. the difference between the spot price on the date of the transactions and the rates at which the transactions are settled or reinstated at the year end) which is debited to the respective expense / income heads in the Profit and Loss Account and premium / discount amortisation on forward exchange contracts aggregates to Rs. 550.95 (previous year credit Rs. 567.20).

Notes Forming Part Of Accounts

Rs. in Lacs

	31st March, 2006	31st March, 2005
3. Contingent Liabilities		
a) Acceptance on behalf of third parties	1216.05	-
b) Guarantees given to Bank against which Rs. Nil (previous year Rs. Nil) has been deposited as margin money	76.23	60.23
c) Guarantees given to bank on behalf of subsidiary companies		
Akasaka Electronics Limited	1320.00	2540.00
Imercius Technologies (India) Limited	210.00	210.00
d) Income tax demands in respect of which appeals have been filed	1678.24	1353.81
e) Excise and Custom Duty in respect of which appeals have been filed	118.04	118.04
f) Claims made against the Company not acknowledged as debts	1766.11	1239.65
4. Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	474.70	111.91
5. Personnel Expenses, Depreciation and Other Expenses include Rs. 311.82 (previous year Rs. 225.19), Rs. 36.42 (previous year Rs. 42.65) and Rs. 80.06 (previous year Rs. 57.19) respectively in respect of Research and Development Expenditure.		
6. a) Balances of Sundry Debtors, Creditors, Loans and Advances and Deposits are subject to confirmation and reconciliation.		
b) The Small Scale undertakings to whom amounts are outstanding for more than thirty days are as under		
i) Amar Springs		
ii) Any Graphics Private Limited		
iii) Apex Plastics		
iv) Empire Fastners		
v) Expo Connectors		
vi) P.R. Engineering Works		
vii) Perfect Pac Limited		
viii) S.R. Rubber Inds		
ix) Shakti Hitech Components Private Limited		
x) Sharad Electronics		
xi) South East Ele. Components Private Limited		
xii) Vineet Packaging Industries.		
The above information and that given in schedule 11 "Current Liabilities" regarding SSI undertaking has been determined to the extent such parties are identified on the basis of information available with the company, which has been relied upon by the auditors.		
c) There is no amount due and Outstanding, as at 31st March, 2006 to be credited to Investor Education and Protection Fund.		

Notes Forming Part Of Accounts

Rs. in Lacs

	31st March, 2006	31st March, 2005
7. Imercius Technologies (India) Limited (ITIL), wholly owned subsidiary company, is yet to make a profit. ITIL is in the process of working out a revival / restructuring plan. Pending finalisation of such plan, no provision has been made for the diminution in the value of investments as it is not of a permanent nature.		
8. Loans and Advances:		
Include loans and advances given to :		
a) Subsidiary Company Advances		
i) Akasaka Electronics Limited (excluding capital advances) Maximum amount outstanding during the year Rs. 9.58 (previous year Rs. 886.74)	-	9.58
ii) Imercius Technologies (India) Limited Maximum amount outstanding during the year Rs. 484.75 (Previous year Rs. 1201.47)	484.75	1.47
b) Advances towards capital expenses	42.29	86.59
9. Miscellaneous Expenses charged to Profit and Loss Account includes	2005-06	2004-05
Remuneration to Auditors (excluding Service Tax) :		
Audit fees	17.00	17.00
Other Services (Certification, Tax Audit etc.)	4.75	4.75
Out of pocket expenses	0.50	0.61
Total	22.25	22.36
10. Payments to Directors		
Remuneration to Directors		
a) Salaries	130.56	115.20
b) Commission to Managing & Wholetime Director	117.90	85.18
Commission to Non Executive Director	8.03	8.14
c) Contribution to Provident Fund and other funds	22.03	19.44
d) Other Perquisites	1.91	2.08
Total	280.43	230.04
Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956 :		
Profit before taxes as per Profit and Loss A/c.	5061.15	4059.05
Add : Managerial Remuneration	154.49	136.72
Commission to Managing & Wholetime Director	117.90	85.18
Loss on sale of Fixed Assets u/s 350	13.32	11.36
Compensation on voluntary retirement	11.26	-
Provision - Others	555.85	-
Commision to Non-Executive directors	8.03	8.14
	860.85	241.40

Notes Forming Part Of Accounts

Rs. in Lacs

	2005-06	2004-05
Less : Profit on sale of Fixed Assets	0.42	41.53
Increment in value of investment	25.90	-
	26.32	41.53
Net Profit as per Sec.309 (5)	5895.68	4258.92
Commission payable to		
Managing Director @1% of Net profit as per Sec.309(5)	58.95	42.59
Whole time Director @1% of Net profit as per Sec.309(5)	58.95	42.59
Non Executive Directors	8.03	8.14

11. Material Consumed

Sr. No.	Particulars	Quantity (Nos)	2005-06	Quantity (Nos)	2004-05
a)	Picture Tubes for Colour Televisions	1033998	20332.80	965066	21337.50
b)	Imported Components & Parts for Colour Televisions and etc.		15166.95		14184.13
c)	Others		16573.55		14791.05
	Total		52073.30		50312.68

12. Value of Material Consumed

Sr. No.	Particulars	%	2005-06	%	2004-05
a)	Imported	53	27806.60	48	24364.18
b)	Indigenous	47	24266.70	52	25948.50
	Total	100	52073.30	100	50312.68

13. Value of Imports (On C.I.F. basis)

i)	Raw Materials (Incl.In Transit)	27103.78	22523.65
ii)	Capital Goods	702.67	407.18

14. Earnings in Foreign Currency on account of

i)	Exports (At FOB Value)	4983.57	4579.72
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15. Expenditure in Foreign Currency on account of

i)	Royalty	63.88	249.63
ii)	Professional Fees	64.89	28.19
iii)	Financial Expenses	7.04	3.15
iv)	Personal Expenses	167.53	128.65
v)	Freight and Forwarding	109.89	278.66
vi)	Travelling and Conveyance	90.33	63.41
vii)	Advertisement	84.02	49.51
viii)	Others	224.22	152.46

16. The company is mainly engaged in Consumer Durables business, which as per Accounting Standard (AS – 17) "Segment Reporting" is considered the only reportable segment. There is no separately identifiable geographical segment

17. a. Provision for Taxation comprises of current tax Rs.1060.29 and deferred tax Rs. 554.63. The current tax comprises of wealth tax of Rs. 2.75 and interest on advance tax short paid Rs. 17.44.

