MIRC ELECTRONICS

Annual Report 08-09

YOU IN MIND

CHAIRMAN'S NOTE:

The year gone by saw some radical changes in consumer electronics. With a wide plethora of options available for the Indian consumer, it has become a necessity to keep raising the bar constantly by bringing in newer and better products. To that end, it gives me immense pleasure to inform you that with what we have in store for the coming year, your company is equipped to face any challenge and rise like the proverbial phoenix.

Ever since we launched our first product, we have strived to infuse functionality with aesthetics. And this continues till date, with increased fervour, sharper focus and cutting-edge products.

To state an example, we observed that most people find it a hindrance to cook food in a microwave, especially because Indian food is arduous to prepare. In order to address this barrier, we made a microwave with 32 Indian auto-cook menus, which makes Indian delicacies at a push of a button. But we did not stop at that as we then gave it a sleek black mirror finish to create a distinct and stunning looking microwave.

And our UltraSlim Air Conditioners have a unique APM cooling technology that give you the experience of sheer winters even at 48 degrees of heat. It has a 5 star energy efficiency rating to keep your electricity bills in check. They are by far the most energy-efficient in the country and they meet norms higher than the prevalent industry standard.

But what's also worth mentioning is our Washing Machine which redefines the category. While front-loaders are cumbersome to bend, top-loaders don't give tumble wash effect. So we developed a fully automatic washing machine with a higher and wider opening so there is no bending required. And then we perfected it until it became slimmer than the slimmest washing machine present in the market.

As a part of bringing tomorrow's technology today, our 42 Xaria FHD breaks all barriers of LCD TV viewing. The new generation LCD is incorporated with the World-Class Qdeo™ Video engine powered by Marvel to give you High Definition Viewing experience. Furthermore, it's equipped with iPLAYON which in addition to games, enables sharing photos on a large screen and listening to music through a USB 2.0 interface. In addition, it comes with a Thunder Woofer Bar that seamlessly looks a part of the LCD design and gives you the most powerful sound in the LCD segment. Moreover it also saves you the hassle of setting up a home theatre.

But this is just the tip of the iceberg, as we then innovated in other categories as well. Be it DVDs, Slim TVs or our Mobiles, we have always challenged conventional thinking. We have always looked for the unstated demand of the consumer, their requirements and thereby blending design with functionality.

It is important to note that this has been nothing out of the ordinary for us; this exercise has been a sheer force of habit, ever since your company's first venture. We have just defined a pad which will throttle our efforts. For it is your company that believes that through its relentless pursuit for perfection, it is well poised to keep growing and always stay ahead of the competition.

Your faith and trust in us and tireless efforts of our employees will surely succeed in making the company retain its leadership position soon.

GULU MIRCHANDANI

Chairman & Managing Director

MANAGING DIRECTOR'S NOTE:

It has been a rare occasion where we didn't challenge the impossible, irrespective of the economy or the competition for that matter. We have always strived to deliver the best. And it has been my belief that we have the power to be limitless; for it is our thoughts that make us what we are.

Being a pioneer, we have always sought to bring about a revolution in consumer electronics. We have always attuned ourselves to consumers' evolving needs and our insights have enabled us to fulfill their aspirations. We have always believed in a world of limitless possibilities where benchmarks and boundaries only exist to be challenged and conquered.

And like our consumers, our brand has evolved with time. Consumers have evolved from the neighbour-centric lifestyle of the eighties to being far more confident, independent and demanding of their choice of products. Our brand strategy hence continues to reflect this evolution. For today's consumer is not just about mere functionality but also seeks experiences that are richer and full of surprises. To that end, while our products deliver on functionality, we also go that extra mile in including thoughtful features that our consumers will appreciate over the lifespan of product.

Therefore, we have streamlined all our resources from marketing, sales, after sales service, research & development and quality control to revolve around our consumer. And we have extended the change to the various touch points that each consumer experiences both inside our outlets and externally.

With a new philosophy, we are targeting a younger mindset. They are more affluent towards their needs and hence more demanding. They are constantly updated and prefer brands which are receptive to their needs and wants. We have risen to this challenge and strived to make our company not just about products but a wholesome new experience.

We are also actively progressing towards developing a full-scale communication campaign across traditional, cyber, retail and innovative media to establish our renewed brand philosophy. For we believe that this has to be communicated at every consumer interaction points to increase consumer loyalty.

Speaking about change, the company also undertook improvements in our Supply Chain Management for which inventories came down significantly. This reduction occurred across the board and resulted with unstinting efforts by us to manage "just in time" stocks, which also helped us, contain logistics cost by creating improvements in the operating cycle of the entire Supply Chain.

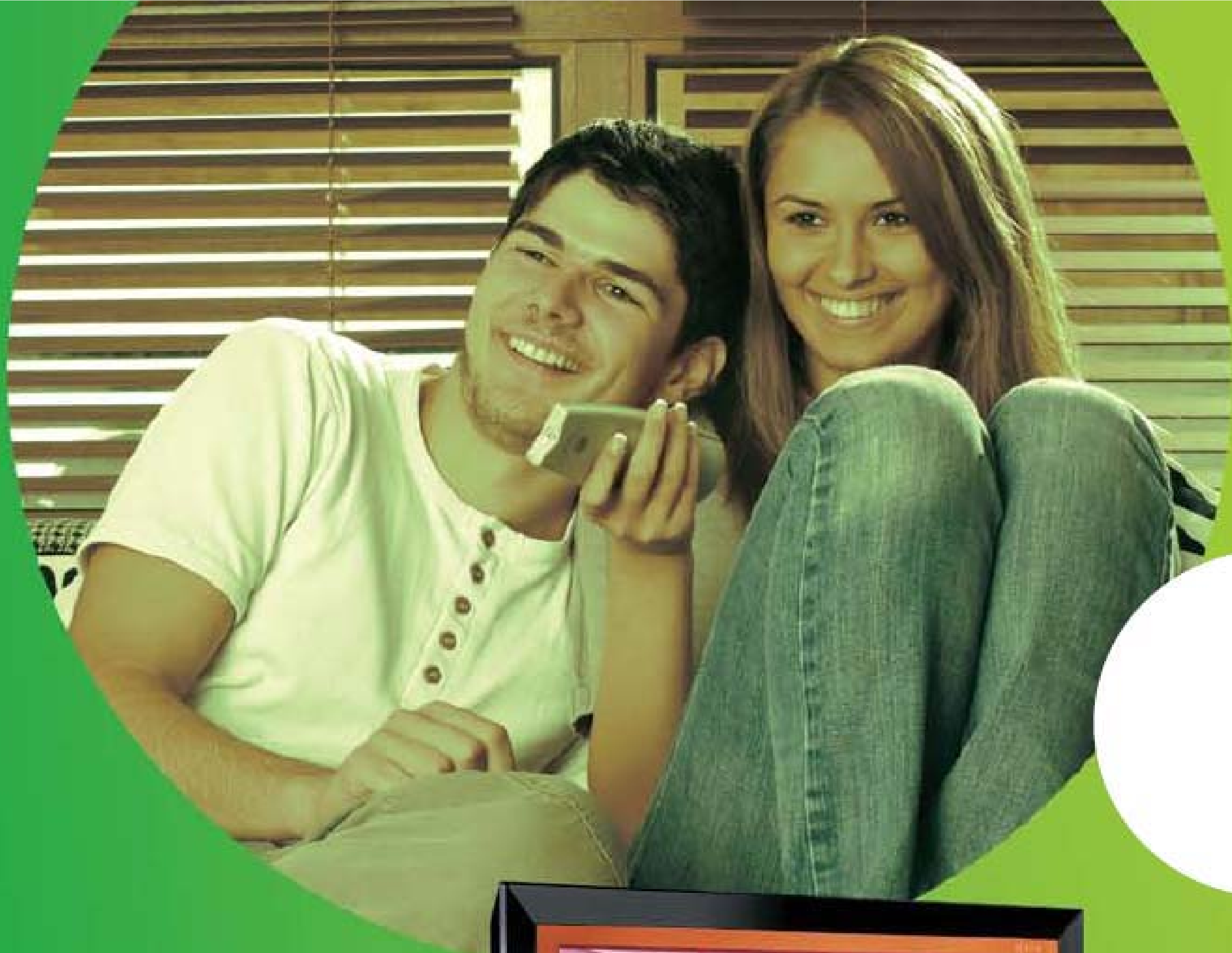
We understood how imperative it is to release cash from operations when margins are under severe pressure. With a sharper focus, we went about our task of reducing Gross Current Assets viz. Inventory and Receivables. And as formerly mentioned inventory reduction came through superior Supply Chain Management whereas decrease in receivables are attributed to improved credit discipline.

On this note, I would like to thank you for placing faith in us. I also thank our team for their undying commitment and our business associates for their constant support. We look forward to the challenges of delivering sustainable profitable growth in the years ahead with much confidence.

VIJAY MANSUKHANI

Managing Director

HAVING AN EYE FOR THOUGHT.



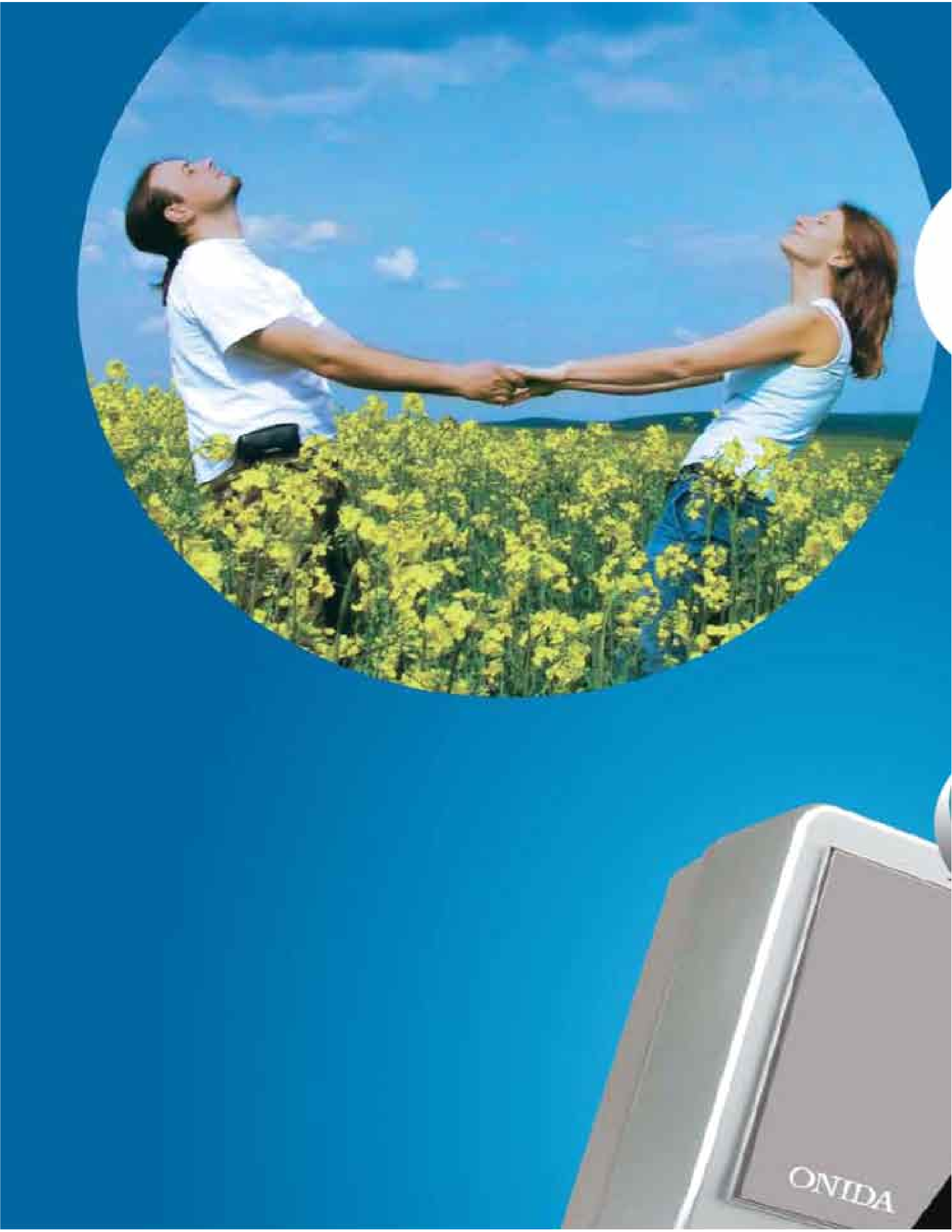

Xaria

LCD TV:

We saw that most LCDs focus on picture clarity and compromise on sound. Hence a home theatre is bought separately which entails a lot of inconvenience in installing the speakers. Which is why, we made the Xaria Thunder with a Thunder Bass Bar that seamlessly looks a part of the LCD design and gives you the most powerful 1200 watt PMPO sound in the LCD segment without any wires.

DVD PLAYER:

Today's day and age requires consumers to capture video on their camcorders, digital camera and mobiles. So there was a need for a multimedia device to share the same on the TV screen. Hence the Onida Atom, a compact touch panel HDMI DVD player which plays movies, music and pictures through your camcorder, camera & mobiles.


ONIDA

AC:

With the soaring summer heat, we saw a need for an AC with powerful cooling. And in addition due to the rising electricity consumption, the need for energy efficiency as well. Hence, the thought of an ultra slim AC with powerful cooling due to its unique APM technology that cools even at 48°C. With 5 star rating, it is the most energy efficient in the country that constantly keeps your electricity bills in check.

WASHING MACHINE:

Modern Indian women think of a fully automatic washing machine as the best. However despite giving a superior wash, it's bulky and requires constant bending while washing. Therefore the front loading Onida Washing Machine, the slimmest in the category which has a wider opening for large clothes and is higher. So there's no more bending.

MICROWAVE:

Indian consumers prefer traditional cooking to a more convenient microwave cooking, especially Indian food. To address this barrier we introduced the Black Beauty Microwave with 32 Indian auto cook menus which makes cooking so simple even your husband will surprise you with your favorite Indian dish.

MOBILE:

Today's mobile connectivity is largely restricted to voice & SMS chat. With Onida i21 mobile, we took it to a whole new level with "Live Picture Chat" – the first of its kind in India, where you get to chat live and see face-to-face on the Onida i21 anywhere you go.

iCOOK - INDUCTION COOKER:

In conventional flame cooking, a lot of heat gets wasted which causes inconvenience. iCook – a magnetic induction cooker offered under our brand Igo, is a revolution in cooking technology. It makes cooking faster and easier without the hassle caused by excess heat generated in the room.

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INSIDE THE ANNUAL REPORT

CORPORATE INFORMATION

Board of Directors

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

Auditors

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

Bankers

State Bank of India
ICICI Bank Limited
HDFC Bank Limited
IDBI Limited
Canara Bank
ABN Amro Bank N.V.
Barclays Bank PLC
Yes Bank Ltd.

Registered Office

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

Works

Village Kudus, Bhiwandi Wada Road, Taluka Wada, Dist. Thane.
B-204/205, Phase - II, Noida - 201 305
Khasra No. 158, Vill - Raipur, Pargana - Bhagwanpur, Roorkee, Dist. Haridwar, Uttaranchal.

Website

http://www.onida.com

Registrar and Share Transfer Agents

LINK INTIME INIDA PVT. LTD.
Erstwhile - Intime Spectrum Registry Limited,
C13 Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West),
Mumbai 400 078
Phone: 25946970 - 78
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 foward 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.

FINANCIAL HIGHLIGHTS

Balance Sheet

(Rs. in cr.)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Sources of Funds								
Equity Share Capital	7.02	7.02	14.05	14.05	14.19	14.19	14.19	6.70
Share Capital Suspenses Account	–	–	–	0.15	–	–	–	26.40
Reserves & Surplus	163.12	207.64	173.52	180.62	201.28	222.08	240.06	239.47
Net Worth	170.14	214.66	187.57	194.82	215.47	236.27	254.25	272.57
Secured Loans	97.73	60.86	90.56	126.32	135.45	116.37	103.72	74.89
Unsecured Loans	65.57	60.32	25.03	74.93	30.74	45.52	95.84	130.33
Total Loans	**163.30**	**121.18**	**115.59**	**201.25**	**166.19**	**161.89**	**199.56**	**205.22**
Deferred Tax Liability	13.96	14.54	18.56	13.87	19.41	19.55	16.89	15.51
Total Liabilities	**347.40**	**350.38**	**321.71**	**409.94**	**401.08**	**417.71**	**470.70**	**493.30**
Application of Funds								
Gross Block	188.46	199.29	263.40	295.75	321.71	340.15	343.45	354.93
Depreciation	51.02	61.27	74.45	93.18	114.96	134.10	153.71	171.42
Net Block	137.44	138.02	188.95	202.57	206.75	206.05	189.74	183.51
Capital WIP	14.66	39.80	–	4.35	0.43	0.13	1.93	25.55
NB + CWIP	**152.10**	**177.82**	**188.95**	**206.92**	**207.18**	**206.18**	**191.67**	**209.06**
Investment	4.77	8.72	8.66	20.88	21.14	26.00	26.00	26.78
Deferred Tax Assets	0.06	0.06	–	–	–	–	–	–
Current Assets								
Inventories	107.74	124.03	93.78	164.25	174.88	230.34	292.57	210.41
Debtors	94.67	77.75	84.05	90.34	113.12	104.21	133.69	106.81
Cash & Bank Balances	15.57	9.99	7.12	20.80	36.72	16.76	19.46	9.30
Loans & Advances	85.93	97.64	89.69	54.30	46.49	76.43	67.21	95.84
Total Current Assets	**303.91**	**309.41**	**274.64**	**329.69**	**371.21**	**427.74**	**512.93**	**422.36**
Current Liabilities								
Liabilities	104.00	128.01	132.35	135.52	182.89	239.37	240.57	155.14
Provisions	9.44	17.62	18.19	12.03	15.56	2.84	19.33	9.76
Total Current Liabilities	**113.44**	**145.63**	**150.54**	**147.55**	**198.45**	**242.21**	**259.90**	**164.90**
Net Current Assets	**190.47**	**163.78**	**124.10**	**182.14**	**172.76**	**185.53**	**253.03**	**257.46**
Misc. Expenditure	–	–	–	–	–	–	–	–
Total Assets	**347.40**	**350.38**	**321.71**	**409.94**	**401.08**	**417.71**	**470.70**	**493.30**

Profit and loss account

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Sales	**760.88**	**980.50**	**1007.49**	**1192.51**	**1343.21**	**1650.99**	**1655.06**	**1517.72**
Excise	59.60	76.64	74.57	99.55	122.91	137.09	126.68	87.29
Net Sales	**701.28**	**903.86**	**932.92**	**1092.96**	**1220.30**	**1513.90**	**1528.38**	**1430.43**
Service Income	10.71	3.96	2.10	–	–	–	–	–
Other Income	0.86	0.64	7.18	3.22	4.66	4.07	3.70	4.18
Total Income	**712.85**	**908.46**	**942.20**	**1096.18**	**1224.96**	**1517.97**	**1532.08**	**1434.61**
Material Consumed	288.47	369.81	391.95	488.30	514.48	605.86	621.24	553.83
Cost of Traded Goods Sold	220.54	277.02	308.60	328.65	376.47	545.01	542.20	561.96
Personnel Expenses	36.17	43.07	41.96	45.23	59.94	69.41	66.00	67.15
Freight & Forwarding Expenses	17.24	23.27	25.61	34.10	45.47	58.55	64.25	53.30
Advertisement Expenses	34.68	47.93	50.09	50.43	66.83	68.22	63.91	51.86
Other Expenses	51.18	55.85	51.28	76.51	71.01	79.49	86.81	89.32
Total Cost	**648.28**	**816.95**	**869.49**	**1023.27**	**1134.20**	**1426.54**	**1444.41**	**1377.42**
PBDIT	**64.57**	**91.51**	**72.71**	**72.91**	**90.76**	**91.43**	**87.67**	**57.19**
Interest	13.87	10.16	6.38	12.94	17.65	20.28	23.18	28.49
PBDT	**50.70**	**81.35**	**66.33**	**59.97**	**73.11**	**71.15**	**64.49**	**28.70**
Depreciation	9.50	10.37	13.19	19.38	22.50	19.74	23.94	18.55
PBT	**41.20**	**70.98**	**53.14**	**40.59**	**50.61**	**51.41**	**40.55**	**10.15**
Tax	7.15	10.54	9.38	12.81	17.82	17.29	5.97	1.20
PAT	**34.05**	**60.44**	**43.77**	**27.78**	**32.79**	**34.12**	**34.58**	**8.95**
Equity Dividend	7.02	14.05	14.05	8.52	10.65	10.65	14.20	6.35
Preference Dividend	–	–	–	–	–	–	–	1.08
Year End Price (Rs.)	405.55	349.50	25.70	21.45	19.25	17.40	16.95	8.98
Market capitalisation (Rs. / Cr.)	284.70	490.70	361.19	301.46	273.35	247.08	240.69	127.52

DIRECTORS' PROFILE

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

Mr. Gulu L. Mirchandani

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

Mr. Vijay J. Mansukhani

Mr. Vijay J. Mansukhani is a co-promoter of Mirc Electronics Limited and is also its Managing Director. He has been associated with Mirc since its inception in 1981. A graduate from the College of Marine Engineering, Mumbai. Mr. Mansukhani has over 30 years of experience and proven expertise in driving the organisational growth through the enhancement of existing growth areas and developing potential opportunities. As the key member in devising and implementing corporate growth strategy for Mirc, he is also involved in the telecom sector. He is the Managing Director of Adino Telecom Limited, a joint venture with Enkay Telecommunications (India) Limited. Mr. Mansukhani is also on the Board of several companies, including Akasaka Electronics Limited etc.

Mr. Vimal Bhandari

Mr. Vimal Bhandari is a Chartered Accountant from the Institute of Chartered Accountants of India (ICAI), New Delhi and a Bachelor of Commerce from Mumbai University. He is currently the Country Head of AEGON International NV's India operations and as the Director of AEGON India Private Limited. Mr. Bhandari has been the functional head of financial services business of ILF&S and played a key role in managing the asset-based activities and the non-fund based advisory activities, encompassing the company valuation, mergers and acquisitions, strategic financial planning, disinvestments and dilutions by recourse to capital markets. Mr. Bhandari has spear-headed various strategic forays into new initiatives such as retail distributions, insurance, merchant banking etc. and is also on the Board of several public limited companies.

Mr. Ranjan Kapur

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

Mr. Manoj Maheshwari

Mr. Manoj Maheshwari is an entrepreneur specialising in consumer products, pharmaceuticals and chemical industries. He is a graduate from Mumbai University with a major in Chemistry and holds a post-graduation degree in Industrial Management. In addition to his private initiative. Mr. Maheshwari is also on the Board of several public limited companies as an Independent Non-Executive Director. He brings to the Mirc Board, a judicious mix of entrepreneurial and professional skills.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of the Company together with the audited accounts of the Company for the financial year ended March 31, 2009. The financial highlights for the year under review are as under:

Financial highlights

(Rs. in Crores)

Particulars	2008-09	2007-08
Turnover	1517.72	1655.06
Profit before tax	10.15	40.55
Provision for taxation	1.20	5.96
Profit after tax	8.95	34.59
Profit available for appropriation	163.25	175.41
Final dividend on equity shares – proposed	5.68	14.20
Final dividend on preference shares – proposed	0.67	—
Tax on dividend	1.08	2.41
Transfer to general reserve	0.90	4.50
Surplus carried to balance sheet	154.92	154.30

Performance

The present global financial crisis has proved to have far reaching effects on almost all the economies in the world including India. Many companies in India are facing problems related to access to credit due to lack of liquidity in the market, as also their inability to raise finance through equity due to depression in stock markets and the erosion of investor confidence. The appreciation of dollar vis-à-vis the Indian Rupee has further added to the problems of various companies in India, including Mirc, which has impacted its bottomline.

During the financial year 2008-09, the turnover of the company stood at Rs.1517.72 Crores as against Rs.1655.06 Crores in the previous year. The profit before tax stood at Rs.10.15 Crores as against Rs.40.55 Crores in the previous financial year. The profit after tax for the financial year ended March 31, 2009 stood at Rs.8.95 Crores as against Rs.34.59 Crores in the previous financial year. Your directors are confident of improving the performance in the ensuing year.

Your Board is pleased to inform you that the management has initiated a slew of measures to improve both the top line and bottom line of the organization going forward. The new product introduction for the financial year 2009-10 would be Induction Cookers under the IGO brand to be followed by many kitchen appliances. The focus in the current year would be ONIDA LCDs, and the company has lined up exciting models in literally every category. The focus would be in terms of ultra slim and black beauty as the two major concepts that would drive product introduction across categories in the current year. These initiatives are likely to accelerate the pace of growth of the company and consequently the performance in the coming years.

Dividend

Commensurate with the performance of the company your Board of Directors have recommended a dividend of Rs.0.40 per equity share of face value of Re.1/- each for the financial year 2008-09 and Rs.3.56 per preference share of face value of Rs.100/- each for the period from July 15, 2008 to March 31, 2009 subject to the approval of members at ensuing Annual General Meeting.

Transfer to reserves

Your Directors have proposed to transfer Rs.89.54 Lacs to the general reserves out of the profits of Company for the year 2008-09.

Amalgamation of Guviso Holdings Private Limited with Mirc Electronics Limited

Your directors wish to inform you that Guviso Holdings Private Ltd., the Holding company of your company, got amalgamated with the company pursuant to an order dated May 02, 2009 passed by the Hon'ble High Court of Bombay. The scheme of amalgamation was filed with the Registrar of Companies, Maharashtra on May 21, 2009 and the scheme became effective. In view of the above the audited accounts of the company comprises of the accounts of the merged entity.

Pursuant to the scheme of amalgamation, 74896575 equity shares of Re.1/- each held by Guviso Holdings Private Limited (Transferor Company) in Mirc Electronics Limited (Transferee Company) got cancelled and, 74896669 equity shares of Re.1/- each and 1891512, 5% Cumulative Redeemable Preference Shares of Rs.100/- each were allotted to the shareholders of Transferor Company as per the exchange ratio stipulated in the Scheme of amalgamation and accordingly the Company had applied to the Stock Exchanges for approval of listing and trading of the said shares. The Stock Exchanges vide their letters dated June 18, 2009 have permitted the trading in equity shares of the Company so allotted.

Subsidiary Company

The audited statement of accounts of Company's subsidiary viz. Akasaka Electronics Limited together with the Report of Directors and Auditors as required under section 212 of the Companies Act, 1956, are attached to this report.

DIRECTORS' REPORT

Consolidated Financial Statements

In accordance with the Accounting Standard (AS) 21 on Consolidated Financial Statement read with Accounting Standard AS- 23 on Accounting for Investments in Associates, and the Listing Agreement entered into with the Stock Exchanges, the Consolidated Financial Statement are provided in this Annual Report.

Cash flow statement

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges, the Cash flow statement for the year ended March 31, 2009 is annexed hereto.

Directors

During the year under review, Mr. Harsh Mariwala, a director has resigned from the Board of Directors of the Company with effect from February 20, 2009. Your Board places on record their sincere appreciation for the services rendered by Mr. Mariwala during his tenure as director of the Company.

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

In view of inadequacy of profit for the year 2008-09, remuneration paid to the managerial personnel being in excess of the limit prescribed under section 309 read with schedule XIII of Companies Act, 1956, the necessary application has been made to Central Government for its approval.

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 for the year ended March 31, 2009, the applicable accounting standards have been followed and no material departures have been made from the same;

(b) They have selected such accounting polices and applied them consistently and made 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 profit of the company for the year under review;

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

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

Corporate Governance

Your Company is committed to maintaining highest standards of Corporate Governance and to serve the best interests of all the stakeholders, viz. the employees, shareholders, customers, vendors and society at large. The company seeks to achieve this goal by being transparent in its business dealings by disclosure of all relevant information in an easily understood manner, and by being fair to all stakeholders, by ensuring that the company's activities are managed by a professionally competent and independent Board of Directors.

The report of Corporate Governance as stipulated under clause 49 of the Listing Agreement forms part of Annual Report. The Chief Executive Officer's declaration regarding compliance of Code of Business Conduct and Ethics for Board members and senior management personnel forms part of the Report on Corporate Governance.

The requisite certificate from the Auditors of the Company, M/s N.M. Raiji & Company, Chartered Accountants, Mumbai confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid clause 49 of the Listing Agreement, is annexed to this report.

Management Discussion and Analysis

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

Group

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

Fixed deposits

The company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956, during the year under review.

Electronic filing

Since SEBI has stipulated electronic filing of the annual report including Corporate Governance report, shareholding pattern etc. on the website of SEBI i.e. *www.sebiedifar.nic.in*, statements of your company can also be accessed at this website. These statements are also displayed on the company's website viz. *www.onida.com*.

DIRECTORS' REPORT

Listing fees

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

Transfer to Unpaid and Unclaimed amounts to IEPF

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

Auditors

M/s. N. M. Raiji & 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 as statutory auditors of the company. It is proposed to re-appoint them as auditors for the financial year 2009-10 and fix their remuneration.

The company has received a written confirmation from M/s. N. M. Raiji & Co. to the effect that their appointment, if made, would be in conformity with the limits prescribed in Section 224 (1B) of the Companies Act, 1956. The report of the auditors on audited accounts for the financial year 2008-09, is self-explanatory and does not require any further explanation.

Audit Committee

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

Employee relations and particulars of Employees

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

Research and Development

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

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

This team conducts research in the areas of:

- Embedded Software
- Industrial Design
- Mechanical Engineering
- Electrical Engineering
- Model Shop etc.

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 would like to take this opportunity to thank the bankers, dealers and distributors associated with your company for their unstinted support and guidance and above all its valued customers, who by their patronage of the company's products have helped the company to reach new heights every year. Your Directors also wish to place on record their sincere appreciation to the employees of the company for their commitment and contribution as well. Your involvement as shareholders of the company is also valued and your Directors look forward to your continuing support at all times.

On behalf of the Board of Directors

Date : 26.06.2009 **G. L. Mirchandani**
Place : Mumbai **Chairman and Managing Director**

ANNEXURE TO THE DIRECTORS' REPORT

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

1. Conservation of energy

Your company is conscious about its responsibility to conserve energy, power and other energy sources wherever possible. It lays great emphasis towards a safe and clean environment and continues to adhere to all regulatory requirements and guidelines. During the FY 2008-09, your Company has implemented innovative measures at Wada factory, to save the environment and to reduce energy consumption, by introducing Solar Panel for process heating, installation of Poly carbonate transparent sheet for Natural light. This has resulted in 10 % reduction in energy consumption. For further reduction of energy consumption, your company has ambitious plans to install Solar LED Street lights, replacement of old Reciprocating compressors with energy efficient Rotary Compressors.

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

2. Research and development

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

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

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

Colour televisions, LCDs, washing machines and Air-conditioners.

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

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

(c) Future plan of action:

The company has plans to expand the entire range of LCD televisions in all the categories, which are emerging- technology products gaining popularity in the Indian market. The company also plans to introduce exciting fully automatic washing machines of advanced technology as this market segment is growing very rapidly. Besides the above, the company has plans to introduce kitchen appliances like Induction Cookers etc.

(d) Expenditure on research and development

(Rs. in lacs)

Particulars of expenditures	2008-09	2007-08
1. Capital	44.12	120.18
2. Recurring	1103.24	863.82
3. Total	1147.36	984.00
4. Percentage of research & development as expenditure to total turnover	0.76	0.59

3. Technological absorption

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

ANNEXURE TO THE DIRECTORS' REPORT

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

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

(b) Benefits derived as a result of above efforts:

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

4. Foreign exchange earnings and outgo

(Rs. in lacs)

Year	2008-09	2007-08
Foreign exchange earnings	1924.06	2787.50
Foreign exchange outgo (including capital goods and imported software packages)	55827.55	55521.57

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

Economic Review:

According to industry experts the Indian economy is expected to recover from the slowdown in the second half of 2009-10, thanks to the strong domestic market and improving financial sector. The turnaround is expected from domestic activity data, adequate liquidity in the system, substantial easing of financial conditions and decline in interest rates.

Foreign Institutional Investors (FII) are back in the market and according to published reports investment by FIIs rose to US $1.8 billion in April '09 after falling to US $1.2 billion in March '09.

India expects to receive foreign direct investment (FDI) to the tune of US $30 billion in fiscal year 2009-10, compared to US $ 27.5 billion estimated for 2008-09.

Despite the global economic slump and severe credit crunch, the government is optimistic that there won't be any decline in foreign direct investment in India and anticipates a 9 per cent increase over 2008-09. Although the projected figure does not show a significant rise, under the present global scenario it is considered as a positive development.

I. Industry structure and developments

The Indian consumer durables industry has witnessed a considerable change in the past couple of years. Changing lifestyle, higher disposable income coupled with greater affordability and a surge in advertising has been instrumental in bringing about a sea change in the consumer behaviour pattern.

This industry consists of durable goods used for domestic purposes such as televisions, washing machines, refrigerators, microwave ovens etc. The growth in the consumer durables sector has been driven primarily by factors such as boom in the real estate/housing industry, higher disposable income, emergence of the retail industry in a big way coupled with rising affluence levels of a large section of the population.

A shift in consumer preferences towards higher-end, technologically advanced branded products has been quite discernable. This shift can be explained by narrowing differentials between the prices of branded and unbranded products added with the high quality of after sales service provided by the branded players. The shift has also been triggered by the availability of foreign branded products in India owing to lower import duties coupled with other liberal measures as introduced by the government.

II. Opportunities and Threats

The key growth drivers for the Indian consumer durables industry:

- **Rise in disposable income**: The demand for consumer electronics has been rising with the increase in disposable income coupled with more and more consumers falling under the double income families. The growing Indian middle class is an attraction for companies who are out to woo them.
- **Availability of newer variants of a product**: Consumers are spoilt for choice when it comes to choosing products. Newer variants of a product helps a company in getting the attention of consumers who look for innovation in products.
- **Product pricing**: The consumer durables industry is highly price sensitive, making price the determining factor in increasing volumes, at least for lower range consumers. For middle and upper range consumers, it is the brand name, technology and product features that are important.
- **Availability of financing schemes**: Availability of credit and the structure of the loan determine the affordability of the product. Sale of a particular product is determined by the cost of credit as much as the flexibility of the scheme.
- **Rise in the share of organised retail**: Rise in organised retail will set the growth pace of the Indian consumer durables industry. According to a recent study, organized retail accounts for around 5% of the estimated US $ 350 billion Indian retail market, and is expected to grow to 10.4% of overall retail market by 2012.
- **Innovative advertising and brand promotion**: Sales promotion measures such as discounts, free gifts and exchange offers help a company in distinguishing itself from others.
- **Festive season sales**: Demand for colour TVs usually pick up during the festive seasons. As a result most companies come out with offers during this period to cash in on the festive mood. This period will continue to be the growth driver for consumer durable companies.

The consumer durables market in India has seen a proliferation of brands and product categories in recent years. All the major international brands from Japan, Korea, US, Europe and China have launched in India with varying degrees of success. Most brands are still trying to build a pan-India dealer network.

In the times to come the Consumer durables sector is poised for a quantum leap due to technological improvements, falling prices due to competition, aggressive marketing and declining import tariffs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The changing dynamics of consumer behaviour indicate that luxury goods are now being perceived as necessities with higher disposable incomes being spent on lifestyle products.

In response to the aforesaid opportunities the company expanded its scope from a single product to a multi-product portfolio, resulting in enhanced possibility to occupy a larger shelf space. It prudently invested its resources to drive its innovation and promote its products.

Threats

- With stiff competition, the consumer durables industry faces a persistent pressure on margins due to its inability to pass on input cost rises to consumers. Hence, the company's future profitability may come under pressure.
- Exchange schemes and pricing could have a negative industry impact.
- The entry of cheap Chinese products through organized retail continues to be a threat to the domestic players like ONIDA. Amid hyped media reports on the invasion of Chinese goods, the consumer is likely to get confused thereby resulting in temporary loss of market share and revenues. However, brand building continues to be the competitive edge in which the Chinese products seem to lag behind. They don't have much experience in brand building, especially in the international context. Therefore, their entry into India as brands have been very diffident and that hasn't worked in the extremely competitive market like India.
- Cyclicality has triggerred an industry recession.
- Mirc faces competition from South Korean companies like LG and Samsung. In last few years, they have been increasing their market share in India. Going forward, they are expected to give tough competition to Indian manufacturers with newer high-end technologies.

Product-wise performance

During the year under review, the company witnessed a moderate de-growth in sales of colour televisions of 8%. The growth in sale of Airconditioners remained flat. The sale of Washing machines registered a small growth of 3%.

Outlook

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

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

On the export front the Company intends to aggressively capitalize its export potential and has invested considerably in research and development initiatives to create products for diverse geographies. Over the time the management expects Onida to emerge as a global brand in the consumer durables industry in India as well as internationally.

Risks and concerns

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

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

Internal control systems and their adequacy

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

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

Significant findings of the Internal Audit are brought to the notice of the Audit Committee as well as to the Board of Directors of the Company and corrective measures recommended for implementation. Reports of the Internal

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Auditor are also continuously reviewed by the management and corrective action initiated to strengthen the controls and enhance the effectiveness of the existing systems.

Operational and financial performance

The financial year 2008-09 was a year of challenges and uncertainties for businesses across various segments of industry with the financial crisis, volatile prices, sharp movement in currencies, crashing stock markets and severe liquidity crisis. Your company too was not insulated from these challenges as the business had its impact on overall margins. The exchange rate fluctuation led to a fair degree of strain on the company's operating efficiencies and profit as well. During the financial year 2008-09 the turnover of the Company stood at Rs.1517.72 crores as against Rs.1655.06 crores in the previous financial year 2007-08. The profit before tax stood at Rs.10.15 Crores as against Rs.40.55 Crores in previous financial year. The profit after tax for the financial year ended March 31, 2009 stood at Rs.8.95 Crores as against Rs.34.59 Crores in previous financial year. The company has taken adequate measures to improve its performance in the coming year and the Board is confident of better results in the financial year 2009-10.

Material developments in Human Resources / Industrial Relations front, including number of people employed.

At MIRC, human capital is considered to be the most valuable resource, since people deliver results. People are nurtured, developed, motivated and rewarded to ensure business growth. The H.R. Cell ensures that the company attracts right competency, develop them continuously, and keep its employees motivated through implementation of various HR processes.

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

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

The Human resource approach of the Company embodies the following:

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

The management is continuously working on the development of human capital to enhance responsiveness, efficiency and effectiveness in an ever-changing business environment. Employee performance is continuously evaluated against agreed KRAs as well as feedback on behavioural competencies. The company had about 1855 employees on its roll as on 31st March 2009.

Material financial & commercial transactions involving Senior management

The company has in place a Code of Corporate Governance which stipulates that senior management personnel shall make disclosures to the Board of Directors regarding any material financial and/or commercial transactions in which they are interested which may have a potential conflict with the interest of the company. In terms of the said Code senior management personnel have confirmed to the Board that they had no such dealings/transactions with the company during the financial year ended 31st March 2009

Cautionary Statement

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

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

On behalf of the Board of Directors

Date : 26.06.2009 **G. L. Mirchandani**
Place : Mumbai **Chairman and Managing Director**

CORPORATE GOVERNANCE REPORT

In compliance with corporate governance requirement as per the format prescribed by SEBI and incorporated under clause 49 of the Listing Agreement with the Stock Exchanges, the Company's policies on the Corporate Governance and compliance thereof in respect of specific areas, as applicable for the year ended March 31, 2009, are set out below for the information of shareholders and investors of the Company.

I. Company's philosophy on code of Corporate Governance

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

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

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

II. Board of Directors

A] Composition of the Board of Directors

The Board of Directors provide strategic direction and thrust to the operations of Company. At present strength of the Board of Directors is five Directors, which comprises two promoters cum executive directors and three independent non-executive directors. The chairman is an executive director. Thus more than 50% of the Board comprises non-executive and independent directors. During the year Mr. Harsh Mariwala, Non-executive and independent director had resigned from the Board w.e.f. February 20, 2009.

Five Board Meetings were held during the financial year ended March 31, 2009 i.e. on April 29, 2008, July 24, 2008, September 18, 2008, October 23, 2008 and January 23, 2009. The interval between any two meetings was not more than four calendar months.

The constitution of the Board of Directors, the details of meetings attended by the Directors and the information with regard to their membership of Committees is as under:

Name	*Category*	*Attendance Particulars*			*No. of Directorships and Committee Memberships/ Chairmanships including MIRC*		
		Number of Board Meetings		*Last AGM*			
		Held	*Attended*		*Director-ship*	*Committee Chairman-ship*	*Committee Member-ship*
Mr. Gulu L. Mirchandani	Promoter [CMD]	5	4	Yes	9	None	2
Mr. Vijay J. Mansukhani	Promoter [MD]	5	5	Yes	3	None	1
Mr. Manoj Maheshwari	I & NED*	5	5	—	7	None	5
Mr. Vimal Bhandari	I & NED*	5	5	Yes	7	1	5
Mr. Ranjan Kapur	I & NED*	5	4	Yes	6	None	3

* Independent & Non Executive Director.

Note:

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

B] Role of Independent Directors

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

C] Information placed before the Board of Directors

All the information that is required to be made available, so far applicable to the Company, in terms of clause 49 of the Listing Agreement is made available to the Board of Directors for enabling them to give their valuable inputs.

D] Code of Conduct

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

"I hereby confirm that as provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and senior management personnel have affirmed the compliance with the Code of Business Ethics and Conduct of MIRC Electronics Limited for the year ended March 31, 2009."

Sd/-
G. Sundar, *CEO*

Committees of the Board:

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

III. Audit Committee

Constitution of Audit Committee:

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

Mr. Vimal Bhandari is a Chartered Accountant from the ICAI, New Delhi. All the members of the audit committee are financially literate and one of the members possesses excellent accounting and financial management expertise. At the Annual General Meeting held on June 30, 2008, Mr. Vimal Bhandari, the chairman of the audit committee was present for replying to the shareholders' queries.

Meetings of Audit Committee during 2008-09

The Audit Committee met four times during the year ended March 31, 2009, on April 29, 2008, July 24, 2008, October 23, 2008 and January 23, 2009. Mr. Gulu L. Mirchandani, CMD, Mr. Vijay J. Mansukhani, MD and Mr. G. Sundar, the Chief Executive Officer are permanent invitees to the audit committee meetings. The CFO, the General Manager - Finance, the Internal Auditors, the Statutory Auditors and Vice Presidents of various functions are also invited to the committee meetings as and when necessary. The attendance of each Audit Committee member in the above meetings during the financial year ended March 31, 2009 is given hereunder:-

Name	Audit Committee Meetings (F.Y. 2008-09)	
	Held	Attended
Mr. Vimal Bhandari	4	4
Mr. Manoj Maheshwari	4	4
Mr. Ranjan Kapur	4	4

Powers of Audit Committee

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

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

Terms of reference of Audit Committee

The role of the Audit Committee includes the following:

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

12. To review the functioning of the Whistle Blower Mechanism.
13. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

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

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

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

Mr. Harsh Mariwala, Chairman and member of the SIGC had resigned from Board of Directors of the Company w.e.f. February 20, 2009. In view of the same, the Board of Directors of the Company in their meeting held on May 23, 2009 reconstituted the Committee and appointed Mr. Ranjan Kapur, Independent Director as member and Chairman of SIGC. Presently the Shareholders' and Investor Grievance Committee comprises of Mr. Ranjan Kapur, Mr. Gulu L. Mirchandani and Mr. Vijay Mansukhani. Mr. Anoop Pillai, Company Secretary and Head Legal, has been nominated as the Compliance Officer of the Company.

The Committee is entrusted with the responsibility of redressing the shareholders'/ investors' complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend and other queries/ complaints, if any. This committee also oversees the performance of the Registrar and Share Transfer Agent of the Company relating to the investor services and recommends measures for improvement. The attendance of each Committee member in the meetings during the financial year ended March 31, 2009 is given hereunder:-

Name	Shareholders' / Investors' Grievance Committee meetings	
	Held	Attended
Mr. Harsh Mariwala*	11	9
Mr. Gulu L. Mirchandani	11	11
Mr. Vijay J. Mansukhani	11	11

* Mr. Harsh Mariwala resigned as a director w.e.f. February 20, 2009.

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

No. of complaints received : 139

No. of complaints resolved : 139

No. of complaints pending : Nil

V. Remuneration Committee

Mr. Harsh Mariwala, Chairman and member of the Remuneration Committee had resigned from Board of Directors of the Company w.e.f. February 20, 2009. In view of the same, the Board of Directors of the Company in their meeting held on May 23, 2009 reconstituted the Committee and appointed Mr. Ranjan Kapur, Independent Director as member and Chairman of Committee.