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

Sr. No.	Nature of expenses / Income	31st March, 2006	31st March, 2005
	Deferred Tax Liabilities		
	Related to Fixed Assets	2514.20	2431.98
	Related to Others	129.01	121.65
	Total (A)	2643.21	2553.63
	Less : Deferred Tax Assets		
	Disallowance under section 43B of Income Tax Act 1961	325.46	336.73
	Unabsorbed Loss / Depreciation of erstwhile Onida Savak Limited	-	657.69
	Provision for doubtful Debts	287.68	172.66
	Related to Leave Encashment	72.07	-
	Related to Arrears of Salary	16.82	-
	Total (B)	702.03	1167.08
	Net Liability (A) - (B)	1941.18	1386.55

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

PAT	3279.25	2778.45
Number of shares as on 31.03.2006	141999584	140540120
Proportionate number of shares on account of amalgamation (1459464 / 365)	-	3999
Total number of shares	141999584	140544119
Basic / Diluted Earnings Per Share	2.31	1.98

Notes Forming Part Of Accounts

Rs. in Lacs

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

A) Quantitative information on Goods Manufactured :

Sr. No.	Particulars	Licenced Capacity (Nos)	Installed Capacity (Nos)	Opening Stock		Production Qty (Nos)	Sales		Closing Stock	
				Qty (Nos)	Value (Rs.lacs)		Qty (Nos)	Value (Rs.lacs)	Qty (Nos)	Value (Rs.lacs)
1	Televisions	2300000 (2300000)	3000000 (1800000)	42163 (26824)	2739.01 (1932.75)	914486 (831482)	915333 (816143)	68864.90 (64202.21)	41316 (42163)	3013.39 (2739.01)
2	Washing Machines	780000 (780000)	380000 (380000)	16763 (15657)	390.93 (356.52)	78356 (8648)	88008 (7542)	4175.82 (504.71)	7111 (16763)	344.78 (390.93)
3	Air-Conditioners	300000 (300000)	100000 (100000)	1401 (471)	199.83 (70.35)	21181 (5978)	17080 (5048)	2647.49 (852.55)	5502 (1401)	611.00 (199.83)
4	TV Components, Spares & Others	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	2.92 (16.87)	(N.A.) (N.A.)	N.A. (N.A.)	10683.93 (11340.62)	N.A. (N.A.)	- (2.92)
5	Electronic Tuners	3720000 (3720000)	3720000 (3720000)	119909 (116909)	80.69 (83.87)	2094464 (3600)	2199462 (600)	969.02 (0.57)	14911 (119909)	8.23 (80.69)
TOTAL A					3413.38 (2460.36)			87341.16 (76900.66)		3977.40 (3413.38)

1. Installed capacity is on single shift basis as certified by the Management upon which the Auditors have relied.
2. Sales column is adjusted for loss in transit, internal Transfer, salvages and free gifts.
3. Company has IEM's for a) Dish Washer 1,00,000 Nos. b) Micro Wave Ovens - 1,00,000 Nos. c) Set top box 10,00,000 Nos. d) CD/VCD/DVD players - 12,50,000 Nos. e) Tape Recorder 6,00,000 Nos.
4. Company has production facility, for its captive consumption, from its Injection moulding plant (Plastic parts) having Licensed capacity of 10,000 MT and installed capacity of 6,000 MT and EPS plant (articles of packing goods) having Licensed capacity of 1500 MT and Installed capacity of 750 MT.
5. The purchase cost of spares used in services has been included in 'Cost of Raw Material Consumed' schedule.
6. Figures in brackets are in respect of previous year.

B) Quantitative information on Goods Traded :

Sr. No.	Particulars	Opening Stock		Purchases		Sales		Closing Stock	
		Qty (Nos)	Value (Rs.lacs)	Qty (Nos)	Value (Rs.lacs)	Qty (Nos)	Value (Rs.lacs)	Qty (Nos)	Value (Rs.lacs)
1	Televisions	34865 (29176)	1436.62 (990.01)	401706 (509832)	19077.86 (22045.33)	406176 (504143)	22397.47 (25792.56)	30395 (34865)	1554.34 (1436.62)
2	Washing Machines	6780 (4063)	238.13 (164.70)	28069 (75390)	1191.35 (2536.04)	31562 (72673)	1603.23 (3561.22)	3287 (6780)	134.39 (238.13)
3	Air Conditioners	2707 (1303)	378.48 (184.67)	49060 (18952)	5975.11 (2745.96)	41005 (17548)	6801.86 (3161.62)	10762 (2707)	1145.28 (378.48)
4	DVD	48669 (9516)	935.44 (258.00)	525672 (299916)	9344.65 (6177.01)	532823 (260763)	13501.58 (8278.84)	41518 (48669)	557.97 (935.44)
5	Microwave Ovens	2491 (Nil)	73.98 (Nil)	36835 (8873)	1168.16 (247.20)	31920 (6382)	1471.12 (272.50)	7406 (2491)	269.04 (73.98)
6	VCD	3766 (8463)	57.35 (169.77)	448 (7741)	8.99 (130.91)	3169 (12438)	9.75 (242.57)	1045 (3766)	- (57.35)
7	Service / Others	N.A. (N.A.)	132.52 (134.70)	N.A. (N.A.)	1521.61 (333.02)	N.A. (N.A.)	1194.88 (1040.85)	N.A. (N.A.)	232.48 (132.52)
TOTAL B			3252.52 (1901.85)		38287.73 (34215.47)		46979.89 (42350.16)		3893.50 (3252.52)
TOTAL A + B			6665.90 (4362.21)		38287.73 (34215.47)		134321.05 (119250.82)		7870.90 (6665.90)

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

Notes Forming Part Of Accounts

Rs. in Lacs

20. 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.

Particulars	Holding Company	Subsidiaries	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (3) & (4) is able to exercise significant influence
	(1)	(2)	(3)	(4)	(5)
Transactions during 2005-06					
Purchase of goods, services and fixed assets	-	857.74 (988.40)	-	-	1811.92 (4077.54)
Sale of goods, fixed assets	-	3.10 (0.34)	-	-	32.00 (258.65)
Inter Corporate Deposits given	-	484.75 (790.75)	-	-	25.00 -
Inter Corporate Deposits given repaid	-	- (360.00)	-	-	60.00 -
Inter Corporate Deposits taken	147.00 (315.00)	- (15.00)	-	-	- -
Inter Corporate Deposits repaid	270.00 (423.00)	- (15.00)	-	-	- -
Interest incurred & paid on Inter Corporate Deposits / loans	59.88 (62.04)	- (0.06)	-	-	- -
Interest due & received on Inter Corporate Deposits / loans	-	- (59.08)	-	-	5.20 (9.00)
Rent paid	-	-	4.93 (4.93)	39.63 (39.63)	- -
Rent received	-	-	-	-	3.50 (4.22)
Investments	-	- (1200.00)	-	-	- -
Remuneration *	-	-	-	36.14 (13.92)	- -
Dividend received	-	42.30 (42.30)	-	-	- -
Closing Balance as at 31st March 2006					
Receivable					
Inter Corporate Deposits	-	484.75 -	-	-	25.00 (60.00)
Rent deposits	-	-	17.65 (17.65)	134.12 (134.12)	- -
Advances	-	-	-	-	37.42 -
Others	-	- (2.70)	-	-	4.11 (13.41)
Payable					
Inter Corporate Deposits	1074.50 (1197.50)	- -	-	-	- -
Creditors	-	11.20 (14.64)	-	-	- (8.27)
Others	4.82 (62.04)	-	-	-	- -

* Remuneration to Directors - The same has already been disclosed in point 10 of Schedule 21.