Presently remuneration committee comprises of five directors out of whom three are Non-Executive Independent Directors viz. Mr. Ranjan Kapur Mr. Vimal Bhandari and Mr. Manoj Maheshwari and two other Executive Directors namely Mr. Gulu L. Mirchandani, CMD and Mr. Vijay J. Mansukhani, MD.

The function of remuneration committee includes recommendation of appointment of executive directors, evaluation of their performance and recommendations to the Board of the remuneration of executive directors and such other functions as delegated by the Board from time to time. The Remuneration Committee is also authorised to recommend commission to be paid to the Director(s) of the Company who is/ are not in whole time employment of the Company, in accordance with and upto the limits laid down under the Companies Act, 1956.

The Remuneration Committee met three times during the year ended March 31, 2009, on April 29, 2008, July 24, 2008, and January 23, 2009. The attendance of each Committee member in the meetings during the financial year ended March 31, 2009 is given hereunder:-

Name	Remuneration Committee meeting (F.Y. 2008-09)	
	Held	Attended
Mr. Harsh Mariwala	3	2
Mr. Manoj Maheshwari	3	3
Mr. Vimal Bhandari	3	3
Mr. Gulu L. Mirchandani	3	3
Mr. Vijay J. Mansukhani	3	3

Remuneration policy

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

The details of remuneration paid to the Directors during the financial year 2008-09 are as follows:

Sr. No.	Director	Relation with MIRC	Inter-se Relation	Remuneration paid/ payable during 2008-09				
				Sitting fees allowance & perquisites	Salary	Commission	PF & Annuity	Total
1.	Mr. G. L. Mirchandani	Promoter [CMD]	Brother in law of sr. No.2	Nil	11701651	1416500	1522800	14640951
2.	Mr. V. J. Mansukhani	Promoter [MD]	Brother in Law of sr. No.1	Nil	9670396	1416500	1522800	12609696
3.	Mr. Harsh Mariwala	I & NED*	NA	20000	Nil	200000	Nil	220000
4.	Mr. Vimal Bhandari	I & NED*	NA	45000	Nil	200000	Nil	245000
5.	Mr. Manoj Maheshwari	I & NED*	NA	45000	Nil	200000	Nil	245000
6.	Mr. Ranjan Kapur	I & NED*	NA	40000	Nil	200000	Nil	240000

[Mr. Harsh Mariwala resigned as a director w.e.f. February 20, 2009.]

* Independent & Non Executive Director

Non-executive Directors' Compensation and disclosures

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

The elements of the remuneration package of the Non-Executive Directors consist of annual commission in addition to sitting fees. The same has been approved by the shareholders in the Annual General Meeting of the Company held on 30th January, 2006. The Non-Executive Directors are paid sitting fees of Rs. 5000/- per meeting for attending Board Meetings and Audit Committee Meetings.

The Company is availing the professional expertise of the Non-Executive Directors through their participation in the Board meetings. The Non-Executive Directors are paid collectively a commission amounting to Rs. 8,00,000/- on an annual basis provided that the total commission payable to such directors does not exceed 1% of the net profits of the company. None of the Non - Executive Director is holding any shares in the Company.

Subsidiary Monitoring Framework

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

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

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

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

VI. General Body Meetings

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

Year	Location	Type of meeting	Date	Time
2007-08	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018	AGM	30.06.08	03.00 p.m.
2006-07	Amar Gian Grover Auditorium, Lala Lajpat Rai College, Near Haji Ali, Mumbai - 400 034	AGM	27.09.07	03.00 p.m.
2005-06	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018	AGM	27.09.06	11.00 a.m.

In addition to the above Annual General Meeting, a Court convened meeting of equity shareholders of the Company was held on January 05, 2009 at 3.30 p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 to seek the approval of members of the Company for amalgamation of Guviso Holdings Pvt. Ltd. (Holding Company) with Mirc Electronics Limited pursuant to provisions of section 391 of the Companies Act, 1956.

There were no matters required to be passed by the Company by Special Resolution in any of the previous three Annual General Meetings of the Company.

None of the items transacted at the last Annual General Meeting held on June 30, 2008 were required to be passed by postal ballot, nor any resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

VII. Disclosures

Materially significant related party transactions

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

Related Party Transactions

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

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

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

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

Status of regulatory compliances

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

Whistle Blower Mechanism

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

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

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

Inside Trading Code

The company has adopted the Mirc Employee (Dealing in Securities & Prevention of Insider Trading) Rules, 2002. In view of SEBI (Prohibition of Insider Trading) Amendment Regulations 2008. The Company has amended its rules accordingly and the same was approved by the Board of Directors of the Company in their meeting held on January 23, 2009. This code is applicable to all directors and designated employees. The code ensures prevention and dealing in shares of the Company by persons having access to unpublished price sensitive information. The Company monitors the transactions of insiders/ designated employees in terms of the aforesaid rules periodically.

CEO/ CFO certification

The certificate from CEO and CFO in terms of clause 49(v) of the Listing Agreement with Stock Exchanges for the financial year ended March 31, 2009 was placed before the Board of Directors of the Company in their meeting held on June 25, 2009.

VIII. Means of communication:

The company has furnished quarterly financial results along with notes on a regular basis as per the format prescribed in clause 41 of the Listing Agreement within one month from the end of the quarter to the Stock Exchange in respect of first three quarters in financial year 2008-09. In respect of last quarter of financial year 2008-09, the Company has opted to furnish audited financial results by giving advance intimation to Stock Exchanges and accordingly the Board Meeting for considering the last quarter results and full year results was held on June 25, 2009.

The audited financial results of the company [quarterly as well as yearly] were published within 48 hours of conclusion of Board Meeting in the English Newspaper 'Business Standard' / 'Financial Express' and 'Nav Shakti' / 'Lokmat' / 'Mumbai Lakshdeep', a newspaper published in the language of the region where the registered office is situated. The company informs the Stock Exchanges where its shares are listed, about the date of Board Meeting 7 days in advance and also issues an advertisement in atleast one national newspaper about the aforesaid Board Meeting.

In terms of SEBI notifications and Listing Agreement, the company has been complying with the provisions of Clause 51 of the Listing Agreement pertaining to the Electronic Data Information Filing and Retrieval System [EDIFAR]. The financial results are uploaded on the SEBI website viz. www.sebiedifar.nic.in and the Company's website viz. www.onida.com within the prescribed time limit.

IX. General Shareholders Information:

Details of Directors retiring by rotation:

Mr. Manoj Maheshwari

Mr. Manoj Maheshwari is an entrepreneur specialising in consumer products, pharmaceuticals and chemical industries. He is a graduate from Mumbai University with a major in Chemistry and holds a post-graduation degree in Industrial Management. In addition to his private initiative, Mr. Maheshwari is also on the Board of following companies as an Independent Non-Executive Director. He brings to the Mirc Board, a judicious mix of entrepreneurial and professional skills.

Name of the company	Board position held	Committee position
Hind Syntex Limited	Director	M - Investor Grievance Committee
Brabourne Enterprises Limited	Director	
Mirc Electronics Limited	Director	M - Audit & Remuneration Committee
RPG Life Science Limited	Director	
Ador Welding Limited	Director	M - Audit & Remuneration Committee
Mahindra Ugine Steel Co. Limited	Director	M - Audit Committee
Hamilton & Co. Limited	Director	M - Audit Committee
Madan Investment Private Limited	Director	
Maheshwari Investors Private Limited	Director	
Maheshwari Intrafin (I) Private Limited	Director	
Karjan Investments Private Limited	Director	
R.J. Investments Private Limited	Director	
Quardrum Solutions Private Limited	Director	
Gopal Traders Private Limited	Director	
Bombay Gas Cablecom Private Limited	Director	
MW Com Private Limited	Director	

Mr. Manoj Maheshwari does not hold any share in MIRC Electronics Limited as on March 31, 2009.

Note: Here "M" refers "Membership".

Other Details for shareholders:

AGM Date, time and Venue	August 18, 2009 at 3.00 p.m. Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018
Financial year	April 01 - March 31
Book Closure:	11.08.2009 to 17.08.2009 (Both days inclusive)
Dividend payment date: [if declared]	On or after Monday, August 24, 2009
Listing on Stock Exchange	Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. Listing fees for the year 2009-10 have been paid.
Stock code at BSE	500279
Stock symbol at NSE	MIRCELECTR
ISIN of the Company	INE831A01028
Corporate Identification No. (CIN)	L32300MH1981PLC023637

Unclaimed dividends:

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

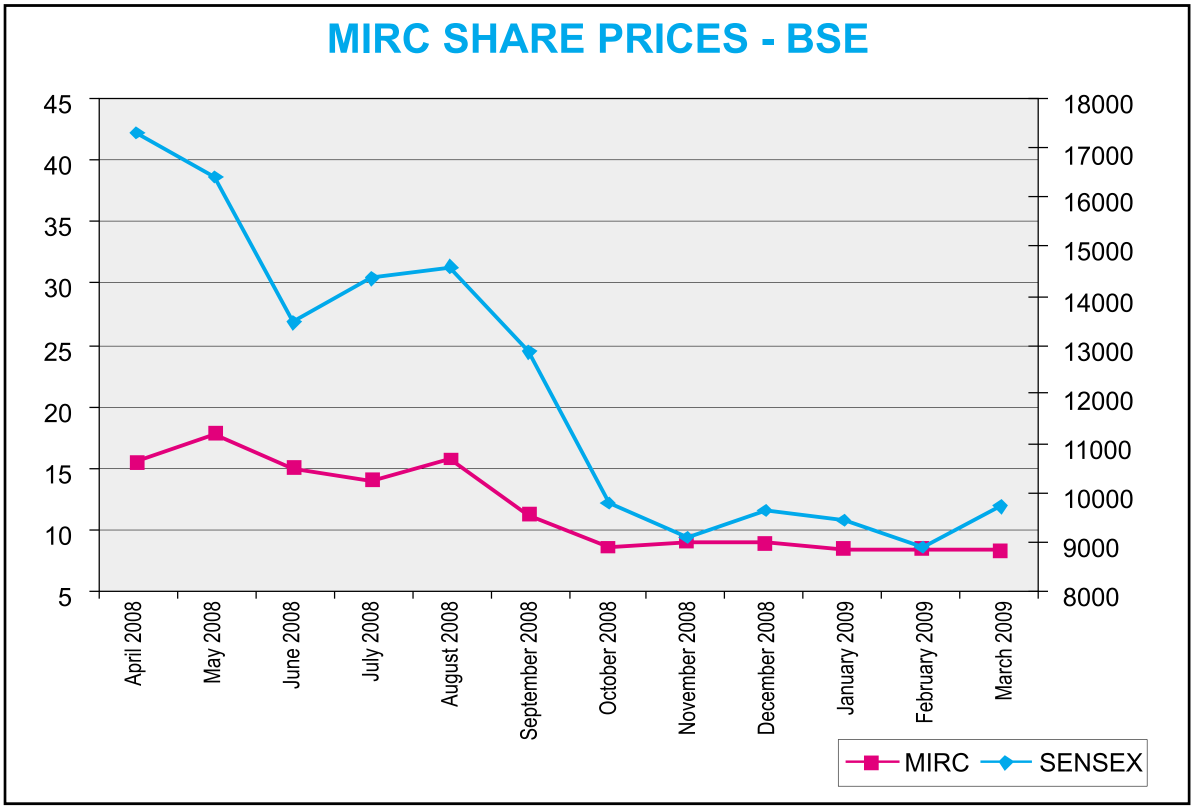
Year	*Dividend*	*Date of declaration*	*Last date of transfer to the Investor Education & Protection Fund*
2001-02	Final	September 30, 2002	October 31, 2009
2002-03	Final	August 25,2003	September 25, 2010
2003-04	Final	August 12, 2004	September 12, 2011
2004-05	Final	January 30, 2006	March 02, 2013
2005-06	Final	September 27, 2006	October 28, 2013
2006-07	Interim	March 12, 2007	April 12, 2014
2007-08	Final	June 30, 2008	July 7, 2015

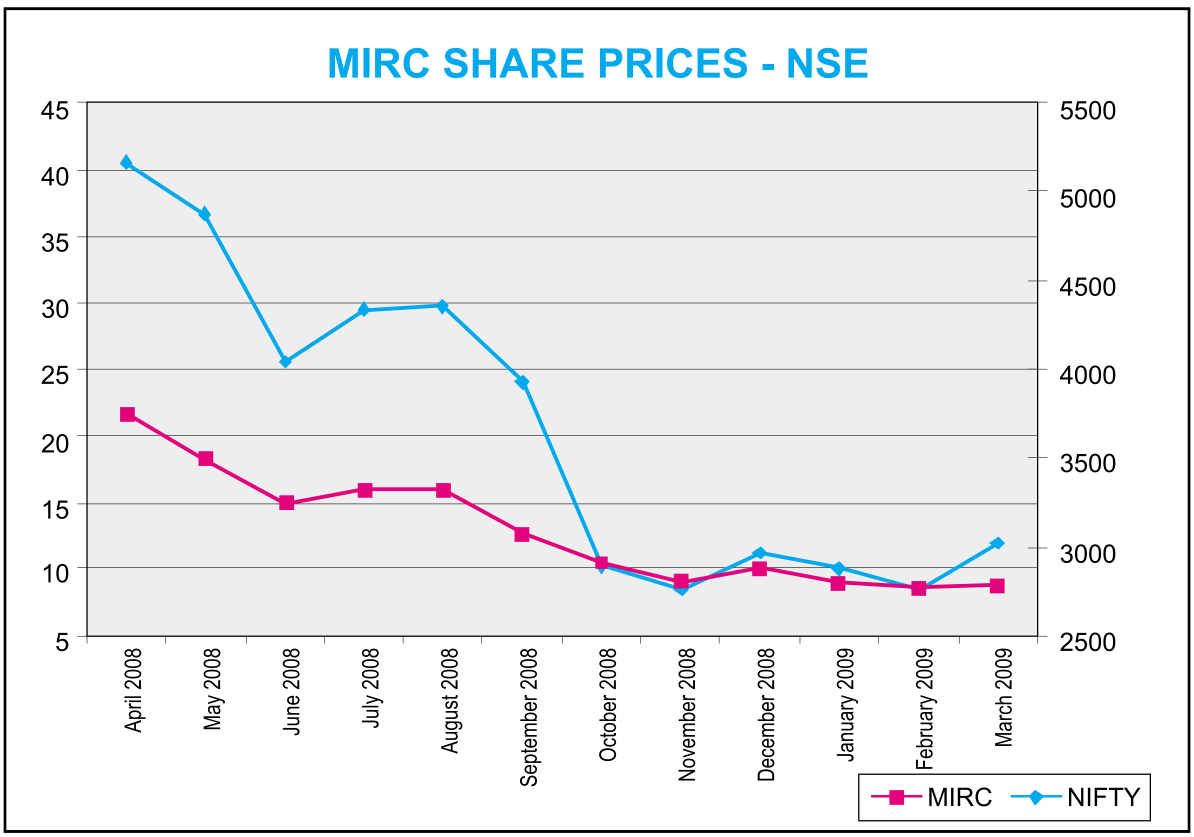
Market Price Data: (F.Y. 2008-09)

Month	Stock Exchange					
	BSE			NSE		
	Share price		Sensex	Share price		Nifty
	High (Rs.)	Low (Rs.)	Close	High (Rs.)	Low (Rs.)	Close
April 2008	23.90	15.50	17,287.31	22.50	21.65	5,165.90
May 2008	22.70	17.80	16,415.57	19.30	18.25	4,870.10
June 2008	18.90	15.00	13,461.60	15.85	15.00	4,040.55
July 2008	16.90	14.10	14,355.75	16.50	16.00	4,332.95
August 2008	18.30	15.70	14,564.53	16.70	16.00	4,360.00
September 2008	16.80	11.20	12,860.43	13.70	12.65	3,921.20
October 2008	13.95	8.61	9,788.06	13.05	10.50	2,885.60
November 2008	12.30	9.00	9,092.72	9.20	9.00	2,755.10
December 2008	11.85	8.90	9,647.31	10.60	10.05	2,959.15
January 2009	11.55	8.50	9,424.24	9.50	8.95	2,874.80
February 2009	9.50	8.40	8,891.61	9.05	8.60	2,763.65
March 2009	9.50	8.33	9,708.50	9.10	8.80	3,020.95

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

CORPORATE GOVERNANCE REPORT





Registrar & Share Transfer Agent:

M/s. Link Intime India Private Limited
(Previously known as "Intime Spectrum Registry Limited")
C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup (West), Mumbai - 400 078.
Ph.: 022-25946970-78. • Fax: 022-25946969 • E-mail: mumbai@linkintime.co.in

Share transfer system

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

Distribution schedule as on March 31, 2009

Equity shares held	Shareholders	% of shareholders	Shares	% of shareholding
1-5000	79865	99.03	28962967	20.40
5001-10000	437	0.54	3316738	2.33
10001-20000	190	0.24	2807677	1.98
20001-30000	49	0.06	1253697	0.88
30001-40000	19	0.02	640612	0.45
40001-50000	15	0.02	708495	0.50
50001-100000	36	0.05	2641373	1.86
100001 and above	34	0.04	101668025	71.60
Total	**80645**	**100.00**	**141999584**	**100.00**

Shareholding pattern as on March 31, 2009

		Category	Number of shares	Percentage of Holding
A	**Promoter's Holding**			
	1	Indian Promoter	78125321	55.02
	2	Foreign Promoter	0	0
		Sub Total (A)	**78125321**	**55.02**
B	**Non Promoter's Holding**			
		Institutional Investors		
	1	Mutual funds/ UTI	2700	0.00
	2	Financial institutions/ banks	1608	0.00
	3	Insurance Companies	2583585	1.82
	4	Foreign institutional investors	6860056	4.83
		Non Institutional Investors		
	1	Bodies Corporate	10839714	7.63
	2	Clearing members	1035423	0.73
	3	Non-resident Indians	771870	0.54
	4	Others	41779307	29.43
		Sub Total (B)	**63874263**	**44.98**
		Grand Total (A + B)	**141999584**	**100.00**

CORPORATE GOVERNANCE REPORT

The Hon'ble High Court of Bombay vide its order dated May 02, 2009 approved the Scheme of Amalgamation of Guviso Holdings Private Limited (Transferor and Holding Company) with Mirc Electronics Limited (Transferee Company). The Company had filed the said scheme with the Registrar of Companies, Maharashtra on May 21, 2009. Consequently 74896575 equity shares held by Transferor Company in Mirc Electronics Limited got cancelled and 74896669 equity shares of Re. 1/- each and 1891512, 5% Cumulative Redeemable Preference Shares of Rs. 100/- each were allotted to the shareholders of Transferor Company as per the exchange ratio stipulated in the Scheme of amalgamation.

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

S. No.	Name of the Company	S. No.	Name of the Company
1	Akasaka Electronics Limited	9	Mr. Gulu L. Mirchandani
2	Adino Electronics Limited	10	Mr. Vijay J. Mansukhani
3	Akman Dquay Securities Private Limited	11	Mrs. Gita G. Mirchandani
4	Gulita Wealth Advisors Private Limited	12	Mrs. Marissa V. Mansukhani
5	Fiona Engineering Industries Private Limited	13	Mr. Sasha G. Mirchandani
6	Gulita Securities Limited	14	Mr. Kaval G. Mirchandani
7	IWAI Electronics Private Limited	15	Mr. Akshay V. Mansukhani
8	M/s Akman Associates	16	Ms. Ayesha V. Mansukhani

Dematerialisation of shares and liquidity

As at March 31, 2009, 95.48% (135586099 shares) of shareholding were held in dematerialised form with NSDL and CDSL, while 4.512% (6413485 shares) were held in physical form.

Outstanding GDRs/ADRs/Warrants

There are no outstanding GDRs /ADRs/ warrants or any convertible instruments, as on March 31, 2009, likely to have an impact on the equity share capital of the Company.

Plant Locations

1 Village Kudus
Bhiwandi Wada Road
Taluka Wada
Thane - 421 312

2. B-204/205
Phase - II
Noida - 201 305

3. Khasra No.158,
Vill. Raipur, Pargana
Bhagwanpur, Roorkee,
Dist. Haridwar, Uttaranchal

Website: www.onida.com

Address for correspondence

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

On behalf of the Board of Directors

Place : Mumbai
Date : 26.06.2009

Gulu L. Mirchandani
Chairman and Managing Director

CEO/ CFO Certificate under clause 49 of the Listing Agreement

We, G. Sundar, Chief Executive Officer and Satrajit Ray, Chief Financial Officer of Mirc Electronics Limited hereby certify to the Board that :

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2009 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

Date : 26.06.2009
Place : Mumbai

G. Sundar
Chief Executive Officer

Satrajit Ray
Chief Financial Officer

Auditors Certificate on Corporate Governance

To the members of Mirc Electronics Limited

We have examined the compliance of conditions of corporate governance by the Mirc Electronics Limited for the year ended March 31, 2009, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges of India.

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

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

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

For N.M. Raiji & Co.
Chartered Accountants

Date : 26.06.2009
Place : Mumbai

J.M. Gandhi
Partner
M. 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, 2009 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 standards on auditing generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 Companies (Auditor's Report) Order, 2004 (hereinafter to be referred to as "the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.

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, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

(vi) We draw the attention to note no.10 of Schedule 21 to the financial statements relating to excess managerial remuneration charged to the profit and loss account of the current year, which is subject to the approval of the Central Government and the Shareholders.

(vii) 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 give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;

(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
Membership No: 37924

Mumbai, June 25, 2009

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, 2009.

(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.

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

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

(iii) (a) The Company has granted unsecured loan to a subsidiary company covered in the register maintained under Section 301 of the Companies Act, 1956. The aggregate maximum amount during the year and outstanding amount as at the balance sheet date of such loan are both Rs. 68.25 lacs.

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

(c) There are no overdue amounts of principal and interest in respect of loans granted.

(d) The Company had taken unsecured loan from a company covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount outstanding during the year is Rs.1019.10 lacs. There is no outstanding amount as at the balance sheet date of such loan as the company from whom such loan was taken has been amalgamated with the Company.

(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 had repaid the principal amounts as stipulated and was 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 of the Companies Act, 1956 have been properly entered in the said register.

ANNEXURE TO THE AUDITORS' REPORT

(b) During the year, there are transactions of purchase of materials and services from two 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 and sale of services to two 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.

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

(b) The following are the details of disputed Income Tax, Excise Duty, 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	1993-94, 1994-95, 1995-96, 1996-97, 1998-99, 1999-00, 2000-01	High Court	634.88
Income Tax	1997-98	ITAT	0.02
Income Tax	2002-03, 2003-04, 2004-05	CIT (A)	269.15
Central Excise	1998-99	High Court	62.44
Central Excise	1997-98, 1999-00, 2005-06, 2008-09	Commissioner	416.97
Central Excise	1999-00, 2001 to 2005, 2005-06	CESTAT	225.58
Customs	1998-99	CESTAT	35.77
Customs	2001-02	Commissioner	1.93
Sales Tax	1991-92, 2000-01, 2004-05, 2005-06	High Court	1060.69
Sales Tax	1997-98	Board of Madhya Pradesh Commercial Taxes, Bhopal	6.93
Sales Tax	1992-93, 1993-94, 1996-97, 1998-99, 1999-00, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2006-07, 2007-08	Commissioner	194.74
Sales Tax	2001-02, 2007-08	Deputy Commissioner	9.47
Sales Tax	2002-03, 2003-04	Tribunal	217.19
Sales Tax	1998-99, 2000-01	ACCT Appellate	1.13
Sales Tax	1987-88, 2001-02	Joint Commissioner	2.55

ANNEXURE TO THE AUDITORS' REPORT

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

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

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

(xiii) The Company is not a chit fund or a nidhi / mutual fund benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (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.

(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 utilisation of the funds for the stated use.

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

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

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

(xx) During the period covered by our audit report, the Company has not raised any money by way of 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, June 25, 2009 Membership No: 37924

BALANCE SHEET AS AT

Rs. in lacs

	Schedule	31st Mar 09		31st Mar 08	
SOURCES OF FUNDS					
Shareholders Funds					
Capital	1	670.39		1419.35	
Capital Suspense	1A	2640.48		—	
Reserves and Surplus	2	23946.88		24005.19	
			27257.75		25424.54
Loan Funds					
Secured	3	7488.61		10372.26	
Unsecured	4	13033.14		9584.00	
			20521.75		19956.26
Deferred Tax Liabilities (Net)			1550.68		1689.40
TOTAL			**49330.18**		**47070.20**
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		35493.05		34344.91	
Less: Depreciation		17142.07		15371.28	
Net Block		18350.98		18973.63	
Capital Work in Progress including Capital Advance		2554.55		193.80	
			20905.53		19167.43
Investments	6		2678.11		2600.18
Current Assets, Loans and Advances					
Inventories	7	21041.50		29257.09	
Sundry Debtors	8	10680.70		13368.80	
Cash and Bank Balances	9	930.21		1946.05	
Loans and Advances	10	9584.51		6721.23	
		42236.92		51293.17	
Less: Current Liabilities and Provisions					
Liabilities	11	15514.25		24057.08	
Provisions	12	976.13		1933.50	
		16490.38		25990.58	
Net Current Assets			25746.54		25302.59
TOTAL			**49330.18**		**47070.20**
Notes Forming Part of The Accounts	21				

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

For and on behalf of the
BOARD OF DIRECTORS

J. M. Gandhi
Partner

Satrajit Ray
Chief Financial Officer

G. L. Mirchandani
Chairman and Managing Director

Anoop Pillai
Company Secretary and Head Legal

V. J. Mansukhani
Managing Director

Mumbai, June 25, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

Rs. in lacs

	Schedule	31st Mar 09	31st Mar 08
INCOME			
Gross Sales	13	151771.59	165506.03
Less : Excise Duty on Sales		8728.69	12667.64
Net Sales		143042.90	152838.39
Other Income	14	418.19	369.61
TOTAL		**143461.09**	**153208.00**
EXPENDITURE			
Materials Consumed	16	52939.07	63822.22
Cost of Traded Goods Sold	17	56196.34	54219.60
Personnel Expenses	18	6715.43	6600.22
Depreciation	5	1855.17	2393.57
Financial Expenses	19	2848.88	2318.28
Other Expenses	20	19446.65	21496.98
		140001.54	150850.87
(Less)/Add:(Accretion)/Decretion in Stocks	15	2443.98	(1697.99)
TOTAL		**142445.52**	**149152.88**
PROFIT BEFORE TAX		**1015.57**	**4055.12**
Fringe Benefit Tax		118.90	117.60
Current Tax		139.95	745.04
Deferred Tax		(138.72)	(266.09)
PROFIT AFTER TAX		**895.44**	**3458.57**
Surplus Brought Forward from previous Year		15429.55	14082.31
TOTAL		**16324.99**	**17540.88**
APPROPRIATIONS			
Dividend on Shares			
Final Equity Dividend - Proposed		568.00	1420.00
Final Preference Dividend - Proposed		67.37	—
Tax on Dividends		107.98	241.33
Transfer to General Reserve		89.54	450.00
Surplus carried to Balance Sheet		15492.10	15429.55
TOTAL		**16324.99**	**17540.88**
Notes Forming Part of The Accounts	21		
Basic & diluted earnings per share (Rs.)		0.63	2.44

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

For and on behalf of the
BOARD OF DIRECTORS

J. M. Gandhi
Partner

Satrajit Ray
Chief Financial Officer

G. L. Mirchandani
Chairman and Managing Director

Mumbai, June 25, 2009

Anoop Pillai
Company Secretary and Head Legal

V. J. Mansukhani
Managing Director

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

Rs. in lacs

	31st Mar 2009		31st Mar 2008	
SCHEDULE 1 – SHARE CAPITAL				
Authorised				
16,80,20,000 Equity Shares of Re.1 each (Previous year 15,00,00,000 Equity Shares of Re.1 each)		1680.20		1500.00
20,00,000 5% Cumulative Redeemable Preference Shares of Rs.100 each (Previous year 20,00,000 Preference Shares of Rs.100 each)		2000.00		2000.00
10,000 8% Cumulative Redeemable Preference Shares of Rs.100 each (Previous year Nil 8% Cumulative Redeemable Preference Shares of Rs.100 each)		10.00		—
10,00,000 11% Non-Cumulative Redeemable Preference Shares of Rs.100 each (Previous year Nil 11% Non-Cumulative Redeemable Preference Shares of Rs.100 each)		1000.00		—
		4690.20		3500.00
Issued, Subscribed and Paid Up				
6,71,03,009 Equity Shares of Re.1 each fully paid up (Previous year 14,19,99,584 Equity Shares of Re.1 each fully paid up)	671.03		1419.99	
Less: Calls in arrears	0.64		0.64	
		670.39		1419.35
Notes: Of the above				
• Nil (Previous year 7,48,96,575) Equity Shares are held by the Holding Company, Guviso Holdings Pvt. Limited. (These shares are cancelled as per scheme of amalgamation)				
• 9,36,95,620 (Converted into Face value of Re.1) Equity Shares are alloted as fully paid Bonus Shares by capitalisation of General Reserve and Capital Redemption Reserve.				
• 14,59,464 Equity Shares were alloted as per the scheme of Amalgamation of Onida Savak Ltd. with the Company				
TOTAL		**670.39**		**1419.35**
SCHEDULE 1A – SHARE CAPITAL SUSPENSE				
7,48,96,669 Equity Shares of Re.1 each fully paid up (Previous Year Nil Equity Shares of Re.1 each fully paid up)		748.97		—
18,91,512 5% Cumulative Redeemable Preference Shares of Rs.100 each (Previous year Nil 5% Cumulative Redeemable Preference Shares of Rs.100 each)		1891.51		—
TOTAL		**2640.48**		**—**
SCHEDULE 2 – RESERVES AND SURPLUS				
Capital Reserve		7.07		7.07
Share Premium		1.39		1.39
General Reserve				
As per last Balance Sheet	8567.18		8117.18	
Less : Amalgamation adjustment	210.40		—	
Add : Transfer from Profit and Loss Account	89.54		450.00	
		8446.32		8567.18
Profit and Loss Account		15492.10		15429.55
TOTAL		**23946.88**		**24005.19**

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

Rs. in lacs

	31st Mar 2009	31st Mar 2008
SCHEDULE 3 – SECURED LOANS		
From Banks		
Cash Credit	4998.27	9072.26
Long Term Loan	—	1300.00
Foreign Currency Loan	2490.34	—
TOTAL	**7488.61**	**10372.26**

Of the above Rs.7488.61 (Previous year : Rs.10272.26) is repayable within one year.

Note: Cash Credit and Foreign Currency Loan 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 erstwhile Holding Company.

	31st Mar 2009	31st Mar 2008
SCHEDULE 4 – UNSECURED LOANS		
Term Loan From Banks	13000.00	9500.00
From Others - Intercorporate Deposits	—	76.60
Sales Tax Deferment Loan	33.14	7.40
TOTAL	**13033.14**	**9584.00**

Of the above, Rs.7533.14 (Previous year: Rs.4084.00) is repayable within one year.

Note: Intercorporate Deposits Rs.Nil, on account of amalgamation adjustment.

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

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2008	*Additions / Adjustments*	*Deletions / Adjustments*	*As at 31.03.2009*	*Upto 01.04.2008*	*For the Year*	*Deletions / Adjustments*	*Upto 31.03.2009*	*As at 31.03.2009*
INTANGIBLE ASSETS									
1 R & D Software	47.47	7.80	—	55.27	29.48	5.85	—	35.33	19.94
	(45.11)	(2.36)	—	(47.47)	(19.76)	(9.72)	—	(29.48)	(17.99)
TANGIBLE ASSETS									
2 Leasehold land	760.22	—	—	760.22	80.91	9.68	—	90.59	669.63
	(760.22)	—	—	(760.22)	(71.24)	(9.67)	—	(80.91)	(679.31)
3 Freehold land	1169.12	586.82	—	1755.94	—	—	—	—	1755.94
	(1169.12)	—	—	(1169.12)	—	—	—	—	(1169.12)
4 Buildings	9201.76	14.18	—	9215.94	1823.43	294.77	—	2118.20	7097.74
	(9151.35)	(50.41)	—	(9201.76)	(1529.69)	(293.74)	—	(1823.43)	(7378.33)
5 Plant and Machinery and Electrical Fittings	20969.64	548.63	44.81	21473.46	12081.23	1427.16	43.86	13464.53	8008.93
	(20745.84)	(595.97)	(372.17)	(20969.64)	(10511.36)	(1929.90)	(360.03)	(12081.23)	(8888.41)
6 Furniture, Fixtures and Equipments	1078.75	43.85	34.60	1088.00	700.44	56.37	32.61	724.20	363.80
	(1117.56)	(21.59)	(60.40)	(1078.75)	(668.00)	(88.70)	(56.26)	(700.44)	(378.31)
7 Motor Vehicles	252.98	—	9.93	243.05	171.78	23.41	7.83	187.36	55.69
	(279.18)	—	(26.20)	(252.98)	(161.23)	(27.02)	(16.47)	(171.78)	(81.20)
8 R & D - Building	157.08	—	—	157.08	69.53	5.23	—	74.76	82.32
	(157.08)	—	—	(157.08)	(64.28)	(5.25)	—	(69.53)	(87.55)
9 R & D - Plant and Machinery and Electrical Fittings	590.23	26.10	0.03	616.30	334.72	25.32	0.03	360.01	256.29
	(472.50)	(117.73)	—	(590.23)	(312.73)	(21.99)	—	(334.72)	(255.51)
10 R & D - Furniture, Fixture and Equipments	117.66	10.22	0.09	127.79	79.76	7.38	0.05	87.09	40.70
	(117.57)	(0.09)	—	(117.66)	(72.18)	(7.58)	—	(79.76)	(37.90)
Total	**34344.91**	**1237.60**	**89.46**	**35493.05**	**15372.28**	**1855.17**	**84.38**	**17142.07**	**18350.98**
	(34015.53)	**(788.15)**	**(458.77)**	**(34344.91)**	**(13410.47)**	**(2393.57)**	**(432.76)**	**(15371.28)**	**(18973.63)**
Capital Work-in-Progress									**2554.55**
									(193.80)
TOTAL									**20905.53**
									(19167.43)

Note: 1. Capital Work-In-Progress includes pre-operative expenses of Rs.75.01 (previous year Rs.8.09) and interest Rs.303.08 (Previous year Rs.Nil).
2. Figures in brackets are as on 31st March, 2008.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

Rs. in lacs

	Face Value in Rupees	31st Mar 09 Nos.		31st Mar 08 Nos.	
SCHEDULE 6 – INVESTMENTS					
(Unquoted and Fully Paid unless otherwise stated)					
Long Term Investments (At Cost)					
In Subsidiary Company (In Equity Shares)					
Akasaka Electronics Limited	10	8148000	2624.85	7176000	2523.00
(Includes 9,72,000 shares transferred from Guviso Holdings Private Limited)					
	(A)		2624.85		2523.00
Current Investments (At Cost)					
Non-Trade Investments (In Equity Shares)					
Kongarar Textiles Limited	10	2600	1.17	2600	1.17
Menon Pistons Limited (Quoted)	10	118745	83.12	118745	83.12
Onida Finance Limited	10	468400	139.60	468400	139.60
	(B)		223.89		223.89
Total Investments	(A + B)		2848.74		2746.89
Less: Provision for diminution in the value of Investments	(C)		170.63		146.71
TOTAL	**(A+B-C)**		**2678.11**		**2600.18**

Notes:

Aggregate of Quoted Investments		
Cost	83.12	83.12
Market Value	53.26	77.18
Aggregate of Unquoted Investments		
Cost	2765.62	2663.77

Notes:

	Units
During the year following units were purchased and sold.	
ICICI Prudential Institutional Liquid Plan	13399330

SCHEDULE 7 – INVENTORIES	31st Mar 09	31st Mar 08
Raw Materials including Packing Materials and Service Spares	6726.13	9251.08
Stores and Spares	228.51	214.09
Semi Finished Goods	1584.62	1543.98
Finished Goods: Manufactured	3902.89	6387.51
Traded	8056.69	9023.99
Goods in transit	542.66	2836.44
TOTAL	**21041.50**	**29257.09**

SCHEDULE 8 – SUNDRY DEBTORS	31st Mar 09	31st Mar 08
Debts outstanding for a period exceeding six months		
Considered Good	237.37	89.97
Considered Doubtful	773.06	679.43
Other Debts	10443.33	13278.83
	11453.76	14048.23
Less: Provision for Doubtful Debts	773.06	679.43
TOTAL	**10680.70**	**13368.80**

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

Rs. in lacs

	31st Mar 2009	31st Mar 2008
SCHEDULE 9 – CASH AND BANK BALANCES		
Cash on hand	21.67	22.97
Bank Remittances in Transit	715.87	1686.93
Balances with Scheduled Banks:		
Current Accounts	179.93	160.51
Fixed Deposit Accounts	0.38	0.19
Balances with Non - scheduled Bank		
HSBC Bank Middle East - AED Current Account	1.87	8.78
HSBC Bank Middle East - USD Call Deposit Account	10.49	66.67
TOTAL	**930.21**	**1946.05**

	31st Mar 2009	31st Mar 2008
SCHEDULE 10 – LOANS AND ADVANCES		
(Refer Note 8 of Schedule 21)		
(Unsecured - considered good unless otherwise stated)		
Loans	1544.20	356.49
Advances recoverable in cash or kind or for value to be received	7821.84	5162.22
Advance Income-tax (Net of Provisions)	8.16	374.93
Balance with Excise and Customs Authorities	210.31	827.59
TOTAL	**9584.51**	**6721.23**

	31st Mar 2009	31st Mar 2008
SCHEDULE 11 – CURRENT LIABILITIES		
Acceptances	5086.66	10270.68
Sundry Creditors (Refer note 7 (b) of Schedule 21)	4892.86	5419.00
Advances from Customers	431.92	503.92
Unclaimed Dividend Accounts (Refer note 7 (c) of Schedule 21)	117.47	90.90
Other Liabilities	4627.65	7396.43
Interest accrued but not due	78.42	94.10
Deposits from Dealers	279.27	282.05
TOTAL	**15514.25**	**24057.08**

	31st Mar 2009	31st Mar 2008
SCHEDULE 12 – PROVISIONS		
Proposed Dividends	635.37	1420.00
Tax on Proposed Dividends	107.98	241.33
Provision for Retirement Benefits	232.78	272.17
TOTAL	**976.13**	**1933.50**

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Rs. in lacs

	2008-09		2007-08	
SCHEDULE 13 – SALES				
Sales		151708.43		165407.38
Export Benefits received		63.16		98.65
TOTAL		**151771.59**		**165506.03**

SCHEDULE 14 – OTHER INCOME				
Dividend Income		5.02		6.82
Interest Income - Gross (Tax deducted at source Rs. 4.91, (previous year Rs.1.36))		83.17		6.79
Profit on Sale of Assets		0.57		3.98
Interest on Income Tax Refund		113.40		24.15
Sales Tax Refund		98.09		26.21
Write back of Provision against Investments		—		0.42
Miscellaneous Income		117.94		301.24
TOTAL		**418.19**		**369.61**

SCHEDULE 15 – (ACCRETION)/DECRETION IN STOCKS - MFG				
Opening Stock - Semi-finished Goods	1543.98		1732.46	
Finished Goods	6387.51		4501.04	
Less:		7931.49		6233.50
Closing Stock - Semi-finished Goods	1584.62		1543.98	
Finished Goods	3902.89		6387.51	
		5487.51		7931.49
TOTAL		**2443.98**		**(1697.99)**

SCHEDULE 16 – MATERIALS CONSUMED				
Opening Stock		9251.08		7648.15
Add : Purchases		50414.12		65425.15
		59665.20		73073.30
Less: Closing Stock		6726.13		9251.08
TOTAL		**52939.07**		**63822.22**

SCHEDULE 17 – COST OF TRADED GOODS SOLD				
Opening Stock		9023.99		5334.80
Add : Purchases		55229.04		57908.79
		64253.03		63243.59
Less: Closing Stock		8056.69		9023.99
TOTAL		**56196.34**		**54219.60**

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Rs. in lacs

	2008-09		2007-08	
SCHEDULE 18 – PERSONNEL EXPENSES				
Salaries, Wages and Bonus		5443.49		5159.38
Contribution to Provident Fund and Gratuity		298.18		425.83
Staff Welfare Expenses		973.76		1015.01
TOTAL		**6715.43**		**6600.22**

SCHEDULE 19 – FINANCIAL EXPENSES				
Interest – Fixed Loans		1344.34		1463.73
– Others		1504.54		854.55
TOTAL		**2848.88**		**2318.28**

SCHEDULE 20 – OTHER EXPENSES				
Power and Fuel		642.78		665.71
Rent		874.87		676.16
Rates and Taxes		294.72		198.32
Repairs to:				
– Plant and Machinery		220.49		430.19
– Building		21.80		25.23
– Others		458.53		438.79
Insurance Charges		109.11		124.46
Freight and Forwarding Expenses		5329.78		6425.45
Advertisement		5185.76		6390.96
Sales Commission		102.80		183.51
Service Charges		1433.47		1341.78
Travelling and Conveyance		1068.57		1075.92
Loss on Sale of Assets		3.54		14.00
Bad debts written off		0.28		—
Provision for Doubtful Debts		93.63		220.42
Provision for Diminution in value of investment		23.93		—
Research and Development Expenditure		1056.04		819.28
Miscellaneous Expenses (Refer Note 2 of Schedule 21)		2526.55		2466.80
TOTAL		**19446.65**		**21496.98**

NOTES FORMING PART OF ACCOUNTS

SCHEDULE 21

Rs. in lacs

A. Significant Accounting Policies

I. Basis of Accounting

The financial statements have been prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

II. Revenue Recognition

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

ii) Interest income is recognised on accrual basis.

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

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

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

III. Fixed Assets and Depreciation

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

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

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

iv) The company provides depreciation as under :

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

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

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

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

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

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

IV. Impairment of Assets

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

NOTES FORMING PART OF ACCOUNTS

V. Investments Rs. in lacs

Investments are classified as current or long term in accordance with Accounting Standard (AS)-13 on "Accounting for Investments". Current Investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversal of such reductions are charged or credited to the Profit and Loss Account. Long term investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of such investments.

VI. Accounting for Taxes on Income

Tax expenses are charged to Profit and Loss account after considering deferred tax impact for the timing difference between Accounting Income and Tax Income. Deferred Tax Assets on timing differences are recognised when there is a reasonable certainty that they will be realised. Deferred Tax Assets relating to unabsorbed business losses are recognised when there is a virtual certainty that there will be sufficient taxable profits to utilise them.

VII. Inventories

Stock in trade is valued at lower of cost and net realisable value. Stock of Consumable stores, spares and furnace oil are valued at cost. Cost is computed based on moving weighted average in respect of all procurred materials and comprises of materials and appropriate share of utilities and other overheads in respect of work-in-process and finished goods. Costs also includes all charges incurred for bringing the inventories to their present location and condition.

VIII. Sales Promotion

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

IX. Foreign Currency Transactions

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

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

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

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

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

Transactions relating to overseas branch have been translated as follows

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

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

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

X. Research and Development

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

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

XI. Retirement benefits

Provident Fund - The Company has a statutory scheme of Provident Fund with the Regional Provident Fund Commissioner. Gratuity and Leave Encashment - Gratuity and Leave Encashment has been provided in accordance with Accounting Standard (AS) - 15 "Employee Benefits". Superannuation - Superannuation is provided on the basis of premium paid on the policy taken under Group Superannuation Scheme from Life Insurance Corporation of India.

XII. Borrowing cost

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

NOTES FORMING PART OF ACCOUNTS

B. Notes to Accounts

Rs. in lacs

1. Scheme of amalgamation of Guviso Holdings Pvt. Ltd with the Company

a. The Scheme of Amalgamation of the erstwhile Guviso Holdings Pvt. Ltd., (GHPL) being the Holding Company, with the Company was approved by the shareholders of the Company at the Court Convened Meeting held on 5th January, 2009 and subsequently approved by the Honourable High Court of judicature at Mumbai on 2nd May, 2009. The said order has been filed by the Company with the Registrar of Companies on 21st May, 2009 and the Scheme has been effective from that date.