Notes Forming Part Of Accounts

Names of related parties & description of relationship :

1. Holding Company	Guviso Holdings Limited
2. Subsidiaries	Akasaka Electronics Limited Imercius Technologies (India) Limited
3. Key Management Personnel	Mr. G.L.Mirchandani - Chairman & Managing Director of Mirc Electronics Limited Mr. V.J.Mansukhani - Whole time Director of Mirc Electronics Limited
4. Relatives of Key Management Personnel	Mrs. Gita Mirchandani (Wife of Mr. G.L.Mirchandani) Mrs. Marissa Mansukhani (Wife of Mr. V.J.Mansukhani) Mr. Sasha Mirchandani (Son of Mr. G.L.Mirchandani) Mr. Kaval Mirchandani (Son of Mr. G.L.Mirchandani) Mr. Akshay Mansukhani (Son of Mr. V.J.Mansukhani) Ms. Ayesha Mansukhani (Daughter of Mr. V.J.Mansukhani) G.L.Mirchandani (H.U.F.) V.J.Mansukhani (H.U.F.)
5. Enterprise over which any person described in 3 & 4 is able to exercise significant influence	Iwai Electronics Private Limited Adino Telecom Limited erstwhile Onida Savak Limited

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

I. Registration Details

Registration No. State Code

Balance Sheet Date
Date Month Year

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

Public Issue	Rights Issue
<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	Private Placement
<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

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

Total Liabilities	Total Assets
<input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="7"/>	<input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="7"/>
Sources of Funds	Reserves & Surplus
<input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="5"/>	<input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="8"/>
Paid-Up Capital	Unsecured Loans
<input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="6"/>	<input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="0"/>
Secured Loans	
<input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="6"/>	
Deferred Tax Liability (Net)	
<input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="8"/>	
Application of Funds	Investments
<input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="3"/>	<input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="3"/>
Net Fixed Assets	
<input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="3"/>	
Net Current Assets	
<input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="1"/>	
Accumulated Losses	
<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	

Notes Forming Part Of Accounts

IV. Performance of Company (Amount in '000s)

Gross Revenue								Total Expenditure							
1	2	2	4	9	6	4	8	1	1	7	4	3	5	3	3
Profit / (Loss) Before Tax								Profit / (Loss) After Tax							
+	-							+	-						
+				5	0	6	1	1	5	+			3	2	7
													9	2	5
Earning Per Share in Rs.								Dividend Rate %							
2.31								75%							

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

Item Code No.(ITC Code)				8	5	2	8	1	2								
Product Description	C	O	L	O	U	R		T	E	L	E	V	I	S	I	O	N
	R	E	C	E	I	V	E	R	S								
Item Code No.(ITC Code)		8	5	2	1	9	0	.	2								
Product Description	D	V	D		P	L	A	Y	E	R	S						
Item Code No.(ITC Code)						8	4	5	0								
Product Description	W	A	S	H	I	N	G		M	A	C	H	I	N	E	S	

22. Previous year's figures have been rearranged and regrouped wherever necessary. The Current year's figures include results of erstwhile Onida Savak Limited for the whole year as against one day for the previous year. Hence current year's figures are not strictly comparable with that of the previous year.

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

As per our Report attached
For **N.M. RAIJI & CO.**,
Chartered Accountants



J.M.GANDHI
Partner

Mumbai, May 29, 2006



MANISH DESAI
G.M.Finance

For and on behalf of the
BOARD OF DIRECTORS



G.L.MIRCHANDANI
Chairman and Managing Director



V.J.MANSUKHANI
Whole Time Director

Cash Flow Statement for the year ended

Rs. in Lacs

	31st March, 2006	31st March, 2005
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Extraordinary Item	5061.15	4059.05
Adjustments for :		
Depreciation	2250.43	1937.86
Unrealised Foreign Exchange Fluctuations	(64.98)	(67.80)
(Increase)/Decrease in value of Investments	(25.91)	(21.71)
Interest	1764.92	1293.82
Interest Income	(9.45)	(79.33)
Dividend Income	(53.16)	(47.31)
(Profit)/Loss on Sale of Fixed Assets (Net)	12.90	(30.17)
	3874.75	2985.36
Operating Profit before Working Capital changes	8935.90	7044.41
Adjustments for :		
Trade and Other receivables	(1313.22)	(2835.60)
Inventories	(1063.29)	(6372.71)
Trade Payables	4875.74	1389.61
	2499.23	(7818.70)
Cash Generated from Operations	11435.13	(774.29)
Direct Taxes (Paid) / Refund Received including FBT.	(999.32)	607.11
NET CASH USED IN OPERATING ACTIVITIES (A)	10435.81	(167.18)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2192.92)	(4117.00)
Proceeds from Sale of Fixed Assets	31.77	95.11
Capital Advances	(42.29)	(200.15)
Purchase of Investments	-	(1200.00)
Movement in Loans	(508.27)	684.50
Interest Received	18.18	129.31
Dividend Received	53.16	47.31
NET CASH USED IN INVESTING ACTIVITIES (B)	(2640.37)	(4560.92)

Cash Flow Statement for the year ended

Rs. in Lacs

	31st March, 2006	31st March, 2005
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Premium Received	-	0.08
Movement in Term Loans	(3940.65)	3982.18
Movement in Short Term Loans	422.51	3884.77
Interest Paid	(1735.40)	(1285.79)
Dividends paid	(949.91)	(950.43)
NET CASH USED IN FINANCING ACTIVITIES (C)	(6203.45)	5630.81
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1591.99	902.71
CASH AND CASH EQUIVALENTS AS AT 01.04.2005 (OPENING BALANCE)	2080.43	712.03
ADD : TRANSFERRED ON AMALGAMATION	-	465.69
CASH AND CASH EQUIVALENTS AS AT 31.03.2006 (CLOSING BALANCE)	3672.42	2080.43

As per our Report attached
For **N.M. RAIJI & CO.**,
Chartered Accountants

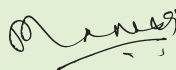


J.M.GANDHI
Partner

For and on behalf of the
BOARD OF DIRECTORS



G.L.MIRCHANDANI
Chairman and Managing Director



MANISH DESAI
G.M.Finance



V.J.MANSUKHANI
Whole Time Director

Mumbai, May 29, 2006

Section 212

Rs. in Lacs

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

1. Name of the Subsidiary	Akasaka Electronics Ltd.	Imercius Technologies (India) Ltd.
2. Financial Year of the Subsidiary ended on	31st March, 2006	31st March, 2006
3. Share of the Subsidiary held by the Company on the above date:		
(a) Number and Face Value	42,30,000 Rs. 10/-	1,60,00,000 Rs. 10/-
(b) Extend of holding	83.80%	100.00%
4. Profit / (Loss) of the subsidiary for the above financial year so far as they concern members of the company:		
(a) Dealt with in the accounts of the Company For the year ended 31st March, 2006	-	-
(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2006	42.81	(629.14)
5. Net aggregate amount of profits / (losses) of the subsidiary for the previous years of the subsidiary, since it became a subsidiary so far as they concern Members of the company		
(a) Dealt with in the accounts of the Company For the year ended 31st March, 2006	-	-
(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2006	444.93	(1682.46)

Statement regarding Subsidiary Companies as on 31st March, 2006.

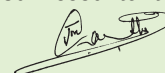
(a) Issued & Subscribed Share Capital	504.79	1600.00
(b) Reserves	587.94	(1682.46)
(c) Total Assets	2131.00	497.34
(d) Total Liabilities	1038.27	95.05
(e) Investments	-	-
(f) Turnover	1805.42	126.57
(g) Profit Before Taxation	87.01	(626.12)
(h) Provision for Tax	35.92	3.02
(i) Profit After Taxation	51.09	(629.14)
(j) Proposed Dividend	-	-

Consolidated Auditors' Report

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF MIRC ELECTRONICS LIMITED

1. We have examined the attached Consolidated Balance Sheet of Mirc Electronics Limited ('the parent'), and its Subsidiaries (entities together termed as 'the group') as at March 31, 2006 the Consolidated Profit and Loss Account for the year ended on that date and the Consolidated Cash flow statement for the year ended on that date annexed thereto.
2. These consolidated financial statements are the responsibility of the parent's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statement are prepared, in all material respect, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for opinion.
3. We did not audit the financial statement of one of the subsidiaries whose financial statements reflect parent's share in the net worth of Rs. 915.71 lacs as at March 31, 2006, and the parent's share in net profit of Rs. 42.82 lacs for the year ended on that date. These financial statements have been audited by other auditors whose report has been furnished to us, we have placed reliance on the said report for the purpose of our opinion on the consolidated financial statements.
4. We report that the consolidated financial statements have been prepared by the parent in accordance with the requirements of Accounting Standard (AS-21), "Consolidated Financial Statements", issued by The Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of the parent and its subsidiaries included in the Consolidated Financial Statements.
5. On the basis of the information and explanation given to us and of separate audit report on individual audited financial statement of the parent and its subsidiaries, we are of the opinion that the said consolidated financial statements give true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2006;
 - (b) in the case of Consolidated Profit and Loss Account, of the consolidated results of the Group for the year ended on that date; and
 - (c) In the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For N.M. Raiji & Co.,
Chartered Accountants



J. M. Gandhi
Partner

Membership No: 37924

Mumbai, May 29, 2006

Consolidated Balance Sheet as at

Rs. in Lacs

	Schedule	31st March, 2006	31st March, 2005
SOURCES OF FUNDS			
Shareholders Funds			
Capital	1	1419.35	1404.76
Share Capital Suspense Account	1A	-	14.59
Reserves and Surplus	2	18901.53	17471.96
		20320.88	18891.31
Minority's Interest		184.37	176.09
Loan Funds			
Secured Loans	3	13894.91	12783.68
Unsecured Loans	4	3074.50	7492.66
		16969.41	20276.34
Deferred Tax Liability (Net) (Refer note 11 of Schedule 22)		2088.95	1543.83
TOTAL		39563.61	40887.57
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		35323.83	32497.62
Less: Depreciation		13191.56	10776.86
Net Block		22132.27	21720.76
Capital Work in Progress		1.01	442.19
		22133.28	22162.95
Investments	6	90.53	64.62
Current Assets, Loans and advances			
Inventories	7	17811.45	16718.77
Sundry Debtors	8	11493.25	9300.69
Cash and Bank Balances	9	3699.85	2144.62
Loans and Advances	10	4433.28	5607.79
		37437.83	33771.87
Less : Current Liabilities and Provisions			
Liabilities	11	18596.89	13972.70
Provisions	12	1569.61	1241.87
		20166.50	15214.57
Net Current Assets		17271.33	18557.30
Miscellaneous Expenditure to the extent not Written off or adjusted	13	68.47	102.70
TOTAL		39563.61	40887.57
Notes forming part of the accounts	22		

As per our Report attached
For **N.M. RAIJI & CO.**,
Chartered Accountants



J.M.GANDHI
Partner

For and on behalf of the
BOARD OF DIRECTORS



G.L.MIRCHANDANI
Chairman and Managing Director



MANISH DESAI
G.M.Finance



V.J.MANSUKHANI
Whole Time Director

Mumbai, May 29, 2006

Consolidated Profit and Loss Account for the year ended

Rs. in Lacs

	Schedule	31st March, 2006	31st March, 2005
INCOME			
Sales and Related Income	14	135855.54	120741.39
Less: Excise Duty on Sales		12610.18	10269.20
Sales and Related Income (Net)		123245.36	110472.19
Other Income	15	541.55	459.82
TOTAL		123786.91	110932.01
EXPENDITURE			
Materials Consumed	17	52410.62	50475.40
Cost of Traded Goods Sold	18	37646.75	32864.80
Personnel Expenses	19	6593.06	5047.47
Depreciation	5	2516.76	2171.81
Financial Expenses	20	1798.07	1377.95
Other Expenses	21	18941.07	16804.95
		119906.33	108742.38
(Less)/Add:(Accretion) / Decretion in Stocks	16	(592.48)	(1482.98)
TOTAL		119313.85	107259.40
PROFIT BEFORE TAX		4473.06	3672.61
Provision for Taxation			
Fringe Benefit Tax		173.10	-
Current Tax		1102.62	369.42
Deferred Tax		545.12	965.51
PROFIT AFTER TAX		2652.22	2337.68
Less: Minority Interest		(8.28)	(34.37)
PROFIT AFTER TAX FOR THE GROUP		2643.94	2303.31
Surplus Brought Forward from previous year		9599.59	8734.81
TOTAL		12243.53	11038.12
APPROPRIATIONS			
Final Equity Dividend - Proposed		1065.00	852.00
Tax on dividend		149.37	126.53
Transfer to :			
General Reserve		410.00	460.00
Surplus carried to Balance Sheet		10619.16	9599.59
TOTAL		12243.53	11038.12
Notes forming part of the accounts	22		
Basic & diluted earning per share (Rs.)		1.86	1.64
Face Value of Rs.1			