The scheme as sanctioned by the Court has accordingly been given effect to in the accounts from the appointed date of 15th July, 2008. The scheme provides adoption of Pooling of Interest method of accounting for the amalgamation as per accounting standard (AS) - 14 "Accounting for Amalgamation" issued by the Institute of Chartered Accountants of India. Accordingly all the assets, liabilities and reserves of GHPL have been recorded in the books of the Company at its carrying value under the respective heads. Further expenses of Rs. 111.74 related to the amalgamation has been debited to General Reserve of the Company as per the provision of the scheme. Shortfall in respect of the difference between the book value of the net assets of GHPL and the face value of shares to be alloted to the shareholders of GHPL has been debited to General Reserve of the company as per the scheme of amalgamation. Subsequent to the Balance Sheet date the shares of the Company held by GHPL have been cancelled and the shareholders of GHPL have been alloted equity and preference shares as per the scheme.

b. The summary of Assets and Liabilities acquired and discharge of consideration are as given below:

i) Summary of GHPL's assets as at 15th July, 2008

Investments		850.82
Cash and Bank balances	3.30	
Loans and Advances	1766.27	
	1769.57	
Less : Current Liabilities	0.17	
Provisions	78.40	
	78.57	1691.00
Net assets		2541.82

ii) The consideration to be discharged

Equity shares to be alloted in the ratio of 10394 Equity shares of Re.1 each of Mirc Electronics Ltd for every 25 Equity shares of Rs.100 each of GHPL	748.97
5% Cumulative Preference shares of Rs.100 each to be alloted in the ratio of 21 Preference shares of Mirc Electronics Ltd for every 2 Equity shares of Rs.100 each of GHPL	1891.51
	2640.48
Deficit on amalgamation adjusted againts General Reserve	98.66

c. In terms of the scheme, the Equity shares to be issued on amalgamation by the Company shall rank for the dividend, voting rights and in all other respects pari - passu with the existing Equity shares of the Company. The Preference shares will be entitled to dividend from the appointed date i.e.15th July, 2008. The face value of Equity and Preference shares to be issued has been shown as Capital Suspense.

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

NOTES FORMING PART OF ACCOUNTS

Rs. in lacs

During the year net debit in respect of foreign exchange loss is Rs.6053.51 (previous year credit of Rs.312.32). Out of this debit of Rs.5286.83 is in respect of raw material purchases, credit of Rs.44.20 is in respect of export of goods, debit of Rs.13.89 is in respect of secured loans (included in financial expenses) and debit of Rs.796.99 is in respect of derivative contract (included in miscellaneous expenditure).

3. Contingent Liabilities

	Particulars	31st March 2009	31st March 2008
a)	Guarantees given to Bank against which Rs.Nil (Rs.Nil) has been deposited as margin money	340.34	123.49
b)	Guarantees given to bank on behalf of subsidiary companies		
	Akasaka Electronics Limited	1870.00	1870.00
c)	Income tax demands in respect of which appeals have been filed	1142.73	2064.80
d)	Excise and Custom Duty in respect of which appeals have been filed	771.65	339.39
e)	Claims made against the Company not acknowledged as debts	2910.84	4960.02

4.	Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	1093.92	110.20

5. Employee benefits

a) **Description of the Plan :**

Gratuity -

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

Leave encashment -

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

b) **Principal actuarial assumptions :**

Particulars	Gratuity	Leave Encashment
Discount rate Previous year	8.00%	8.00%
Discount rate Current year	7.75%	7.75%
Rate of Return on Plan Assets Previous year	8.00%	—
Rate of Return on Plan Assets Current year	7.75%	—
Salary Escalation Previous Year	5.00%	5.00%
Salary Escalation Current year	4.00%	4.00%

c) **Reconciliation of Benefit Obligation :**

Rs. in lacs

Particulars	Gratuity	Leave Encashment
Liability at the beginning of the year	569.13	121.73
Interest cost	45.53	9.74
Current Service Cost	52.11	15.12
Benefit Paid	(40.34)	(42.64)
Actuarial (Gain) / Loss on Obligations	(9.70)	90.78
Liability at the end of the year	616.73	—
Fair Value of Plan Assets at the end of the year	578.68	—
Liability at the end of the year recognised and disclosed under the head “Provisions for Employee Benefits”	38.05	194.73

d) **Reconciliation of Fair value of Plan Assets :**

Particulars	Gratuity
Fair Value of Plan Assets at the beginning of the year	418.70
Expected Return on Plan Assets	33.49
Contributions	152.07
Benefit Paid	(40.34)
Actuarial Gain / (Loss) on Obligations	14.76
Fair Value of Plan Assets at the end of the year	578.68
Total Actuarial Gain / (Loss) recognised	24.46

e) **Return on Plan Assets :**

Particulars	Gratuity
Expected Return on Plan Assets	33.49
Actuarial (Gain) / Loss on Plan Assets	14.76
Actual Return on Plan Assets	48.25

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

Particulars	Gratuity	Leave Encashment
Current Service Cost	52.11	15.12
Interest Cost	45.53	9.74
Expected Return on Plan Assets	(33.49)	—
Net Actuarial (Gain) / Loss recognised	(24.46)	90.78
Expenses recognised in Profit and Loss Account	39.69	115.64

NOTES FORMING PART OF ACCOUNTS

Rs. in lacs

6. Research and development expenses consist of personnel expenses, depreciation and other expenses of Rs.724.12 (previous year Rs.535.14), Rs.47.20 (previous year Rs.44.54) and Rs.331.92 (previous year Rs.284.14) respectively.

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

   b) The Company is in process of identifying parties covered under MSMED Act, 2006 as a result of this information required under the said Act could not be provided. The management is of the view that there were no delay in payment of dues to any parties likely to get covered under the act, as the Company is generally making payment within 45 days from the date of supply.

   c) There is no amount due and outstanding, as at 31st March, 2009 to be credited to Investor Education and Protection Fund.

8. Loans and Advances:

Particulars	31st March 2009	31st March 2008
Include loans and advances given to :		
a) Subsidiary Company Advances		
i) Akasaka Electronics Limited	70.69	70.69
Maximum amount outstanding during the year Rs.70.69 (previous year Rs.78.19)		

9. Miscellaneous Expenses charged to Profit and Loss Account includes

Particulars	2008-09	2007-08
Remuneration to Auditors (excluding Service Tax) :		
Audit fees	17.50	17.50
Other Services (Certification, Tax Audit etc.)	7.32	4.78
Out of pocket expenses	0.59	0.77
Total	**25.41**	**23.05**

10. Payments to Directors

Particulars	2008-09	2007-08
Remuneration to Directors		
a) Salaries	190.32	161.28
b) Commission to Chairman and Managing Director and Managing Director	28.33	92.06
Commission to Non Executive Director	8.00	8.00
c) Contribution to Provident Fund and other funds	30.46	27.22
d) Other Perquisites	23.40	3.64
Total	**280.51**	**292.20**

Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956 : Rs. in lacs

Particulars		2008 - 09		2007 - 08
Profit before taxes as per Profit and Loss Account		**1015.57**		**4055.12**
Add :				
Managerial Remuneration		244.18		192.14
Commission to Chairman and Managing Director and Managing Director		28.33		92.06
Loss on sale of Fixed Assets u/s 350		3.54		14.00
Provision - Others		93.62		246.65
Decrease in value of investment		23.93		—
Commision to Non-Executive directors		8.00		8.00
		401.60		**552.85**
Less :				
Profit on sale of Fixed Assets		0.57		3.98
Increase in value of investment		—		0.42
Profit on sale of Investment		—		—
		0.57		**4.40**
Net Profit as per Sec. 309 (5)		**1416.60**		**4603.57**
Commission payable to				
Chairman and Managing Director @1% of Net profit as per Sec. 309 (5)		14.16		46.03
Managing Director @1% of Net profit as per Sec. 309(5)		14.16		46.03
Non Executive Directors		8.00		8.00

In view of inadequacy of profit for the year 2008-09, remuneration to the mangerial personnel is in excess of the limit prescribed under schedule XIII of Companies Act, 1956, by Rs.146.05 lacs. The said amount is held in trust by the directors of the company pending approval from Central Government and approval from the Shareholders of the Company. The steps are being taken by the company for seeking required approvals.

11. Material Consumed

Sr. No.	Particulars	Quantity (Nos.)	2008-09	Quantity (Nos.)	2007-08
a)	Picture Tubes for Colour Televisions	1506243	18532.21	1217288	17071.19
b)	Imported Components and Parts for Colour Televisions, etc.		18404.50		29037.08
c)	Others		16002.36		17713.95
	Total		**52939.07**		**63822.22**

12. Value of Material Consumed

Sr. No.	Particulars	%	2008-09	%	2007-08
a)	Imported	61	32228.05	65	41668.62
b)	Indigenous	39	20711.02	35	22153.60
	Total	**100**	**52939.07**	**100**	**63822.22**

NOTES FORMING PART OF ACCOUNTS

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

Rs. in lacs

Sr. No.	Particulars		2008-09		2007-08
i)	Raw Materials (Incl. In-Transit)		52414.55		54035.32
ii)	Capital Goods		2163.01		558.27

14. Earnings in Foreign Currency on account of

Sr. No.	Particulars		2008-09		2007-08
i)	Exports (at FOB Value)		1924.06		2787.50

15. Expenditure in Foreign Currency on account of

Sr. No.	Particulars		2008-09		2007-08
i)	Royalty		13.49		17.83
ii)	Professional Fees		38.32		26.94
iii)	Financial Expenses		592.66		353.43
iv)	Personnel Expenses		148.55		138.73
v)	Freight and Forwarding		128.60		120.26
vi)	Travelling and conveyance		75.75		33.22
vii)	Advertisement		107.52		100.68
viii)	Others		145.10		136.89
	Total		**1249.99**		**927.98**

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 seperately identifiable geographical segment.

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

Sr. No.	Hedged Items	Currency	Amount in foreign currency (in lacs)	Forward Exchange Rate per unit of foreign currency	Amount (in lacs)
a)	Secured Loans	USD	53.00	46.9875	2490.34

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

Sr. No.	Particulars	Currency	Amount in foreign currency (in lacs)	Amount in Indian Rupees (in lacs)
a)	Amount payable in foreign currency on account of import of goods and its equivalent Indian Rupees	USD	98.82	5014.90
		JPY	30.71	15.79
b)	Amount receivable in foreign currency on export of goods and its equivalent Indian Rupees	USD	8.44	427.47

NOTES FORMING PART OF ACCOUNTS

Rs. in lacs

18. **(a)** Provision for Taxation comprises of current tax Rs.139.95 and deferred tax asset of Rs.138.72. The current tax includes wealth tax of Rs.1.23

(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, 2009	31st March, 2008
	Deferred Tax Liabilities		
1	Related to Fixed Assets	2153.09	2233.61
2	Related to Others	264.72	263.59
	Total (A)	**2417.81**	**2497.20**
	Less : Deferred Tax Assets		
1	Disallowed expenses as per Income Tax Act-1961	322.42	325.46
2	Provision for Doubtful Debts	403.72	371.90
3	Related to Leave Encashment	140.99	110.44
	Total (B)	**867.13**	**807.80**
	Net Liability (A) - (B)	**1550.68**	**1689.40**

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

	2008-09	2007-08
PAT	895.44	3458.57
Number of shares as at 15th July, 2008	141999584	141999584
Number of shares as at 31st March, 2009 (including Capital Suspense)	141999678	141999584
Weighted average no of shares for the year	141999651	141999584
Basic / Diluted Earnings Per Share	**0.63**	**2.44**

20. 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 Qty (Nos)	Opening Stock Value (Rs. lacs)	Production Qty Nos	Sales Qty (Nos)	Sales Value (Rs. lacs)	Closing Stock Qty (Nos)	Closing Stock Value (Rs. lacs)
1	Televisions	2300000 (2300000)	3530000 (3530000)	64982 (40180)	4636.19 (2619.83)	1030073 (907564)	1049421 (882762)	61088.16 (55633.11)	45634 (64982)	2920.78 (4636.19)
2	Washing Machines	880000 (880000)	250000 (250000)	7061 (5589)	263.90 (312.11)	90691 (100932)	92857 (99460)	3654.45 (4094.03)	4895 (7061)	159.82 (263.90)
3	Air-Conditioners	450000 (450000)	335000 (335000)	9580 (11068)	1446.55 (1553.72)	13021 (77869)	16728 (79357)	2280.47 (12808.47)	5873 (9580)	740.64 (1446.55)
4	TV Components Spares and Others	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	— —	N.A. (N.A.)	N.A. N.A.	11418.39 (18981.13)	N.A. (N.A.)	37.89 —
5	Electronic Tuners	6000000 (6000000)	3720000 (3720000)	108286 (36756)	40.87 (15.38)	1303309 (1268783)	1303381 (1197253)	814.03 (706.67)	108214 (108286)	43.76 (40.87)
	TOTAL A				**6387.51** (4501.04)			**79255.51** (92222.81)		**3902.89** (6387.51)

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NOTES FORMING PART OF ACCOUNTS

Rs. in lacs

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 1000 MT.
5. The purchase cost of spares used in services has been included in 'Cost of Raw Material Consumed' schedule.
6. Figures in brackets are in respect of previous year.

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	27758 (31671)	1538.58 (1609.77)	338715 (623271)	13501.03 (25940.78)	342599 (627184)	16495.95 (32484.21)	23874 (27758)	1368.74 (1538.58)
2	Washing Machines	13847 (5194)	679.57 (270.86)	108388 (107935)	4608.85 (3945.40)	111658 (99282)	6468.91 (5785.49)	10577 (13847)	571.32 (679.57)
3	Air Conditioners	35323 (13215)	4231.09 (1551.96)	147008 (117400)	19565.77 (13395.76)	157621 (95292)	24129.75 (14329.41)	24710 (35323)	3271.15 (4231.09)
4	DVD	88530 (64935)	1247.24 (1156.50)	499224 (748867)	6248.13 (8998.58)	554785 (725272)	11291.44 (15333.10)	32969 (88530)	484.59 (1247.24)
5	Microwave Ovens	41317 (13479)	1005.97 (444.70)	78051 (131948)	2182.43 (3047.69)	89248 (104110)	4117.57 (3934.22)	30120 (41317)	1058.58 (1005.97)
6	Mobiles	— —	— —	331658 —	6734.06 —	301553 —	8349.97 —	30105 —	904.17 —
7	Service / Others	N.A. (N.A.)	321.54 (301.01)	N.A. (N.A.)	2388.77 (2580.58)	N.A. (N.A.)	1662.50 (1416.79)	N.A. (N.A.)	398.13 (321.54)
	TOTAL B		**9023.99** (5334.80)		**55229.04** (57908.79)		**72516.09** (73283.22)		**8056.69** (9023.99)
	TOTAL A + B		**15411.49** (9835.84)		**55229.04** (57908.79)		**151771.59** (165506.03)		**11959.58** (15411.50)

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

21. 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.

Ordinary course of business

Particulars	Holding Company (1)	Subsidiaries (2)	Key Management Personnel (3)	Relatives of Key Management Personnel (4)	Enterprise over which any person described in (3) & (4) is able to exercise significant influence (5)
Transactions during 1.4.08 to 31.03.09					
Purchase of goods, services, spares and fixed assets	— —	902.70 (1075.12)	— —	— —	1012.83 (1032.97)
Sale of goods, fixed assets, spares and services	— —	19.95 (15.67)	— —	— —	11.41 (8.60)
Loans given	— —	— —	— —	1169.00 —	— —
Inter Corporate Deposits given	— —	— (13.00)	— —	— —	125.00 —
Inter Corporate Deposits given repaid	— —	— (7.75)	— —	— —	— —
Inter Corporate Deposits taken	949.00 (70.75)	— —	— —	— —	— —
Inter Corporate Deposits taken repaid	700.50 (546.15)	— —	— —	— —	— —
Interest paid / payable Inter Corporate Deposits / loans	6.07 (23.21)	— —	— —	— —	— —
Refund of advance	— —	— —	— —	— —	50.00 —
Interest due & received on Inter Corporate Deposits / loans / advances	— —	5.46 —	— —	66.36 —	16.22 (6.00)
Rent paid	— —	— —	6.59 (8.12)	54.53 (69.18)	20.00 —
Refund of rent deposit	— —	— —	— (9.53)	— (66.42)	— —
Payment of Rent deposit	— —	— —	111.70 —	910.49 (0.29)	1000.00 —
Rent received	— —	— —	— —	— —	0.54 (0.41)
Remuneration	— —	— —	272.51 (284.20)	24.00 (23.87)	— —

NOTES FORMING PART OF ACCOUNTS

Rs. in lacs

Closing Balance as at 31st Mar 2009

Particulars	Holding Company (1)	Subsidiaries (2)	Key Management Personnel (3)	Relatives of Key Management Personnel (4)	Enterprise over which any person described in (3) & (4) is able to exercise significant influence (5)
Receivable					
Advances given	— —	— —	— —	— —	0.16 (47.50)
Rent Deposit	— —	— —	119.82 (8.12)	978.49 (68.00)	1000.00 —
Loans given	— —	— —	— —	1169.00 —	— —
Inter Corporate Deposits given	— —	68.25 (68.25)	— —	— —	125.00 —
Interest on Inter Corporate Deposit / Loans given	— —	4.22 —	— —	66.36 —	10.28 —
Payable					
Inter Corporate Deposits taken	— (76.60)	— —	— —	— —	— —
Interest on Inter Corporate Deposit	— (23.21)	— —	— —	— —	— —
Creditors	— —	124.48 (119.02)	— —	— —	182.90 —

Names of Related Parties & Description of Relationship :

1.	Holding Company	Guviso Holdings Pvt. Ltd. (amalgamated w.e.f. 15th July, 2008)
2.	Subsidiaries	Akasaka Electronics Ltd.
3.	Key Management Personnel	Mr. G.L. Mirchandani - Chairman & Managing Director of Mirc Electronics Ltd. Mr. V.J. Mansukhani - Managing Director of Mirc Electronics Ltd.
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 (HUF) V.J. Mansukhani (HUF)
5.	Enterprise over which any person described in 3 & 4 is able to exercise significiant influence	Iwai Electronics Pvt. Ltd. Adino Telecom Ltd. Gulita Wealth Advisors Pvt. Ltd. (erstwhile Bombay Container Terminals Pvt. Ltd.)

Note : Figures in brackets - March 2008

NOTES FORMING PART OF ACCOUNTS

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

I. Registration Details

Registration No. L32300MH1981PLCO23637

Balance Sheet Date	31	03	2009
	Date	Month	Year

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

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

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

Total Liabilities	4933018	Total Assets	4933018
Sources Of Fund			
Paid-Up Capital	331087	Reserves & Surplus	2394688
Secured Loans	748861	Unsecured Loans	1303314
Deferred Tax Liability (Net)	155068		
Application of Funds			
Net Fixed Assets	2090553	Investments	26781
Net Current Assets	2574654	Accumulated Losses	NIL

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

Gross Revenue	14346109	Total Expenditure	14244552
Profit/Loss Before Tax	101557	Profit/Loss After Tax	89544
Earning Per Share in Rs.	0.63	Dividend Rate %	40

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

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

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

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

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

For and on behalf of the
BOARD OF DIRECTORS

J. M. Gandhi
Partner

Satrajit Ray
Chief Financial Officer

G. L. Mirchandani
Chairman and Managing Director

Mumbai, June 25, 2009

Anoop Pillai
Company Secretary and Head Legal

V. J. Mansukhani
Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED

Rs. in Lacs

		31st March, 2009		31st March, 2008	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax & Extraordinary Item		**1015.57**		**4055.12**
	Adjustments for :				
	Depreciation	1855.17		2393.57	
	Unrealised Foreign Exchange Fluctuations	541.52		130.15	
	(Increase) / Dimunition in value of Investments	23.92		(0.41)	
	Interest	2848.88		2318.28	
	Interest Income	(83.17)		(6.79)	
	Dividend Income	(5.02)		(6.82)	
	(Profit)/Loss on Sale of Fixed Assets (Net)	2.97		10.02	
			5184.27		**4838.00**
	Operating Profit before Working Capital changes		**6199.84**		**8893.12**
	Adjustments for :				
	Trade and Other receivables	(196.11)		(2383.36)	
	Inventories	8215.59		(6222.58)	
	Trade Payables	(9243.95)		650.78	
			(1224.47)		**(7955.16)**
	Cash Generated from Operations		**4975.37**		**937.96**
	Direct Taxes (Paid)/Refund Received		(128.29)		(928.55)
	NET CASH USED IN OPERATING ACTIVITIES......(A)		**4847.08**		**9.41**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Payment for Purchase of Fixed Assets		(1237.60)		(788.15)
	Purchase of Investments		(101.85)		—
	Proceeds from Sale of Fixed Assets		1.81		16.00
	Proceeds from Sale of Investments		—		—
	Movement of Capital Advances		(2360.75)		(180.92)
	Interest Received		83.17		6.79
	Dividend Received		5.02		6.82
	NET CASH USED IN INVESTING ACTIVITIES.....(B)		**(3610.20)**		**(939.46)**

CASH FLOW STATEMENT FOR THE YEAR ENDED

Rs. in Lacs

	31st March, 2009		31st March, 2008	
A. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Preference Shares		1891.51		—
Amalgamation adjustment		(210.40)		—
Movement in Term Loans		2392.00		(902.19)
Movement in Short Term Loans		(1826.51)		4,669.99
Interest Paid		(2864.56)		(2344.85)
Dividends paid		(1634.76)		(222.56)
NET CASH USED IN FINANCING ACTIVITIES....(C)		**(2252.72)**		**1200.39**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(1015.84)**		**270.34**
CASH AND CASH EQUIVALENTS AS AT 01.04.2008 (OPENING BALANCE)		**1946.05**		**1675.71**
CASH AND CASH EQUIVALENTS AS AT 31.03.2009 (CLOSING BALANCE)		**930.21**		**1946.05**

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

For and on behalf of the
BOARD OF DIRECTORS

J. M. Gandhi
Partner

Satrajit Ray
Chief Financial Officer

G. L. Mirchandani
Chairman and Managing Director

Anoop Pillai
Company Secretary and Head Legal

V. J. Mansukhani
Managing Director

Mumbai, June 25, 2009

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.	Akasaka Electronics Ltd.
2	Financial Year of the Subsidiary ended on	31st March, 2009	31st March, 2008
3	Share of the Subsidiary held by the Company on the above date :		
	(a) Number and Face Value	81,48,000 Rs.10	71,76,000 Rs.10
	(b) Extent of holding	99.89%	87.97%
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, 2009		
	(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2009	(107.36)	96.57
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, 2009		
	(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2009	718.43	536.12
	Statement regarding Subsidiary Company as at 31st March, 2009		
	(a) Issued & Subscribed Share Capital	815.75	815.75
	(b) Reserves	918.52	1025.99
	(c) Total Assets	2596.56	2699.35
	(d) Total Liabilities	1130.31	857.61
	(e) Investments	—	—
	(f) Turnover	2775.43	2440.32
	(g) Profit / (Loss) Before Taxation	(104.52)	126.62
	(h) Provision for Tax	—	(16.84)
	(I) Profit After Taxation	(104.52)	109.78
	(j) Proposed Dividend	—	—

DIRECTORS' REPORT

To

The Members,

Your Director's have pleasure in presenting their Seventh Annual Report with the audited accounts for the financial year ended 31st March, 2009.