As per our Report attached
For **N.M. RAIJI & CO.**,
Chartered Accountants



J.M.GANDHI
Partner

For and on behalf of the
BOARD OF DIRECTORS



G.L.MIRCHANDANI
Chairman and Managing Director



MANISH DESAI
G.M.Finance



V.J.MANSUKHANI
Whole Time Director

Mumbai, May 29, 2006

Schedules forming part of the Consolidated Balance Sheet as at

Rs. in Lacs

	31st March, 2006	31st March, 2005
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
15,00,00,000 Equity Shares of Re.1/- each	1500.00	1500.00
(Previous year 15,00,00,000 Equity share of Re. 1/- each)		
20,00,000 (Previous year 20,00,000)	2000.00	2000.00
Preference Shares of Rs.100/- each		
	3500.00	3,500.00
Issued, Subscribed and Paid Up		
14,19,99,584 Equity Shares of Re.1/- each fully paid up	1419.99	1405.40
(Previous year 14,05,40,126 Equity Shares of		
Re.1/- each fully paid up)		
Less: Calls in arrears	0.64	0.64
	1419.35	1404.76
Notes: Of the above		
-> 7,48,96,575 (Previous year 7,48,95,060) Equity Shares		
are held by the Holding Company, Guviso Holdings		
Limited		
-> 14,15,464 Equity Shares issued to Shareholders of		
Onida Savak Limited as per the Schemes of		
Amalgamations.		
TOTAL	1419.35	1404.76
SCHEDULE 1A		
SHARE CAPITAL SUSPENSE ACCOUNT		
14,59,464 Equity Shares of Re.1/- each to be issued as	-	14.59
fully paid-up to the Shareholders of Onida Savak Limited		
as per the Scheme of Amalgamation		
TOTAL	-	14.59

Schedules forming part of the Consolidated Balance Sheet as at

Rs. in Lacs

	31st March, 2006	31st March, 2005
SCHEDULE 2		
RESERVES AND SURPLUS		
Capital Reserve	7.07	7.07
Share Capital Buyback Reserve	99.23	99.23
Capital Reserve on consolidation	265.45	265.45
Special Reserve on consolidation	60.81	60.81
Share Premium	1.39	1.39
General Reserve		
As per last Balance Sheet	7438.42	8074.33
Add : Transfer from Profit & Loss A/c	410.00	460.00
Transfer on Amalgamation	-	(1095.91)
	7848.42	7438.42
Profit and Loss Account	10619.16	9599.59
TOTAL	18901.53	17471.96
SCHEDULE 3		
SECURED LOANS		
From Banks	13894.91	12783.68
TOTAL	13894.91	12783.68
Of the above, Rs. 10001.95 (Previous year : Rs. 6645.58) is repayable within one year		
SCHEDULE 4		
UNSECURED LOANS		
From Banks	2000.00	4295.16
From Others	1074.50	3197.50
TOTAL	3074.50	7492.66
Of the above, Rs. 2074.50 (Previous year : Rs.4992.66) is repayable within one year.		

Schedules forming part of the Consolidated Balance Sheet as at

Rs. in Lacs

**SCHEDULE 5
FIXED ASSETS**

Description	Gross Block				Depreciation			Net Block	
	As at 01-04-2005	Additions/ Adjustments	Deletions/ Adjustments	As at 31.03.2006	Upto 01.04.2005	For the year 2005-06	Deletions/ Adjustments	Upto 31.03.2006	As on 31.03.2006
INTANGIBLE ASSETS									
1 R & D Software	24.57 20.14	8.37 4.43	- -	32.94 24.57	11.64 9.15	3.56 2.49	- -	15.20 11.64	17.74 12.93
TANGIBLE ASSETS									
2 Leasehold land	393.26 393.26	- -	(354.35) -	747.61 393.26	53.86 48.59	12.95 5.27	(0.01) -	66.82 53.86	680.79 339.40
3 Freehold land	992.05 585.51	6.10 406.54	354.35 -	643.80 992.05	0.01 -	- 0.01	0.01 -	- 0.01	643.80 992.04
4 Buildings	7837.66 7022.52	1411.62 904.58	- 89.43	9249.28 7837.66	1047.22 855.74	272.77 229.49	- 38.01	1319.99 1047.22	7929.29 6790.44
5 Plant and Machinery and Electrical Fittings	21019.08 18547.69	1487.66 2487.22	86.49 15.82	22420.25 21019.08	8527.17 6742.49	2094.75 1797.55	68.86 12.88	10553.06 8527.17	11867.19 12491.92
6 Furniture, Fixtures and Equipments	1163.10 1076.25	35.70 89.71	10.62 2.86	1188.18 1163.10	592.41 532.50	67.41 60.93	3.15 1.02	656.67 592.41	531.51 570.68
7 Motor Vehicles	376.25 386.68	10.70 17.57	56.51 28.01	330.44 376.25	153.11 135.66	32.46 35.90	30.04 18.44	155.53 153.11	174.91 223.14
8 R & D - Building	157.08 157.08	- -	- -	157.08 157.08	53.78 48.54	5.25 5.25	- -	59.03 53.78	98.05 103.30
9 R & D - Plant and Machinery and Electrical Fittings	425.94 415.21	20.08 10.72	0.40 -	445.62 425.94	277.25 247.80	22.09 29.45	0.01 -	299.33 277.25	146.29 148.69
10 R & D - Furniture, Fixture and Equipments	108.62 106.88	- 1.74	- -	108.62 108.62	60.40 54.93	5.52 5.47	- -	65.92 60.40	42.70 48.22
TOTAL	32497.62 28711.24	2980.23 3922.50	154.02 136.12	35323.83 32497.62	10776.86 8675.40	2516.76 2171.81	102.06 70.35	13191.56 10776.86	22132.27 21720.76
CAPITAL WORK-IN-PROGRESS									
TOTAL									1.01 442.19
TOTAL									22133.28 22162.95

Note : 1. The additions to fixed assets during the year includes foreign exchange gain of Rs. 33.94 (Previous year loss of Rs. 27.73).
 2. Figures in italics are in respect of previous year.
 3. Additions to Plant and Machinery include interest capitalised during the year amounting to Rs. 3.06.

Schedules forming part of the Consolidated Balance Sheet as at

Rs. in Lacs

Face Value Rs.	31st March, 2006	31st March, 2005
SCHEDULE 6		
INVESTMENTS		
CURRENT INVESTMENTS (AT COST) (Quoted)		
NON-TRADE INVESTMENTS (in Equity Shares)	247.51	247.51
NON-TRADE INVESTMENTS (in Units)	4.88	4.88
	252.39	252.39
Less: Provision for diminution in the value of Investments	161.86	187.77
TOTAL	90.53	64.62

Notes :

- 1) During the year following units were purchased and sold
 - a) Prudential ICICI Mutual Liquid Fund 266581103.57
 - b) Kotak Mahindra Liquid Fund 4498392.37
 - c) SBI Mutual Fund 106992275.11
- 2) Out of 39700 Units of Mastergain 92, 28900 units are not transferred in the name of the company for which necessary provision has been made.