1. Financial Highlights **(Rs.in lacs)**

Particulars	2008-09	2007-08
Total income	2879.72	2654.30
Total Expenditure	2984.24	2527.67
Profit/ (loss) before tax	(104.52)	126.63
Profit/ (loss) after tax	(107.48)	109.78

2. Operations

As you are aware the global economy is in a deep and widespread recession, the likes of which have never been witnessed since 1930s. The financial crisis enveloped almost all countries in the world including India. Your company too was not insulated from these challenges as the business had its impact on overall margins, new orders and execution timelines.

During the year under review, income from operation stood at Rs. 3144.99 lacs as compared to Rs. 2879.53 lacs in the previous year. Due to volatile market scenario; your Company recorded a loss of Rs.104.52 Lacs for the year against profit of Rs.126.63 Lacs during last year. Your directors are confident of improving the performance of the company going forward.

3. Dividend

In view of absence of profit during the financial year, your directors are unable to recommend any Dividend for the year under consideration.

4. Directors

Pursuant to provisions of section 255 and 256 of the Companies Act, 1956, Mr. Gulu L. Mirchandani and Mr. Sasha G. Mirchandani, Directors of the Company are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offered themselves for re-appointment. Your Directors recommend their reappointment.

5. 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 polices 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 loss 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.

6. Fixed Deposits

Your company has neither invited not accepted any public deposit within the meaning of section 58A of the Companies Act, 1956 and rules made thereunder during the year.

7. Auditors

M/s. B.K. Khare & Co., Chartered Accountants, Mumbai the Statutory Auditors of the Company, hold office upto the conclusion of the ensuing Annual General Meeting and have given their consent for re-appointment as statutory auditors of the company. Your directors recommend for the approval of members to re-appoint them as auditors for the financial year 2009-10 and fix their remuneration.

The company has received a written confirmation from M/s. B.K. Khare & Co., to the effect that their appointment, if made, would be in conformity with the limits prescribed in Section 224 (1B) of the Companies Act, 1956.

The report of auditor is self-explanatory and does not require any further explanation.

8. Personnel

The relations between the management and the employees continued to remain cordial during the year. In terms of provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the particulars of employees are set out in Annexure to this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all members of the Company and others entitled thereto. Any member interested in obtaining such particulars may send his request to the Company.

9. Information pursuant to Section 217(1)(e) of the Companies Act, 1956 relating to conservation of energy, technology absorption, foreign exchange earning and outgo

The related information are forming part of Directors' Report and attached herewith.

10. Acknowledgement

Your Directors take this opportunity to acknowledge the invaluable support extended to the Company by customers vendors, banks, regulatory and governmental authorities and the investors. Your directors place on record their appreciation of the commitment and contribution made by employees at all levels, who, through their competence, hard work, solidarity, co-operation and support have enabled the company to grow.

For and on behalf of Board of
Akasaka Electronics Limited

Place : Mumbai **Gulu L. Mirchandani**
Date : May 9, 2009 **Chairman**

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

Your Company is not conducting any research and development activities at present.

4. Foreign exchange earnings and outgo

(Rs. in lacs)

Year	2008-09	2007-08
Foreign exchange earnings	—	5.43
Foreign exchange outgo	1768.01	1261.20

For and on behalf of Board of
Akasaka Electronics Limited

Place : Mumbai **Gulu L. Mirchandani**
Date : May 9, 2009 **Chairman**

AUDITORS' REPORT

To

The Members of
Akasaka Electronics Limited

We have audited the attached Balance Sheet of Akasaka Electronics Limited as on March 31, 2009 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order on the basis of such checks of the books and records as were considered appropriate, and according to the information and explanations given to us in the course of the audit.

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

1. 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.
2. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books.
3. In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in the Section 211(3C) of the Companies Act, 1956.
4. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account of the Company.
5. On the basis of the written representations received from the Directors as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
   (i) In the case of Balance Sheet, of the state of affairs of the Company as on March 31, 2009;
   (ii) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
   (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **B.K. KHARE & COMPANY**
Chartered Accountants

DEVDATTA MAINKAR
Partner
M. No. 109795

Place : Mumbai
Date : May 9, 2009

Annexure to the auditors Report (Referred to in paragraph 3 of our report of even date)

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. The Company has verified some fixed assets during the year based on a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets.
3. During the year, the company has sold assets of Business Process Management & Customer Contact services (Service Division), which was earmarked as discontinuing business operation in the previous year. In our opinion, the disposal of these fixed assets does not affect going concern assumption.
4. The inventory has been physically verified by the management at reasonable intervals.
5. The procedures of physical verification of inventory followed by the management are reasonable in relation to the size of the Company and the nature of its business.
6. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
7. According to the information and explanations given to us there are no parties listed in the registers maintained under Section 301 of the Companies Act, 1956. Hence, disclosure requirements under sub-paragraphs (iii) and (v) of the Clause 4 of the Order with respect to transactions with parties under Section 301 of the Companies Act, are not applicable.
8. The Company has taken unsecured loans from the Holding company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount during the year as well as the outstanding as at the balance sheet date of such loan is Rs. 68.25 lacs. Rate of interest and other terms and conditions of the said loan are not prima facie prejudicial to the interest of the Company. The said loan is repayable on demand.
9. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any major weakness in the internal controls.
10. The Company has not accepted any deposits from the public.

AUDITORS' REPORT

11. In our opinion, the internal audit system of the company is generally commensurate with the size and nature of the company's business.

12. It has been informed to us that the Central Government has prescribed maintenance of cost records for the product manufactured by the Company, under section 209(1)(d) of the Companies Act, 1956. We have reviewed the books of accounts maintained by the Company relating to manufacture of printed circuit boards and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these records with a view to determining whether they are accurate or complete.

13. The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it.

14. According to the information and explanations given to us, no undisputed amounts payable in respects of income-tax wealth tax, sales tax, custom duty and excise duty were outstanding, as on March 31,2009, for a period more than six months from the date they became payable.

15. 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)*
Central Excise	*1991-92, 1992-93*	*CESTAT*	*9.79*
Central Excise	*1995-96, 1996-97, 1997-98, 1999-00*	*CESTAT*	*13.01*

16. There are no accumulated losses in the Company. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding year.

17. The Company has not borrowed from financial institutions/ debenture issue. The company is regularly repaying term loan installments due to the bank. The cash credit facility with the bank is within the sanctioned limit.

18. The Company has not given any guarantee for loans taken by others from bank or financial institutions.

19. The Company has not obtained any terms loans during the year.

20. According to the information and explanations given to us, we are of the opinion that no short-term funds have been utilized for long term investment.

21. We have not observed any fraud on or by the company during the year under audit.

22. Sub paragraphs (xiii), (xiv), (xviii), (xix) and (xx) of the Clause 4 of the Order are not applicable to the Company.

For **B.K. KHARE & COMPANY**
Chartered Accountants

Place : Mumbai
Date : May 9, 2009.

DEVDATTA MAINKAR
Partner
M. No. 109795

Rs. in lacs

BALANCE SHEET AS AT

	Sch. No.	31st March, 2009	31st March, 2008
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	815.75	815.75
Reserves and Surplus	2	918.52	1025.99
		1734.27	**1841.74**
LOAN FUNDS :			
Secured Loans	3	57.00	14.17
Unsecured Loans	4	68.25	68.25
		125.25	82.42
		1859.52	**1924.16**
APPLICATION OF FUNDS :			
FIXED ASSETS :	5		
Gross Block		2794.65	3297.47
Less : Depreciation		2012.61	2159.73
Net Block		782.04	1137.74
Capital Work-in-Progress		72.42	22.94
		854.46	**1160.68**
CURRENT ASSETS, LOANS AND ADVANCES :			
Inventories	6	510.69	536.40
Sundry Debtors	7	671.55	376.74
Cash and Bank Balances	8	103.64	111.01
Loans and Advances	9	456.23	514.52
		1742.10	**1538.67**
Less:			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	10	398.80	426.84
Provisions	11	338.25	348.35
NET CURRENT ASSETS		1005.06	775.19
		1859.52	**1924.16**
NOTES TO ACCOUNTS	19		

As per our Report of even date attached

B.K. KHARE & CO.
Chartered Accountants

For and on behalf of the
BOARD OF DIRECTORS

DEVDATTA MAINKAR
Partner
M.No 109795
Date : May 9, 2009

G.L. MIRCHANDANI
Director

S.G. MIRCHANDANI
Director

V.J. MANSUKHANI
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

	Sch. No.	31st March, 2009		31st March, 2008	
INCOME :					
Sales / Inocme from operations (Gross)	12		3144.99		2,879.53
Less: Excise Duty on sales			369.56		439.21
Turnover (Net)			2775.43		2440.32
Other Income	13		104.29		213.98
			2879.72		**2654.30**
EXPENDITURE :					
Material Consumed	15		1841.13		1,563.26
Excise Duty			2.92		6.11
Personnel	16		339.29		283.80
Manufacturing, Selling And Administrative Expenses	17		612.77		377.77
Financial Expenses	18		34.15		32.02
Depreciation	5		269.72		288.82
			3099.98		2551.78
(Less) / Add: Accretion / Decretion in Stock	14		(117.24)		(49.07)
			2982.74		**2502.71**
PROFIT / (LOSS) FOR THE YEAR			**(103.02)**		**151.59**
Prior year adjustment (Net)			1.50		24.96
PROFIT / (LOSS) BEFORE TAX			**(104.52)**		**126.63**
Profit / (Loss) before tax from continuing operations		58.60		249.17	
Less: Current Tax - MAT		—		14.35	
		58.60		234.82	
Profit / (Loss) before tax from discontinuing operations		(163.12)		(122.55)	
Less: Current Tax - MAT		—		—	
			(104.52)		112.27
Deferred Tax Provision (See Note No.7 - of Schedule 19)		—		—	
Fringe Benefit Tax		2.96		2.49	
			2.96		2.49
PROFIT / (LOSS) AFTER TAX			**(107.48)**		**109.78**
Add/(Less): Balance brought forward from previous year			719.22		609.44
Profit available for appropriation			611.73		719.22
Surplus carried to Balance Sheet			**611.73**		**719.22**
NOTES TO ACCOUNTS	19				
Basic & diluted earnings per share (Rs.) 8,157,480 Equity Shares, Face Value of Rs.10 per share			(1.32)		1.35

As per our Report of even date attached

B.K. KHARE & CO.
Chartered Accountants

For and on behalf of the
BOARD OF DIRECTORS

DEVDATTA MAINKAR
Partner
M.No 109795
Date : May 9, 2009

G.L. MIRCHANDANI
Director

S.G. MIRCHANDANI
Director

V.J. MANSUKHANI
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

Rs. in lacs

	31st March 2009	31st March 2008
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
2,10,00,000 Equity Shares of Rs.10/- each	2100.00	2100.00
Issued, subscribed & paid-up:		
81,57,480 Equity Shares of Rs.10/- each fully paid up	**815.75**	**815.75**
(Out of above 60,57,480 equity shares are issued to shareholders of Erstwhile Akasaka Electronics Ltd. pursuant to the scheme of amalgamation without consideration being received in cash)		
(71,75,994 Equity Shares of Rs.10 each are held by Mirc Electronics Ltd., the Holding Company)		

	31st March 2009	31st March 2008
SCHEDULE 2		
RESERVES AND SURPLUS		
Capital Redemption Reserve		
Opening Balance	99.23	—
Add: Balance Transferred from Akasaka Electronics Limited	—	99.23
Add: Transferred from General Reserve	—	—
	99.23	99.23
Capital Reserve on Reduction of Share Capital	207.55	207.54
Profit and Loss Account	611.73	719.22
	918.52	**1025.99**

	31st March 2009	31st March 2008
SCHEDULE 3		
SECURED LOANS		
CASH CREDIT :		
From Banks *	57.00	14.17
	57.00	**14.17**

	31st March 2009	31st March 2008
SCHEDULE 4		
UNSECURED LOANS :		
Inter Corporate Deposit from the Holding Company	68.25	68.25
	68.25	**68.25**

*Secured by a first charge on the Company's immovable property situated at Pawane MIDC and all Plant and Machinery on that immovable property and by hypothecation of Raw Material, Work in Progress, Finished Goods, Plant and Machinery, Stores and Spares, Goods in Transit and Book Debts, both future and present and by corporate guarantee of MIRC ELECTRONICS LTD.

SCHEDULE 5 : FIXED ASSETS

Sr. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Total 01.4.2008	Additions	Adjustment/ Deletion	Cost 31.03.2009	Total Upto 01.04.2008	For the year*	Adjustment/ Deletion	Up to 31.03.2009	As at 31.03.2009	As at 31.03.2008
1	Land										
	Leasehold	10.56	—	—	10.56	2.03	0.11	—	2.14	8.42	8.53
2	Building	280.97	0.33	20.73	260.58	107.79	11.20	19.77	99.22	161.36	173.18
3	Plant & Machinery	2018.67	6.92	—	2025.59	1419.44	171.09	—	1590.54	435.06	599.23
4	Mould & Dies	254.24	34.35	—	288.59	187.95	24.20	—	212.16	76.43	66.29
5	Electrical Installation	165.67	—	53.02	112.65	60.47	7.17	14.45	53.20	59.45	105.20
6	Office Euipments	43.35	0.41	23.77	19.99	15.25	1.76	6.92	10.09	9.90	28.10
7	Furniture & Fixture	114.33	0.14	64.31	50.16	56.06	6.25	29.82	32.49	17.67	58.27
8	Computer	390.56	0.30	383.45	7.42	303.95	46.13	345.88	4.20	3.22	86.62
9	Laboratory Equipments	0.14	—	—	0.14	0.14	—	—	0.14	—	—
10	Motor Vehicle	18.97	—	—	18.97	6.64	1.80	—	8.44	10.53	12.33
	TOTAL	**3297.47**	**42.46**	**545.27**	**2794.65**	**2159.74**	**269.72**	**416.85**	**2012.61**	**782.04**	**1137.73**
	Previous year	**3138.55**	**166.99**	**8.07**	**3297.47**	**1684.01**	**297.36**	**1.63**	**2159.74**	**1137.73**	

* Depreciation for the year includes depreciation relating to Prior years of Rs.Nil (Previous Year Rs. 8.61 Lacs)

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT

Rs. in lacs

	31st March 2009	31st March 2008
SCHEDULE 6		
INVENTORIES		
(as certified by management)		
(See Note 1(B) of Schedule 19)		
Raw Materials	136.77	283.91
Stores & Spares	25.54	21.33
Work in Process	251.81	118.41
Finished Goods	96.58	112.75
	510.69	**536.40**

	31st March 2009	31st March 2008
SCHEDULE 7		
SUNDRY DEBTORS (UNSECURED)		
Over six months :		
Considered good	4.55	3.45
Considered Doubtful	4.34	3.54
	8.88	6.99
Others(Considered good) *	667.00	373.29
	675.88	380.28
Less: Provision for doubtful debts	(4.34)	(3.54)
	671.55	**376.74**
* Includes Rs.139.28 lacs (Previous year Rs. 121.46 lacs) due from Mirc Electronics Ltd, the Holding Company		

	31st March 2009	31st March 2008
SCHEDULE 8		
CASH AND BANK BALANCES		
Cash in hand	1.46	0.77
Balance with Scheduled Banks		
In Fixed Deposit Account	101.62	13.88
(Held as Security against Bank Guarantee Rs 1.43 (Previous year Rs 1.43))		
In Current Account	0.56	14.37
Debit balance in Cash Credit	—	82.00
	103.64	**111.01**

	31st March 2009	31st March 2008
SCHEDULE 9		
LOANS AND ADVANCES :		
(Unsecured-considered good unless otherwise stated)		
Advances Recoverable in cash or in kind or for value to be received	36.94	36.29
Deposits	31.89	68.26
	68.83	104.55
Less: Provision for doubtful advances / deposits	(11.06)	(11.06)
	57.77	93.49
Advance Taxes Paid	382.97	362.85
Balance with Excise Authorities	15.50	58.19
	456.24	**514.52**

	31st March 2009	31st March 2008
SCHEDULE 10		
CURRENT LIABILITIES :		
Sundry Creditors (See Note No.5 & 8 of Schedule 19)	284.86	291.31
Other Liabilities * (See Note.16 of schedule 19)	109.71	135.52
Interest Accrued but not due	4.22	—
	398.80	**426.84**
* *Rs.Nil (previous year Rs. 2.43 lacs) due to Mirc Electronics Ltd, The Holding Co.*		

	31st March 2009	31st March 2008
SCHEDULE 11		
PROVISIONS :		
Provision for Income Tax [including provision for FBT Rs. 10.60 lacs (previous year Rs. 7.64 lacs)]	322.52	319.56
Provision for retirement benefits (see Note No.3 – of Schedule 19)	15.73	20.35
Provision for wage revision	—	8.44
	338.25	**348.35**

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	2008-09	2007-08
SCHEDULE 12		
SALES/INCOME FROM OPERATIONS		
Sales (net of returns)	3144.99	2879.53
	3144.99	**2879.53**

	2008-09	2007-08
SCHEDULE 13		
OTHER INCOME :		
Tooling Income	2.74	8.65
Sale of Cupric Acid	87.28	100.87
Interest earned on		
– Deposits	6.82	1.80
– Others	—	1.42
[Tax deducted at source Rs.2.39 lacs (Previous Year Rs. 0.25 lacs]		
Foreign Exchange Fluctuation (net)	—	59.06
Miscellaneous Receipts	7.46	42.19
	104.29	**213.98**

	2008-09	2007-08
SCHEDULE 14		
ACCRETION/DECRETION IN STOCKS		
Opening Stock :		
Work in Process	112.75	122.81
Finished Goods	118.40	59.27
	231.15	182.08
Less : Closing Stock		
Work in Process	251.81	112.75
Finished Goods	96.58	118.41
	348.39	231.16
	(117.24)	**(49.07)**

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	2008-09	2007-08
SCHEDULE 15		
MATERIAL CONSUMED:		
A Raw Material Consumed		
Opening Stock	283.91	294.55
Add : Purchases	1693.98	1552.63
	1977.89	1847.17
Less : Closing Stock	136.77	283.91
	1841.13	**1563.26**

SCHEDULE 16		
PERSONNEL EXPENSES:		
Salaries, Wages and Bonus*	295.49	247.39
Companies contribution to Provident fund and Other funds	27.75	19.37
Staff Welfare expenses	16.05	17.04
	339.30	**283.80**
* Includes provision for wage revision Rs.Nil lacs (Previous year Rs.8.44 Lacs)		

SCHEDULE 17		
MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES:		
Rent	4.12	4.64
Rates and Taxes	4.72	17.97
Electricity	146.90	139.08
Insurance	3.29	5.03
Tooling Expenses	8.74	9.93
Repairs and Maintenance		
Building	0.45	1.76
Plant and Machinery	22.85	23.72
Others	6.22	11.30
Foreign Exchange Fluctuation	155.54	—
Freight Outward	44.79	32.39
Provision for doubtful debts	0.80	3.54
Loss on sale of fixed assets (net)	101.84	2.14
Miscellaneous Expenses	112.50	92.04
Miscellaneous Expenditure w/off	—	34.23
	612.77	**377.77**

SCHEDULE 18		
FINANCIAL EXPENSES:		
Interest on		
– Cash Credit	6.63	13.32
– Inter Corporate Deposit	5.46	—
Other Financial Charges	22.07	18.70
	34.15	**32.02**

Rs. in lacs

NOTES FORMING PART OF ACCOUNTS

SCHEDULE 19

1) Significant accounting policies

A) System of accounting

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.

B) Inventories

i. Raw materials, packing materials and stores & spares are valued at cost on FIFO basis.

ii. Work in process and finished goods is valued at lower of factory cost or estimated net realisable value. Valuation of finished goods includes excise duty.

C) Revenue recognition

i. Sales are inclusive of excise duty and are accounted as and when dispatches are made which generally coincide with the transfer of ownership.

ii. Revenue in respect of job work is recognized on completion of the job.

iii. Revenue in respect of interest, insurance claims, etc. are recognised to the extent the company is reasonably certain of their ultimate realisation.

iv. Revenue in respect of Duty draw-back (including custom duty) recognised in the period in which the claim for such draw-back is settled.

D) Fixed assets and depreciation

i. Fixed assets are stated at actual cost less depreciation. The cost comprises of acquisition cost and any attributable cost of bringing the asset to the condition for its intended use. Depreciation on fixed assets is computed on the straight line method over their estimated useful lives at the rates prescribed under Schedule XIV of the Companies Act, 1956.Individual assets acquired for less than Rs. 5,000 are entirely depreciated in the year of acquisition. Depreciation is charged on pro-rata basis for the assets purchased during the year. All expenses incurred, which were recognized as part of indirect cost incidental and related to the construction of the project, have been allocated to the assets on a reasonable basis.

ii. Leasehold land is amortised over a period of lease and improvements thereto, are depreciated over a period of lease contract.

iii. Moulds and dies are depreciated over a period of six years.

E) Impairment of assets

An impairment loss is recognised for an asset of identified cash generating unit on the basis of estimates of future

NOTES FORMING PART OF ACCOUNTS

cash flows (net of cash outflows) at an appropriate discounting rates as compared to the carrying amount of the asset.

F) Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on settlement of transactions are recognized as income or expense in the Profit and Loss Account under foreign exchange fluctuations. Current assets and liabilities in foreign currency are translated at the rates of exchange at the balance sheet date and resultant gain or loss is recognised in the Profit and Loss Account.