SCHEDULE 7		
INVENTORIES		
Raw Materials including Packing Materials and Service Spares	6945.49	6902.20
Stores & Spares	156.40	75.52
Semi Finished Goods	1465.81	1442.65
Finished Goods : Manufactured	4045.82	3476.50
Traded	3893.50	3252.52
Goods in transit	1304.43	1569.38
TOTAL	17811.45	16718.77

SCHEDULE 8		
SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months	1519.36	1195.53
Other Debts	10699.53	8937.90
	12218.89	10133.43
Less : Provision for Doubtful Debts	725.64	832.74
TOTAL	11493.25	9300.69
Considered Good - Secured	121.06	135.21
Considered Good - Unsecured	11372.19	9165.48
Considered Doubtful - Unsecured	725.64	832.74
	12218.89	10133.43

Schedules forming part of the Consolidated Balance Sheet as at

Rs. in Lacs

	31st March, 2006	31st March, 2005
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on hand	26.21	21.48
Cheques on hand	0.44	1246.48
Bank Remittances in Transit	2161.24	637.91
Balances with Scheduled Banks:		
Current Accounts	189.51	151.29
Fixed Deposit Accounts (under lien)	1317.06	64.87
Balances with Non - scheduled Bank		
HSBC Bank Middle East - AED Current Account (Maximum amount outstanding during the year Rs. 25.60; (previous year Rs. 14.25))	5.39	3.82
HSBC Bank Middle East - USD Call Deposit Account (Maximum amount outstanding during the year Rs. 137.64; (previous year Rs. 107.72))	-	18.77
TOTAL	3699.85	2144.62
SCHEDULE 10		
LOANS AND ADVANCES		
(Refer Note 7 of Schedule 22)		
(Unsecured - considered good unless otherwise stated)		
Loans	126.85	111.65
Advances recoverable in cash or kind or for value to be received	3467.49	4722.02
Advance Income-tax (Net of Provisions)	173.64	274.43
Balance with Excise and Customs Authorities	665.30	499.69
TOTAL	4433.28	5607.79
SCHEDULE 11		
CURRENT LIABILITIES		
Acceptances	8521.63	4948.39
Sundry Creditors	3744.27	3644.73
Advances from Customers	615.88	472.88
Unclaimed Dividend	96.84	75.30
Other Liabilities	5208.41	4449.10
Interest accrued but not due on loans	151.40	121.88
Deposits from Dealers	258.46	260.42
TOTAL	18596.89	13972.70
SCHEDULE 12		
PROVISIONS		
Proposed Dividends	1065.00	852.00
Tax on Proposed Dividend	149.37	126.53
Provision for Retirement Benefits	355.24	263.34
TOTAL	1569.61	1241.87

Schedules forming part of the Consolidated Balance Sheet as at

Rs. in Lacs

	31st March, 2006	31st March, 2005
SCHEDULE 13		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary/Public Issue Expenses		
As per last Balance Sheet	2.99	3.99
Less : Written off During the Year	1.00	1.00
	1.99	2.99
Preoperative Expenses		
As per last Balance Sheet	99.71	132.94
Less : Written off During the Year	33.23	33.23
	66.48	99.71
TOTAL	68.47	102.70

Schedules forming part of the Consolidated Profit and Loss Account for the year ended

Rs. in Lacs

	31st March, 2006	31st March, 2005
SCHEDULE 14		
SALES AND RELATED INCOME		
Sales	135405.16	119982.59
Service Income	126.57	281.69
Export Benefit received	323.81	477.11
TOTAL	135855.54	120741.39
SCHEDULE 15		
OTHER INCOME		
Dividend Income	10.86	5.01
Interest Income	11.56	93.07
Profit on Sale of Assets	0.49	43.96
Writeback of Provision against Investments	25.91	21.71
Sales tax Refund	27.89	2.79
Interest on Income Tax Refund	90.22	62.24
Miscellaneous Income	342.50	113.03
Jobwork Receipts	21.95	62.52
Tooling Income	10.17	55.49
TOTAL	541.55	459.82
SCHEDULE 16		
(ACCRETION)/DECRETION IN STOCKS		
Opening Stock - Semi-finished Goods	1442.65	904.80
Finished Goods	3476.50	2083.17
Add : Transferred on Amalgamation		
Semi-finished Goods	-	36.41
Finished Goods	-	411.79
	4919.15	3436.17
Less:		
Closing Stock - Semi-finished Goods	1465.81	1442.65
Finished Goods	4045.82	3476.50
	5511.63	4919.15
TOTAL	(592.48)	(1482.98)
SCHEDULE 17		
MATERIALS CONSUMED		
Opening Stock	6977.72	4464.09
Add : Transferred on Amalgamation	-	225.37
	6977.72	4689.46
Add : Purchases	52378.39	52763.66
	59356.11	57453.12
Less: Closing Stock	6945.49	6977.72
TOTAL	52410.62	50475.40

Schedules forming part of the Consolidated Profit and Loss Account for the year ended

Rs. in Lacs

	31st March, 2006	31st March, 2005
SCHEDULE 18		
COST OF TRADED GOODS SOLD		
Opening Stock	3252.52	1901.85
Add : Purchases	38287.73	34215.47
	41540.25	36117.32
Less : Closing Stock	3893.50	3252.52
TOTAL	37646.75	32864.80
SCHEDULE 19		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	5027.54	3990.18
Contribution to Provident Fund and Gratuity	473.78	289.85
Staff Welfare Expenses	1091.74	767.44
TOTAL	6593.06	5047.47
SCHEDULE 20		
FINANCIAL EXPENSES		
Interest		
- Fixed Loans	1042.89	826.60
- Others	755.18	551.35
TOTAL	1798.07	1377.95
SCHEDULE 21		
OTHER EXPENSES		
Tools	0.36	0.07
Power and Fuel	709.27	561.03
Rent	294.71	257.52
Rates and Taxes	119.72	100.88
Repairs to:		
Plant and Machinery	299.53	213.84
Building	28.57	44.35
Others	403.63	320.06
Insurance Charges	107.36	97.09
Freight and Forwarding Expenses	4714.93	3435.74
Advertisement	6156.50	5042.90
Entry Tax and Turnover Tax	400.91	353.56
Sales Commission	169.54	179.45
Service Charges	759.83	1522.24
Travelling & Conveyance	1181.31	1138.29
Miscellaneous Expenditure write off	34.23	34.23
Loss on Sale of Assets	13.07	11.36
Provision for Doubtful Debts - Written Back	(439.10)	-
Bad Debts	439.10	110.45
Provision for Doubtful Debts	332.00	512.95
Tooling expenses	11.74	54.43
Miscellaneous Expenses (Refer Note 8 of Schedule 22)	3203.86	2814.51
TOTAL	18941.07	16804.95

Notes To The Consolidated Financial Statements

Rs. in Lacs

SCHEDULE 22

NOTES FORMING PART OF ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

i) Principles of consolidation :

The Consolidated financial statement relates to Mirc Electronics Limited ("the Company") and its subsidiary companies, Akasaka Electronics Limited & Imercius Technologies (India) Limited. The Consolidated Financial statements have been prepared on the following basis:

- The financial statement of the company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intragroup balances and intragroup transaction and resulting unrealised profits.
- The financial statement of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the parent company i.e. 31st March, 2006.
- The excess of the Company's portion of equity and reserve of the subsidiaries as at the date of its' investment is treated as Capital Reserve.
- Minorities interest in the net assets of consolidated financial statement consists of :
 - The amount of equity attributable to minorities at the date on which Investment in subsidiaries is made; and
 - The minorities' share of movements in equity since the date the parent subsidiaries relationship came into existence.
- The subsidiary companies considered in consolidated statement are

Name of the Company	Percentage of Holding as on 31st March, 2006
Akasaka Electronics Limited	83.80%
Imercius Technologies (India) Limited	100%

- The group holds 30 percent Equity shares of OFL Capital Corporation Limited. The results of this entity are not consolidated as per accounting standard Accounting of Associates (AS-23) considering write-off of investments made and loans given by erstwhile Onida Savak Limited and no further financial commitment to the company.

ii) Inventories

Raw Materials including packing materials and service spares are valued at cost, on Moving Average Price Basis net of Cenvat where applicable.

Maintenance Stores and Spares are charged to Revenue on Consumption basis.

Semi Finished Goods are valued at cost of material, labour and relevant overheads.

Finished Goods are valued at lower of cost or net realisable value. Cost includes cost of material, labour, relevant overheads and excise, where applicable.

In case of subsidiaries company Akasaka Electronics Limited, Semi finished goods of an aggregate value of Rs. 57.01 (previous Year Rs. 95.20) are valued at lower of factory cost or estimated net realisable value.

iii) Impairment of Assets

Impairment is ascertained at each balance sheet date in respect of Cash Generating Units. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Notes To The Consolidated Financial Statements

Rs. in Lacs

iv) Miscellaneous Expenditure

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

v) Other Significant Accounting Policies

These are set out in Notes to Accounts under Significant Accounting Policies for financial statement of the company, Mirc Electronics Limited, Akasaka Electronics Limited & Imercius Technologies (India) Limited.

2. The net difference in foreign exchange (i.e. the difference between the spot price on the date of the transaction, and the rates at which the transaction are settled or reinstated at the year end) which is debited to the respective expense / income heads in the Profit & Loss Account is Rs. 553.22 (previous year credit Rs. 584.71)

3. Contingent Liabilities

	31st March, 2006	31st March, 2005
i) Acceptance on behalf of third parties	1216.05	-
ii) Guarantees given to Bank against which Rs. Nil (previous year Rs. Nil) has been deposited as margin money	76.23	60.23
iii) Income tax demands in respect of which appeals have been filed	1678.24	1366.43
iii) Excise & Custom Duty in respect of which appeals have been filed	140.84	131.05
iv) Claims made against the Company not acknowledged as debts	1766.11	1239.65
4. Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	489.51	296.43

5. Previous year's figures have been rearranged and regrouped wherever necessary. The Current year's figures include results of erstwhile Onida Savak Limited for the whole year as against one day for the previous year. Hence current year's figures are not strictly comparable with that of the previous year.

6. i) Balances of Sundry Debtors, Creditors, Loans and Advances and Deposits are subject to confirmation and reconciliation.
ii) There is no amount due and outstanding, as at 31st March, 2006 to be created to Investor Education and Protection Fund.

7. Loans and Advances:

	31st March, 2006	31st March, 2005
Include Advances towards capital expenses	42.29	86.59

8. Miscellaneous Expenses charged to Profit and Loss Account includes

	2005-06	2004-05
Remuneration to Auditors		
Audit fees	18.28	18.38
Other Services (Certification, Tax Audit etc.)	5.11	4.86
Out of pocket expenses	0.65	0.74
Total	24.04	23.98

Notes To The Consolidated Financial Statements

Rs. in Lacs

9. Payments to Directors	2005-06	2004-05
Remuneration to Directors		
a) Salaries	130.56	115.20
b) Commission to Managing & Wholetime Director	117.91	85.18
Commission to Non Executive Director	8.03	8.14
c) Contribution to Provident Fund and other funds	22.03	19.44
d) Other Perquisites	1.91	2.08
Total	280.44	230.04

10. Personnel Expenses, Depreciation and other expenses include Rs. 311.82 (previous year Rs. 225.19) Rs. 36.42 (previous year Rs. 42.65) & Rs. 80.06 (previous year Rs. 57.19) respectively in respect of Research & Development Expenditure.

11. Provision for Taxation comprises of current tax Rs. 1102.62 and deferred tax Rs. 545.12. The current tax comprises of wealth tax of Rs. 2.75

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

Sr. No.	Nature of expenses / Income	31st March, 2006	31st March, 2005
	Deferred Tax Liabilities		
	Related to Fixed Assets	2664.10	2598.90
	Related to Others	129.01	121.65
	Total (A)	2793.11	2720.55
	Less : Deferred Tax Assets		
	Disallowance under section 43B of Income Tax Act 1961	327.60	346.37
	Unabsorbed Loss / Depreciation of erstwhile Onida Savak Limited	-	657.69
	Provision for doubtful Debts	287.68	172.66
	Related to Leave Encashment	72.07	-
	Related to Arrears of Salary	16.81	-
	Total (B)	704.16	1176.72
	Net Liability (A) - (B)	2088.95	1543.83

Notes To The Consolidated Financial Statements

Rs. in Lacs

12. 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.

Particulars	Holding Company (1)	Key management Personnel (2)	Relatives of key management personnel (3)	Enterprise over which any person described in (2) & (3) is able to exercise significant influence (4)
Transactions during 2005-06				
Purchase of goods, services and fixed assets	- -	- -	- -	1811.92 (4077.54)
Sale of goods, fixed assets	- -	- -	- -	32.00 (258.65)
Inter Corporate Deposits given	- -	- -	- -	25.00 -
Inter Corporate Deposits given repaid	- -	- -	- -	60.00 -
Inter Corporate Deposits taken	147.00 (315.00)	- -	- -	- -
Inter Corporate Deposits repaid	270.00 (423.00)	- -	- -	- -
Interest incurred & paid on Inter Corporate Deposits / loans	59.88 (62.04)	- -	- -	- -
Interest due & received on Inter Corporate Deposits / loans	- -	- -	- -	5.20 (9.00)
Rent paid	- -	4.93 (4.93)	39.63 (39.63)	- -
Rent received	- -	- -	- -	3.50 (4.22)
Remuneration *	- -	- -	36.14 (13.92)	- -
Closing Balance as at 31st March, 2006				
Receivable				
Inter Corporate Deposits	- -	- -	- -	25.00 (60.00)
Rent deposits	- -	17.65 (17.65)	134.12 (134.12)	- -
Advances	- -	- -	- -	37.42 -
Others	- -	- -	- -	4.11 (13.41)
Payable				
Inter Corporate Deposits	1074.50 (1197.50)	- -	- -	- -
Creditors	- -	- -	- -	- 8.27
Others	4.82 (62.04)	- -	- -	- -

* Remuneration to Directors - The same has already been disclosed in point 9 of Schedule 22.