G) Employee Benefits

a. Short Term Employee benefits

All short term employee benefit plans such as salaries, wages, bonus, special awards and medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the profit & loss account.

b. Defined Contribution Plan

The Company has a statutory scheme of Provident Fund with the Regional Provident Fund Commissioner and contribution of the company is charged to the profit & loss account on accrual basis.

c. Defined Benefit Plan

The Company's liability towards gratuity to its employees is covered by a group gratuity policy with LIC of India. The contribution paid / payable to LIC of India is debited to Profit & Loss Account on accrual basis. Liability towards gratuity is provided on the basis of an actuarial valuation using the Projected Unit Credit method and debited to Profit & Loss Account on accrual basis. Thus, charge to the Profit and Loss Account includes premium paid to LIC, current service cost, interest cost, expected return on plan assets and gain/loss in actuarial valuation during the year net of fund value of plan asset as on the balance sheet date. Liability towards leave salary is provided on actuarial basis and it is not funded.

H) Custom duty

The company accounts for custom duty on imported goods on clearance of goods from the bonded warehouse.

I) 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.

2) The name of the company has been changed to "Akasaka Electronics Limited" with effect from October 4, 2007.

3) Employee Benefits — Rs. in lacs

a) Principal actuarial assumptions:

Particulars	Gratuity 31st March 2009	Gratuity 31st March 2008
Discount rate	7.75%	8.00%
Rate of Return on Plan Assets	8.00%	8.00%
Salary Escalation	5.00%	5.00%

b) Reconciliation of Benefit Obligation:

Particulars	Gratuity 31st March 2009	Gratuity 31st March 2008
Liability at the beginning of the year	27.63	29.69
Interest Cost	2.30	2.35
Current Service Cost	2.39	2.54
Benefit Paid	(2.55)	(1.74)
Actuarial (Gain) / Loss on Obligations	4.10	(5.21)
Liability at the end of the year	33.88	27.63
Fair Value of Plan Assets at the end of the year	33.50	18.19
Amount recognised and disclosed under the head "Provisions for Employee Benefits"	0.38	9.44

c) Reconciliation of Fair value of Plan Assets:

Particulars	Gratuity 31st March 2009	Gratuity 31st March 2008
Fair Value of Plan Assets at the beginning of the year	19.44*	14.02
Expected Return on Plan Assets	2.58	1.51
Contributions	14.05	5.78
Benefit Paid	(2.55)	(1.74)
Actuarial Gain / (Loss)	(0.02)	—
Actuarial (Gain) / Loss on Obligations	(4.10)	1.38
Fair Value of Plan Assets at the end of the year	33.50	18.19
Total Actuarial Gain / (Loss) recognized	(4.13)	3.82

NOTES FORMING PART OF ACCOUNTS

Rs. in lacs

d) Return on Plan Assets:

Particulars	Gratuity	
	31st March 2009	31st March 2008
Expected Return on Plan Assets	2.58	1.51
Actuarial Gain / (Loss) on Plan Assets	(2.58)	(1.38)
Actual Return on Plan Assets	NIL	0.13

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

Particulars	Gratuity	
	31st March 2009	31st March 2008
Current Service Cost	2.39	2.54
Interest Cost	2.30	2.35
Expected Return on Plan Assets	(2.58)	(1.51)
Net Actuarial (Gain) / Loss recognized	6.69	3.82
Expenses recognized in Profit and Loss Account	8.79	0.44

f) Employee cost disclosed in Schedule 17 includes

Particulars	31st March 2009	31st March 2008
Gratuity (net of reversal of provision)	4.99	(1.69)
Leave Encashment (including payments)	1.42	0.83
Provident Fund	15.29	26.03

* Fair value of plan assets at the beginning of the year includes return on investments of Rs.1.25 Lacs which was not considered in the previous year.

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

Particulars	31st March 2009	31st March 2008
Amount payable in foreign currency on account of import of Goods and its equivalent Indian Rupees.	*Rs. 269.63 (USD 520,670) (SGD 40,657)*	*Rs.245.22 (US$614,392)*
Amount receivable in Foreign Currency on export of goods and its equivalent Indian Rupees	—	—

5. The Company is in the process of procuring intimations from suppliers about their status under the 'Micro, Small and Medium Enterprise Development Act, 2006". In view of this, information required under section 22 of the said Act is not given.

6. Miscellaneous Expenses charged to Profit and Loss Account includes Remuneration to Auditors.

Particulars	31st March 2009	31st March 2008
Audit Fees	1.35	1.35
Other Services (Certification, Tax Audit etc.)	0.25	0.25
Out of Pocket expenses	0.20	0.20

7. Deferred Tax liability and assets:

The tax effect of significant timing differences during the year that have resulted in deferred tax assets and liabilities are given below:

	Particulars	31st March 2009	31st March 2008
I	**Deferred Tax Liability**		
	(a) On account of Fixed assets	14.83	105.46
	TOTAL	**14.83**	**105.46**
II	**Deferred Tax Asset**		
	(a) Timing differences on account of allowances/ disallowances under Sec.43B	1.10	12.52
	(b) Others disallowances	1.47	4.07
	(c) Stamp duty	4.07	4.07
	(d) Accumulated losses to the extent of DTL [Total accumulated loss is Rs. 9,85.53 lacs, (PY Rs.1,184.14 lacs)]	8.18	84.80
	TOTAL	**14.83**	**105.46**
	Deferred Tax Liability (Net)	—	—

In accordance with the Accounting Standard 22 on "Accounting for Taxes" (AS 22), deferred tax assets and deferred tax liabilities should be recognised for all timing differences. However, considering the present financial position and the requirements of (AS 22) regarding certainty / virtual certainty, the same is not provided for as an asset (net). The same will be reassessed at a subsequent balance sheet and will account for in the year in which conditions of certainty / virtual certainty will be met.

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

NOTES FORMING PART OF ACCOUNTS

Rs. in lacs

9. The company has not paid remuneration to any of the Directors.

10. Disclosure pursuant to Accounting Standard (AS) - 24 'Discounting Operations'

The Board of Directors in their meeting held on January 29, 2007 has decided to discontinue operations of Business Process Management & Customer Contract services (hereinafter referred to as 'Services Division), which was a separate business segment of the Company. Pursuant thereto, no activities of Services Division were carried during the current financial year. The impact of the discontinuing of these operations is as follows:

i) The carrying amount of assets of Services Division is Rs 18.75 Lacs (Previous Year Rs 263.01 Lacs and liabilities are Rs. 20.21 Lacs (Previous Year Rs.95.47 lacs) as on March 31, 2009.

ii) The amount of revenue, expense, pre-tax profit / (loss) of Services Division are as under:

Particulars	31st March 2009	31st March 2008
Income	0.21	1.80
Expense	(163.33)	(124.35)
Pre tax Profit (Loss)	(163.12)	(122.55)
Income Tax Expenses	—	—
Profit / (Loss) after tax	(163.12)	(122.55)

iii) The cash flows during the year of Services Division are as follows:

Particulars	31st March 2009	31st March 2008
Operating Activity	(7.58)	(8.66)
Investing Activity	27.71	1.80
Financing Activity	(0.85)	5.25
Net Increase / (Decrease) in cash and cash equivalents	19.28	(1.61)

iv) During the year, the company has sold fixed assets of Rs.128.43 Lacs of service division. Loss on sale of these assets amounting to Rs.101.84 Lacs is charged to Profit and Loss Account.

11. Contingent Liabilities

i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 0.03 Lacs (Previous year Rs. 23.10 lacs).

ii) Excise duty demand contested in appeals Rs. 22.80 Lacs (previous year Rs.22.80 lacs).

Based on the various legal pronouncements in favour of the company, management perceives that the aforesaid liabilities are probable in nature.

iii) Stamp Duty demand of Rs 54.36 Lacs (Previous Year Nil) raised by Dy. Superintendent of Stamps, Mumbai in respect of Plant & Machinery transferred under the Scheme of Amalgamation. The Company's contention is that the Plant and Machinery are of moveable in nature, hence liability for payment of stamp duty does not attract as per the Bombay Stamp Act.

12. Information Pursuant to Paragraphs 3 And 4 of Part II of Schedule VI of The Companies Act,1956.

A. Particulars of Licensed, Installed Capacity and Actual Production: (in sq. mts.)

	2008-2009			2007-2008		
Class of Goods	*Licensed Capacity	*Installed Capacity	Actual Production	*Licensed Capacity	*Installed Capacity	Actual Production
Printed Circuit Boards	720,000	720,000	389,063	720,000	720,000	364,028

* As Certified by the Management

B. Particulars of Opening and Closing Stocks of finished goods (in sq. mts.)

Class of Goods	2008-2009				2007-2008			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Printed Circuit Boards	18,847	112.75	14,786	96.58	11,020	59.27	18,847	112.75

C. Particulars of Sales (in sq. Mts.)

Class of Goods	2008-2009		2007-2008	
	Quantity	Value(Rs.)	Quantity	Value(Rs.)
Printed Circuit Boards	393,124	2771.96	352,902	2,443.38

D. (i) Details of Raw Material Consumed (in sq. Mts.)

Class of Goods	2008-2009		2007-2008	
	Quantity	Value(Rs.)	Quantity	Value(Rs.)
Copper Clad Laminate	427307	1688.39	402,653	1414.33
Others		152.74		148.93
		1841.13		1563.26

NOTES FORMING PART OF ACCOUNTS

Rs. in lacs

(ii) Break up of Raw Material Consumed:

Particulars	2008-2009 Rupees	2008-2009 %	2007-2008 Rupees	2007-2008 %
Imported	1776.76	96.50	1501.82	96.07
Indigenous	64.37	3.50	61.44	3.03
	1841.13	**100.00**	**1563.26**	**100.00**

E. C.I.F. VALUE OF IMPORTS

Particulars	2008-2009 Rupees	2007-2008 Rupees
a. Raw Materials	1711. 76	1147.12
b. Components & Spares	9. 76	5.40
c. Capital Goods	3. 11	99.31
d. Consumables	8. 19	3.61
e. Tools	27. 38	3.30
	1760. 20	**1258.74**

F. Expenditure in Foreign Currency (Cash Basis)

Particulars	2008-2009 Rupees	2007-2008 Rupees
Travelling Expenses	7.81	2.46
	7.81	**2.46**

G. Earnings in Foreign Currency

Particulars	2008-2009 Rupees	2007-2008 Rupees
Sales	—	5.43
Service rendered	—	—
	—	**5.43**

13. Segment Reporting

For the year ended 31st March 2009

SEGMENT REPORT			
PARTICULARS	*SEGMENTS*		
	Manufacturing of PCB and related activities	*Services Division (*)*	*Total*
REVENUE			
External Sale	2775.43	—	2775.43
Other Income	104.29	—	104.29
Total Revenue	2879.72	—	2879.72
RESULTS			
Segment Results	86.80	(162.48)	(75.68)
Operating Profit	86.80	(162.48)	(75.68)
Interest Expense	33.30	0.85	34.15
Interest Income	6.60	0.21	6.81
Prior Period Expenses			1.50
Profit Before Tax			(104.52)
Tax Expenses (including FBT)			2.96
Profit after Tax			(107.48)
OTHER INFORMATION			
Segment Assets	2577.85	18.73	2596.58
Total Assets	2577.85	18.73	2596.58
Segment Liabilities	842.09	20.21	862.30
Total Liabilities	842.09	20.21	862.30
Capital Expenditure	91.94	—	91.94
Depreciation	216.68	53.04	269.72
Non Cash expenses other than Depreciation	—	*	—

(*) Discounting Operation – Refer Note 11 above.

For the year ended 31st March 2008.

SEGMENT REPORT			
PARTICULARS	*SEGMENTS*		
	Manufacturing of PCB and related activities	*Services Division (*)*	*Total*
REVENUE			
External Sale	2440.32	—	2440.32
Other Income	213.98	—	213.98
Total Revenue	2654.30	—	2654.30
RESULTS			
Segment Results	302.93	(122.55)	180.38
Operating Profit	302.93	(122.55)	180.38
Interest Expense			32.02
Interest Income			3.22
Prior Period Expenses			24.96
Profit Before Tax			126.62
Income Tax			16.84
Profit after Tax			109.78

NOTES FORMING PART OF ACCOUNTS

Rs. in lacs

SEGMENT REPORT			
PARTICULARS	SEGMENTS		
	Manufacturing of PCB and related activities	Services Division (*)	Total
OTHER INFORMATION			
Segment Assets	2436.34	263.01	2699.35
Total Assets	2436.34	263.01	2699.35
Segment Liabilities	762.14	95.47	857.61
Total Liabilities	762.14	95.47	857.61
Capital Expenditure	189.93		189.93
Depreciation	214.68	74.14	288.82
Non Cash expenses other than Depreciation	—	34.23	34.23

14. Related Party Disclosures

i. List and relationship of related parties:
Mirc Electronics Ltd., Holding Company
IWAI Electronics Private Ltd., Associate Company

ii. Transactions with related parties: (Previous year figures are given in brackets)

Sr.	Particulars	Mirc Electronics Ltd.
1.	**Nature of Relationship:**	Holding company
2.	**Nature of the transactions:**	
	(a) Towards sales to	Rs. 902.28 (Rs. 1074.54)
	(b) Towards purchase of capital goods	Rs. 0.28 (Rs. 0.27)
	(c) Borrowing – Inter Corporate Loans	Rs.Nil (Rs. 13.83)
	(d) Reimbursement of Expenses	Rs. 19.67 —
	(e) Interest on Inter Corporate Deposits	Rs. 5.46 —
	(f) Guarantee	Corporate guarantee given by Holding Company as security for Cash Credit facility and term loan from banks
	Outstanding amounts as on 31st March, 2009:	
	(a) Sundry Debtors due from	Rs. 139.28 (Rs. 121.46)
	(b) Amount payable to	Rs. 4.22 (Rs. 2.44)
	(c) Inter Corporate Loans Due to	Rs. 68.25 (Rs. 68.25)

In case of IWAI Electronics Private Ltd., which related, as there are common directors, sale amounting to Rs. NIL (Previous Year Rs. 2.73 lacs) was made during the year.

15. Disclosures with respect to earnings per share of the company are:

Particulars	31st March 2009	31st March 2008
Net Profit for the year (Rs in lacs)	(107.48)	109.78
Weighted Average number of equity shares (Nos.)	8,157,480	8,157,480
Basic & Diluted Earnings per share (Rs.) (Per share)	(1.32)	1.35
Nominal Value per share (Rs. Per share)	10.00	10.00

16. No amount is due as on 31st March, 2009 (Previous Year NIL) to be credited to Investor Education Fund and the amount remaining due will be transferred on the respective due dates to the fund.

17. Previous years figures have been rearranged and regrouped wherever necessary.

NOTES FORMING PART OF ACCOUNTS

18. Balance Sheet Abstract and company's General Business Profile.

I. Registration details

Registration No.	136009	State Code	11
Balance Sheet Date	31 (Date) 03 (Month) 2009 (Year)		

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

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III. Position of Mobilisation & Deployment of Funds (Amount Rs. in lacs)

Total Liabilities	Total Assets
1859.52	1859.52

Sources of Funds

Paid-Up Capital	Reserves & Surplus
815.75	918.52
Secured Loans	Unsecured Loans
57.00	68.25

Application of Funds

Net Fixed Assets	Investments
854.46	NIL
Net Current Assets	Miscellaneous Expenditure
1005.06	NIL
Accumulated Losses	
NIL	

IV. Performance of Company (Amount Rs. in lacs)

Gross Revenue	Total Expenditure
2879.72	2987.20
Profit/ (Loss) Before Tax	Profit/ (Loss) After Tax
(104.52)	(107.48)
Earnings Per Share in Rs.	Dividend Rate %
(1.32)	NIL

V. Generic Names of three principal Products / Services of Company (As per monetary terms)

Item Code. (ITC Code)	NA
Product / Service Description	Printed Circuit Board (PCB)

Signature to Schedule '1 to 19' forming part of Balance Sheet and Profit & Loss Account.

As per our report attached

B.K. KHARE & CO.
Chartered Accountants

DEVDATTA MAINKAR
Partner
M.No 109795

Date : May 9, 2009

For and on behalf of the
BOARD OF DIRECTORS

G.L. MIRCHANDANI
Director

S.G. MIRCHANDANI
Director

V.J. MANSUKHANI
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED

		31st March 2009		31st March 2008	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit/(Loss) before tax & Extraordinary Item		**(103.02)**		**151.59**
	Adjustments for :				
	Prior Period Expenditure	(1.50)		—	
	Depreciation	269.72		288.82	
	Interest	34.15		32.02	
	Interest Income	(6.82)		(3.22)	
	Miscellaneous Expenditure written off	—		34.24	
	Provision for Bad Debts	0.80		3.54	
	Provision for Gratuity and Leave Encashment written back	(4.62)		(9.71)	
	Loss on sale of Assets	101.84	**393.59**	2.14	**347.83**
	Operating Profit before Working Capital changes		**290.57**		**499.42**
	Adjustments for :				
	Trade and Other Receivables	(217.20)		(47.52)	
	Inventories	25.71		(45.72)	
	Trade Payables	(40.70)		107.98	
			(232.20)		**14.74**
	Cash Generated from Operations		**58.37**		**514.16**
	Direct Taxes (Paid)/Refund Received		(20.10)		(27.90)
	NET CASH USED IN OPERATING ACTIVITIES......(A)		**38.27**		**486.26**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Payment for Purchase of Fixed Assets		(42.46)		(166.99)
	Proceeds from Sale of Fixed Assets		26.58		5.08
	Interest Received		6.82		3.22
	Payment for Capital Work in Progress		(49.48)		(22.94)
	NET CASH USED IN INVESTING ACTIVITIES.....(B)		**(58.54)**		**(181.63)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Movement in Unsecured Loans		—		5.25
	Movement in Secured Loans		42.83		(186.70)
	Interest Paid		(29.93)		(32.02)
	NET CASH USED IN FINANCING ACTIVITIES....(C)		**12.90**		**(213.47)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(7.37)**		**91.16**
	CASH AND CASH EQUIVALENTS AS AT 01.04.2008 (OPENING BALANCE)		**111.01**		**19.85**
	CASH AND CASH EQUIVALENTS AS AT 31.03.2009 (CLOSING BALANCE)		**103.64**		**111.01**

As per our report attached

B.K. KHARE & CO.
Chartered Accountants

For and on behalf of the
BOARD OF DIRECTORS

DEVDATTA MAINKAR
Partner
M.No 109795

Date : May 9, 2009

S.G. MIRCHANDANI
Director

G.L. MIRCHANDANI
Director

V.J. MANSUKHANI
Director

CONSOLIDATED AUDITORS' REPORT

To the Board of Directors of Mirc Electronics Limited

1. We have examined the attached Consolidated Balance Sheet of Mirc Electronics Limited ('the parent'), and its Subsidiary (together 'Group') as at March 31, 2009 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 standards on auditing in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements 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 statements of the subsidiary company, whose financial statements reflect total assets (net) of Rs.1859.52 lacs as at 31st March, 2009, total revenues of Rs.2879.72 lacs and net cash outflow of Rs.7.37 lacs for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us; and our opinion, in so far as it relates to the amounts included in respect of this subsidiary, is based solely on their reports.

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 subsidiary included in the Consolidated Financial Statements.

5. We draw the attention to note no.7 of Schedule 21 to the consolidated financial statements relating to excess managerial remuneration by the holding company charged to its profit and loss account of the current year, which is subject to the approval of the Central Government and the Shareholders.