Notes To The Consolidated Financial Statements

Rs. in Lacs

Names of related parties & description of relationship :

1. Holding Company	Guviso Holdings Limited
2. Key Management Personnel	Mr. G.L.Mirchandani - Chairman & Managing Director of Mirc Electronics Limited Mr. V.J.Mansukhani - Whole time Director of Mirc Electronics Limited
3. Relatives of Key Management Personnel	Mrs. Gita Mirchandani (Wife of Mr. G.L.Mirchandani) Mrs. Marissa Mansukhani (Wife of Mr. V.J.Mansukhani) Mr. Sasha Mirchandani (Son of Mr. G.L.Mirchandani) Mr. Kaval Mirchandani (Son of Mr. G.L.Mirchandani) Mr. Akshay Mansukhani (Son of Mr. V.J.Mansukhani) Ms. Ayesha Mansukhani (Daughter of Mr. V.J.Mansukhani) G.L.Mirchandani (H.U.F.) V.J.Mansukhani (H.U.F.)
4. Enterprise over which any person described in 2 & 3 is able to exercise significant influence	Iwai Electronics Private Limited Adino Telecom Limited erstwhile Onida Savak Limited

13. The Consolidated Group is mainly engaged in Consumer Durables business and components and services related to Television, which as per Accounting Standard (AS – 17) "Segment Reporting" is considered the only reportable segment. There is no separately identifiable geographical segment.

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


Signature to Schedule '1' to '22' forming part of the Balance Sheet and Profit & Loss Account.

As per our Report attached
For **N.M. RAIJI & CO.,**
Chartered Accountants



J.M.GANDHI
Partner

Mumbai, May 29, 2006



MANISH DESAI
G.M.Finance

For and on behalf of the
BOARD OF DIRECTORS



G.L.MIRCHANDANI
Chairman and Managing Director



V.J.MANSUKHANI
Whole Time Director

Consolidated Cash Flow Statement for the year ended

Rs. in Lacs

	31st March, 2006	31st March, 2005
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Extraordinary Item	4473.06	3672.61
Adjustments for :		
Depreciation	2516.76	2171.81
Unrealised Foreign Exchange Fluctuations	(64.44)	(60.80)
(Increase)/Decrease in value of Investments	(25.91)	(21.71)
Interest	1798.07	1377.95
Interest Income	(11.56)	(93.07)
Dividend Income	(10.86)	(5.01)
(Profit)/Loss on Sale of Fixed Assets (Net)	12.58	(32.60)
Miscellaneous Expenditure	34.23	34.23
	4248.87	3370.80
Operating Profit before Working Capital changes	8721.93	7043.41
Adjustments for :		
Trade and Other receivables	(1291.59)	(2805.41)
Inventories	(1092.69)	(6410.00)
Trade Payables	4741.82	1463.18
	2357.54	(7752.23)
Cash Generated from Operations	11079.47	(708.82)
Direct Taxes (Paid) / Refund Received including FBT.	(1030.06)	577.64
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	10049.41	(131.18)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2452.46)	(4561.48)
Proceeds from Sale of Fixed Assets	39.38	98.37
Capital Advances	(42.29)	(200.15)
Movement in Loans	(25.00)	-
Interest Received	20.16	143.05
Dividend Received	10.86	5.01
NET CASH USED IN INVESTING ACTIVITIES (B)	(2449.35)	(4515.20)

Consolidated Cash Flow Statement for the year ended

Rs. in Lacs


	31st March, 2006	31st March, 2005
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Premium Received	-	0.08
Movement in Term Loans	(3752.92)	4094.57
Movement in Short Term Loans	433.63	3814.81
Interest Paid	(1768.55)	(1409.75)
Dividends paid	(956.99)	(957.56)
NET CASH USED IN FINANCING ACTIVITIES (C)	(6044.83)	5542.15
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1555.23	895.77
CASH AND CASH EQUIVALENTS AS AT 1.04.2005 (OPENING BALANCE)	2144.62	783.16
ADD: TRANSFERRED ON AMALGAMATION	-	465.69
CASH AND CASH EQUIVALENTS AS AT 31.03.2006 (CLOSING BALANCE)	3699.85	2144.62

As per our Report attached
For **N.M. RAIJI & CO.**,
Chartered Accountants



J.M.GANDHI
Partner

Mumbai, May 29, 2006



MANISH DESAI
G.M.Finance

For and on behalf of the
BOARD OF DIRECTORS



G.L.MIRCHANDANI
Chairman and Managing Director



V.J.MANSUKHANI
Whole Time Director

Corporate Information

Board of Directors

Mr. G.L. Mirchandani	Chairman and Managing Director
Mr. V.J. Mansukhani	Whole-time Director
Mr. M.K. Maheshwari	Director
Mr. Vimal Bhandari	Director
Mr. Harsh Mariwala	Director
Mr. Ranjan Kapur	Director

Auditors

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

Bankers

State Bank of India
ICICI Bank Limited
HDFC Bank Limited
IDBI Bank Limited
Canara Bank
ABN Amro Bank N. V.

Registered Office

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

Works

Village Kudus, Bhiwandi Wada Road, Taluka Wada, District Thane
--

Website

http://www.truthatonida.com

PS: Shareholder/Proxy holder are requested to bring his/ her copy of the Annual Report for reference at the Annual General Meeting.

Forward Looking Statement

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

Notes



FLAT CLASSIC 21



FLAT DELITE BOOM 21



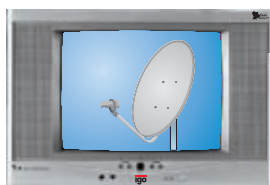
FLAT DELITE 21



CLASSIC 21



DISH DELITE 14



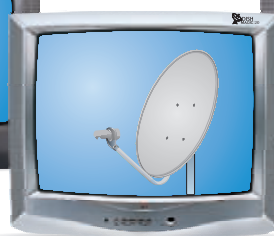
DELITE 14



CLASSIC 14



DISH MAGIC 20



CLASSIC 20



ACE 6130



ACE 6120



Igo



आसमान छु लो



Registered office:

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

Visit us at: www.truthatonida.com