6. On the basis of the information and explanation given to us and on the consideration of separate audit report on individual audited financial statements of the parent and its 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 March 31, 2009;

   (b) in the case of Consolidated Profit and Loss Account, of the consolidated profits 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, June 25, 2009

CONSOLIDATED BALANCE SHEET AS AT

Rs. in lacs

	Schedule	31st Mar 09		31st Mar 08	
SOURCES OF FUNDS					
Shareholders Funds					
Capital	1	670.39		1419.35	
Capital Suspense	1A	2640.48		—	
Reserves and Surplus	2	23022.17		23060.39	
			26333.04		24479.74
Minority Interest			1.92		222.49
Loan Funds					
Secured	3	7545.61		10386.43	
Unsecured	4	13033.14		9584.00	
			20578.75		19970.43
Deferred Tax Liabilities (Net)			1550.68		1689.40
TOTAL			**48464.39**		**46362.06**
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		38253.38		37608.06	
Less: Depreciation		19152.59		17528.92	
Net Block		19100.79		20079.14	
Capital Work in Progress including Capital Advance		2626.97		216.74	
			21727.76		20295.88
Investments	6		53.26		77.18
Current Assets, Loans and Advances					
Inventories	7	21552.20		29784.66	
Sundry Debtors	8	11227.77		13626.52	
Cash and Bank Balances	9	1033.85		2057.07	
Loans and Advances	10	9649.98		6847.95	
		43463.80		52316.20	
Less: Current Liabilities and Provisions					
Liabilities	11	15788.57		24364.91	
Provisions	12	991.86		1962.29	
		16780.43		26327.20	
Net Current Assets			26683.37		25989.00
TOTAL			**48464.39**		**46362.06**
Notes Forming Part of The Accounts	21				

As per our Report attached

For **N. M. RAIJI & CO.,**
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, June 25, 2009

Satrajit Ray
Chief Financial Officer

Anoop Pillai
Company Secretary and Head Legal

For and on behalf of the
BOARD OF DIRECTORS

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

Rs. in lacs

	Schedule	31st Mar 09	31st Mar 08
INCOME			
Gross Sales	13	154013.88	167310.44
Less : Excise Duty on Sales		9098.25	13106.85
Net Sales		144915.63	154203.59
Other Income	14	517.03	583.59
TOTAL		**145432.66**	**154787.18**
EXPENDITURE			
Materials Consumed	16	53868.66	64314.70
Cost of Traded Goods Sold	17	56196.34	54219.60
Personnel Expenses	18	7054.72	6884.02
Depreciation	5	2124.89	2682.39
Financial Expenses	19	2877.58	2350.30
Other Expenses	20	20063.83	21905.82
		142186.02	152356.83
(Less)/Add: (Accretion)/Decretion in Stocks	15	2326.75	(1747.06)
TOTAL		**144512.77**	**150609.77**
PROFIT BEFORE TAX		**919.89**	**4177.41**
Profit / (Loss) Before Tax from Continuing Operations		1083.01	4299.95
Less : Current Tax		139.95	759.39
Profit / (Loss) Before Tax from Discontinuing Operations		(163.12)	(122.55)
Less : Current Tax		—	—
Fringe Benefit Tax		121.86	120.09
Deferred Tax		(138.72)	(266.09)
PROFIT AFTER TAX		**796.80**	**3564.02**
Less : Minority Interest		(0.11)	13.21
PROFIT AFTER TAX AND MINORITY INTEREST		**796.91**	**3550.81**
Surplus Brought Forward from previous Year		13961.70	12522.22
TOTAL		**14758.61**	**16073.03**
APPROPRIATIONS			
Dividend on Shares			
Final Equity Dividend - Proposed		568.00	1420.00
Final Preference Dividend - Proposed		67.37	—
Tax on Dividends		107.98	241.33
Transfer to General Reserve		89.54	450.00
Surplus carried to Balance Sheet		13925.72	13961.70
TOTAL		**14758.61**	**16073.03**
Notes Forming Part of The Accounts	21		
Basic & diluted earnings per share (Rs.)		0.56	2.50

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

For and on behalf of the
BOARD OF DIRECTORS

J. M. Gandhi
Partner

Satrajit Ray
Chief Financial Officer

G. L. Mirchandani
Chairman and Managing Director

Anoop Pillai
Company Secretary and Head Legal

V. J. Mansukhani
Managing Director

Mumbai, June 25, 2009

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT

Rs. in lacs

	31st Mar 2009		31st Mar 2008	
SCHEDULE 1 – SHARE CAPITAL				
Authorised				
16,80,20,000 Equity Shares of Re.1 each (Previous year 15,00,00,000 Equity Shares of Re.1 each)		1680.20		1500.00
20,00,000 5% Cumulative Redeemable Preference Shares of Rs.100 each (Previous year 20,00,000 Preference Shares of Rs.100 each)		2000.00		2000.00
10,000 8% Cumulative Redeemable Preference Shares of Rs.100 each (Previous year Nil 8% Cumulative Redeemable Preference Shares of Rs.100 each)		10.00		—
10,00,000 11% Non-Cumulative Redeemable Preference Shares of Rs.100 each (Previous year Nil 11% Non-Cumulative Redeemable Preference Shares of Rs.100 each)		1000.00		—
		4690.20		3500.00
Issued, Subscribed and Paid Up				
6,71,03,009 Equity Shares of Re.1 each fully paid up (Previous year 14,19,99,584 Equity Shares of Re.1 each fully paid up)	671.03		1419.99	
Less: Calls in arrears	0.64		0.64	
		670.39		1419.35
Notes: Of the above				
• Nil (Previous year 7,48,96,575) Equity Shares are held by the Holding Company, Guviso Holdings Pvt. Limited (These shares are cancelled as per scheme of amalgamation)				
• 9,36,95,620 (Converted into Face value of Re.1) Equity Shares are alloted as fully paid Bonus Shares by capitalisation of General Reserve and Capital Redemption Reserve.				
• 14,59,464 Equity Shares were alloted as per the scheme of Amalgamation of Onida Savak Ltd. with the Company				
TOTAL		**670.39**		**1419.35**
SCHEDULE 1A – SHARE CAPITAL SUSPENSE				
7,48,96,669 Equity Shares of Re.1 each fully paid up (Previous Year Nil Equity Shares of Re.1 each fully paid up)		748.97		—
18,91,512 5% Cumulative Redeemable Preference Shares of Rs.100 each (Previous year Nil 5% Cumulative Redeemable Preference Shares of Rs.100 each)		1891.51		—
TOTAL		**2640.48**		**—**
SCHEDULE 2 – RESERVES AND SURPLUS				
Capital Reserve		7.07		7.07
Capital Redemption Reserve		99.23		99.23
Capital Reserve on Amalgamation		207.55		207.54
Capital Reserve on Consolidation		340.97		222.36
Share Premium		1.39		1.39
General Reserve				
As per last Balance Sheet	8561.10		8111.10	
Less : Amalgamation adjustment	210.40		—	
Add : Transfer from Profit & Loss Account	89.54		450.00	
		8440.24		8561.10
Profit and Loss Account		13925.72		13961.70
TOTAL		**23022.17**		**23060.39**

Rs. in lacs

	31st Mar 2009	31st Mar 2008
SCHEDULE 3 – SECURED LOANS		
From Banks		
Cash Credit	5055.27	9086.43
Long Term Loan	—	1300.00
Foreign Currency Loan	2490.34	—
TOTAL	**7545.61**	**10386.43**

Of the above Rs.7533.14 (Previous year : Rs.10272.26) is repayable within one year.

Notes

Cash Credit and Foreign Currency Loan 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 erstwhile Holding Company.

	31st Mar 2009	31st Mar 2008
SCHEDULE 4 – UNSECURED LOANS		
Term Loan From Banks	13000.00	9500.00
From Others - Intercorporate Deposits	—	76.60
Sales Tax Deferment Loan	33.14	7.40
TOTAL	**13033.14**	**9584.00**

Of the above, Rs.5033.14 (Previous year : Rs.4084.00) is repayable within one year.

Notes

Intercorporate Deposits Rs.Nil, on account of amalgamation adjustment.

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

DESCRIPTION	*GROSS BLOCK*				*DEPRECIATION*				*NET BLOCK*
	As at 01.04.2008	*Additions / Adjustments*	*Deletions / Adjustments*	*As at 31.03.2009*	*Upto 01.04.2008*	*For The Year*	*Deletions / Adjustments*	*Upto 31.03.2009*	*As at 31.03.2009*
INTANGIBLE ASSETS									
1 R & D Software	47.47 (45.11)	7.80 (2.36)	— —	55.27 (47.47)	29.48 (19.76)	5.85 (9.72)	— —	35.33 (29.48)	19.94 (17.99)
TANGIBLE ASSETS									
2 Leasehold land	770.78 (770.78)	— —	— —	770.78 (770.78)	89.83 (80.05)	9.79 (9.78)	— —	99.62 (89.83)	671.16 (680.95)
3 Freehold land	1169.12 (1169.12)	586.82 —	— —	1755.94 (1169.12)	— —	— —	— —	— —	1755.94 (1169.12)
4 Buildings	9482.72 (9420.61)	14.51 (62.11)	20.73 —	9476.50 (9482.72)	1924.31 (1618.58)	305.97 (305.73)	19.77 —	2210.51 (1924.31)	7265.99 (7558.41)
5 Plant and Machinery and Electrical Fittings	23780.77 (23410.70)	590.21 (750.01)	481.28 (379.94)	23889.70 (23780.77)	13990.88 (12211.76)	1675.76 (2140.64)	404.19 (361.52)	15262.45 (13990.88)	8627.25 (9789.89)
6 Furniture, Fixtures and Equipments	1220.03 (1257.90)	44.40 (22.83)	122.68 (60.70)	1141.75 (1220.03)	831.99 (726.98)	64.38 (161.42)	69.35 (56.41)	827.02 (831.99)	314.73 (388.05)
7 Motor Vehicles	272.20 (298.40)	— —	9.93 (26.20)	262.27 (272.20)	178.44 (166.09)	25.21 (28.82)	7.83 (16.47)	195.82 (178.44)	66.45 (93.76)
8 R & D - Building	157.08 (157.08)	— —	— —	157.08 (157.08)	69.53 (64.28)	5.23 (5.25)	— —	74.76 (69.53)	82.32 (87.55)
9 R & D - Plant and Machinery and Electrical Fittings	590.23 (472.49)	26.10 (117.73)	0.03 —	616.30 (590.23)	334.72 (312.73)	25.32 (21.99)	0.03 —	360.01 (334.72)	256.29 (255.50)
10 R & D - Furniture,Fixture and Equipments	117.66 (117.57)	10.22 (0.09)	0.09 —	127.79 (117.66)	79.76 (72.18)	7.38 (7.58)	0.05 —	87.09 (79.76)	40.70 (37.90)
Total	**37608.06** **(37119.77)**	**1280.06** **(955.13)**	**634.74** **(466.84)**	**38253.38** **(37608.06)**	**17528.92** **(15272.40)**	**2124.89** **(2690.93)**	**501.22** **(434.40)**	**19152.59** **(17528.92)**	**19100.79** **(20079.14)**
Capital Work-in-Progress									2626.97 (216.74)
TOTAL									**21727.76** **(20295.88)**

Note: 1. Capital Work-In-Progress includes pre-operative expenses of Rs.75.01 lacs (previous year Rs.8.09 lacs) and interest Rs.303.08 (Previous year Rs.Nil)

2. Figures in brackets are as on 31st March, 2008.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT

Rs. in lacs

SCHEDULE 6 – INVESTMENTS

	Face Value in Rupees	31st Mar 09 Nos.		31st Mar 08 Nos.	
Non-Trade Investments (In Equity Shares)					
Kongarar Textiles Limited	10	2600.00	1.17	2600.00	1.17
Menon Pistons Limited (Quoted)	10	118745.00	83.12	118745.00	83.12
Onida Finance Limited	10	468400.00	139.60	468400.00	139.60
			223.89		223.89
Less: Provision for diminution in the value of Investments			170.63		146.71
TOTAL			**53.26**		**77.18**

Notes:

	Units
During the year following units were purchased and sold.	
ICICI Prudential Institutional Liquid Plan	13399330.00

SCHEDULE 7 – INVENTORIES

		31st Mar 09		31st Mar 08
Raw Materials including Packing Materials and Service Spares		6862.90		9526.16
Stores & Spares		254.05		235.42
Semi Finished Goods		1836.43		1662.39
Finished Goods: Manufactured		3999.47		6500.26
Traded		8056.69		9023.99
Goods in transit		542.66		2836.44
TOTAL		**21552.20**		**29784.66**

SCHEDULE 8 – SUNDRY DEBTORS

		31st Mar 09		31st Mar 08
Debts outstanding for a period exceeding six months				
Considered Good		241.92		93.42
Considered Doubtful		652.92		682.97
Other Debts		11110.33		13533.10
		12005.17		14309.49
Less: Provision for Doubtful Debts		777.40		682.97
TOTAL		**11227.77**		**13626.52**

SCHEDULE 9 – CASH AND BANK BALANCES

		31st Mar 09		31st Mar 08
Cash on hand		23.13		23.74
Cheques on hand		—		—
Bank Remittances in Transit		715.87		1686.93
Balances with Scheduled Banks:				
Current Accounts		180.49		256.88
Fixed Deposit Accounts		102.00		14.07
Balances with Non - scheduled Bank				
HSBC Bank Middle East - AED Current Account		1.87		8.78
HSBC Bank Middle East - USD Call Deposit Account		10.49		66.67
TOTAL		**1033.85**		**2057.07**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT

Rs. in lacs

	31st Mar 2009		31st Mar 2008	
SCHEDULE 10 – LOANS AND ADVANCES				
(Refer Note 5(a) of Schedule 21)				
(Unsecured - considered good unless otherwise stated)				
Loans		1475.95		288.24
Advances recoverable in cash or kind or for value to be received		7879.61		5255.71
Advance Income-tax (Net of Provisions)		68.61		418.22
Balance with Excise and Customs Authorities		225.81		885.78
TOTAL		**9649.98**		**6847.95**

SCHEDULE 11 – CURRENT LIABILITIES				
Acceptances		5086.66		10270.68
Sundry Creditors (Refer note 5 (b) of Schedule 21)		5057.44		5591.30
Advances from Customers		431.92		503.92
Unclaimed Dividend Accounts (Refer note 5 (c) of Schedule 21)		117.47		90.90
Other Liabilities		4737.39		7531.96
Interest accrued but not due		78.42		94.10
Deposits from Dealers		279.27		282.05
TOTAL		**15788.57**		**24364.91**

SCHEDULE 12 – PROVISIONS				
Proposed Dividends		635.37		1420.00
Tax on Proposed Dividends		107.98		241.33
Provision for Retirement Benefits		248.51		300.96
TOTAL		**991.86**		**1962.29**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

Rs. in lacs

	31st Mar 2009		31st Mar 2008	
SCHEDULE 13 – SALES				
Sales		153950.72		167211.79
Export Benefits received		63.16		98.65
TOTAL		**154013.88**		**167310.44**

SCHEDULE 14 – OTHER INCOME				
Dividend Income		5.02		6.82
Interest Income - Gross (Tax deducted at source Rs. 4.91, (previous year Rs.1.36))		84.53		10.00
Profit on Sale of Assets		0.57		3.99
Interest on Income Tax Refund		113.40		24.16
Sales Tax Refund		98.09		26.21
Write back of Provision against Investments		—		0.42
Miscellaneous Income		215.42		511.99
TOTAL		**517.03**		**583.59**

SCHEDULE 15 – (ACCRETION)/DECRETION IN STOCKS - MFG				
Opening Stock - Semi-finished Goods	1662.39		1855.27	
Finished Goods	6500.26		4560.31	
Less:		8162.65		6415.58
Closing Stock - Semi-finished Goods	1836.43		1662.39	
Finished Goods	3999.47		6500.26	
		5835.90		8162.65
TOTAL		**2326.75**		**(1747.06)**

SCHEDULE 16 – MATERIALS CONSUMED				
Opening Stock		9526.16		7938.21
Add : Purchases		51205.40		65902.65
		60731.56		73840.86
Less: Closing Stock		6862.90		9526.16
TOTAL		**53868.66**		**64314.70**

SCHEDULE 17 – COST OF TRADED GOODS SOLD				
Opening Stock		9023.99		5334.80
Add : Purchases		55229.04		57908.79
		64253.03		63243.59
Less: Closing Stock		8056.69		9023.99
TOTAL		**56196.34**		**54219.60**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

Rs. in lacs

	2008-09		2007-08	
SCHEDULE 18 – PERSONNEL EXPENSES				
Salaries, Wages and Bonus		5738.98		5406.77
Contribution to Provident Fund and Gratuity		325.93		445.20
Staff Welfare Expenses		989.81		1032.05
TOTAL		**7054.72**		**6884.02**

SCHEDULE 19 – FINANCIAL EXPENSES				
Interest - Fixed Loans		1344.34		1463.73
Others		1533.24		886.57
TOTAL		**2877.58**		**2350.30**

SCHEDULE 20 – OTHER EXPENSES				
Power and Fuel		789.68		804.79
Rent		878.99		680.80
Rates and Taxes		299.44		216.29
Repairs to:				
- Plant and Machinery		243.34		453.91
- Building		22.25		26.99
- Others		464.75		450.09
Insurance Charges		112.40		129.49
Freight and Forwarding Expenses		5374.57		6457.84
Advertisement		5185.76		6390.96
Sales Commission		102.80		183.51
Service Charges		1433.47		1341.78
Travelling & Conveyance		1068.57		1075.92
Loss on Sale of Assets		105.38		16.14
Bad debts written off		0.28		—
Provision for Doubtful Debts		94.43		223.96
Provision for Diminution in value of investment		23.93		—
Research & Development Expenditure		1056.04		819.28
Miscellaneous Expenses		2807.75		2634.07
TOTAL		**20063.83**		**21905.82**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Rs. in lacs

SCHEDULE 21

A. Significant Accounting Policies

I. Principles of consolidation :

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

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

b) The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the parent company i.e. 31st March, 2009

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

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

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

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

e) The subsidiary company considered in consolidated statement is :

Name of the Company	Percentage of Holding as at 31st March 2009
Akasaka Electronics Ltd	99.89

II. Basis of Accounting

The financial statements have been prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

III. Revenue Recognition

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

ii) Interest income is recognised on accrual basis.

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

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

v) The Company is entitled to refund of Special Additional Duty (SAD) paid on import of traded goods on sale of the imported traded goods within the prescribed time. Accordingly the refund is accrued on sale of such goods.

IV. Fixed Assets and Depreciation

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

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

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

iv) The company provides depreciation as under :

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

Rs. in Lacs

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

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

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

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

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

V. Impairment of Assets

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

VI. Investments

Investments are classified as current or long term in accordance with Accounting Standard (AS)-13 on “Accounting for Investments”. Current Investments are stated at lower of cost & fair value. Any reduction in the carrying amount and any reversal of such reductions are charged or credited to the Profit and Loss Account. Long term investments are stated at cost. Provision is made to recognize a decline, other than temporary, in the value of such Investments.

VII. Accounting for Taxes on Income

Tax expenses charged to Profit and Loss account is after considering deferred tax impact for the timing difference between Accounting Income and Tax Income. Deferred Tax Assets on timing differences are recognised when there is a reasonable certainty that they will be realised. Deferred Tax Assets relating to unabsorbed business losses are recognised when there is a virtual certainty that there will be sufficient taxable profits to utilise them.

VIII. Inventories

Stock in trade is valued at lower of cost and net realisable value. Stock of Consumable stores, spares and furnace oil are valued at cost. Cost is computed based on moving weighted average in respect of all procurred materials and comprises of materials and appropriate share of utilities and other overheads in respect of work-in-process and finished goods. Costs also includes all charges incurred for bringing the inventories to their present location & condition.

IX. Sales Promotion

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

X. Foreign Currency Transactions

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

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

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

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

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

Transactions relating to overseas branch have been translated as follows

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

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

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

Rs. in Lacs

XI. Research and Development

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

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

XII. Miscellaneous Expenditure

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

B. Notes to Accounts

1. Scheme of amalgamation of Guviso Holdings Pvt. Ltd with the Company

a The Scheme of Amalgamation of the erstwhile Guviso Holdings Pvt. Ltd., (GHPL) being the Holding Company, with the Company was approved by the shareholders of the Company at the Court Convened Meeting held on 5th January, 2009 and subsequently approved by the Honourable High Court of judicature at Mumbai on 2nd May, 2009. The said order has been filed by the Company with the Registrar of Companies on 23rd May, 2009 and the Scheme has been effective from that date.

The scheme as sanctioned by the Court has accordingly been given effect to in the accounts from the appointed date of 15th July, 2008. The scheme provides adoption of Pooling of Interest method of accounting for the amalgamation as per accounting standard (AS)-14 “Accounting for Amalgamation” issued by the Institute of Chartered Accountants of India. Accordingly all the assets, liabilities and reserves of GHPL have been recorded in the books of the Company at its carrying value under the respective heads. Further expenses of Rs.111.74 related to the amalgamation has been debited to General Reserve of the Company as per the provision of the scheme. Shortfall in respect of the difference between the book value of the net assets of GHPL and the face value of shares to be alloted to the shareholders of GHPL has been debited to General Reserve of the company as per the scheme of amalgamation. Subsequent to the Balance Sheet date the shares of the Company held by GHPL have been cancelled and the shareholders of GHPL have been alloted equity and preference shares as per the scheme.

b The summary of Assets and Liabilities acquired and discharge of consideration are as given below:

i) Summary of GHPL’s assets as at 15th July, 08		
Investments		850.82
Cash and Bank balances	3.30	
Loans and Advances	1766.27	
	1769.57	
Less : Current Liabilities	0.17	
Provisions	78.40	
	78.57	1691.00
Net assets		2541.82
ii) The consideration to be discharged		
Equity shares to be alloted in the ratio of 10394 Equity shares of Re.1 each of Mirc Electronics Ltd for every 25 Equity shares of Rs.100 each of GHPL		748.97
5% Cumulative Preference shares of Rs.100 each to be alloted in the ratio of 21 Preference shares of Mirc Electronics Ltd for every 2 Equity shares of Rs.100 each of GHPL		1891.51
		2640.48
Deficit on amalgamation adjusted againts General Reserve		98.66

c In terms of the scheme, the Equity shares to be issued on amalgamation by the Company shall rank for the dividend, voting rights and in all other respects pari - passu with the existing Equity shares of the Company. The Preference shares will be entitled to dividend from the appointed date ie.15th July, 2008. The face value of Equity and Preference shares to be issued has been shown as Capital Suspense.

Rs. in Lacs

2. Contingent Liabilities

		31st March 2009	31st March 2008
i)	Guarantees given to Bank against which Rs. Nil (previous year Rs. Nil) has been deposited as margin money	340.34	123.49
ii)	Guarantees given to bank on behalf of subsidiary company	1870.00	1870.00
iii)	Income tax demands in respect of which appeals have been filed	1142.73	2064.80
iv)	Excise and Custom Duty in respect of which appeals have been filed	794.45	362.12
v)	Claims made against the Company not acknowledged as debts	2965.20	4960.02

3.	Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	1093.95	133.30

4. Employee benefits

a) Description of the Plan :

Gratuity -

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

Leave encashment -

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

b) Principal actuarial assumptions:

Particulars	Gratuity	Leave Encashment
Discount rate Previous year	8.00%	8.00%
Discount rate Current year	7.75%	7.75%
Rate of Return on Plan Assets	8.00%	—
Rate of Return on Plan Assets	7.75%	—
Salary Escalation Previous Year	5.00%	5.00%
Salary Escalation Current year	4.00%	4.00%

c) Reconciliation of Benefit Obligation:

Particulars	Gratuity	Leave Encashment
Liability at the beginning of the year	596.76	121.73
Interest cost	47.83	9.74
Current Service Cost	54.50	15.12
Benefit Paid	(42.89)	(42.64)
Actuarial (Gain) / Loss on Obligations	(5.60)	90.78
Liability at the end of the year	650.61	—
Fair Value of Plan Assets at the end of the year	612.18	—
Liability at the end of the year recognised and disclosed under the head "Provisions for Employee Benefits"	38.43	194.73

Rs. in Lacs

d) Reconciliation of Fair value of Plan Assets:

Particulars	Gratuity
Fair Value of Plan Assets at the beginning of the year	438.14
Expected Return on Plan Assets	36.07
Contributions	166.12
Benefit Paid	(42.89)
Actuarial (Gain) / Loss on Obligations	10.64
Fair Value of Plan Assets at the end of the year	612.18
Total Actuarial Gain / (Loss) recognized	20.33

e) Return on Plan Assets:

Particulars	Gratuity
Expected Return on Plan Assets	36.07
Actuarial Gain / (Loss) on Plan Assets	12.18
Actual Return on Plan Assets	48.25

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

Particulars	Gratuity	Leave Encashment
Current Service Cost	54.50	15.12
Interest Cost	47.83	9.74
Expected Return on Plan Assets	(36.07)	—
Net Actuarial (Gain) / Loss recognized	(17.77)	90.78
Expenses recognised in Profit and Loss Account	48.48	115.64

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

b) The Company is in process of identifying parties covered under MSMED Act, 2006 as a result of this information required under the said Act could not be provided. The management is of the view that there were no delay in payment of dues to any parties likely to get covered under the act, as the Company is generally making payment within 45 days from the date of supply.

c) There is no amount due and outstanding, as at 31st March,2009 to be credited to Investor Education and Protection Fund.

6. Miscellaneous Expenses charged to Profit and Loss Account includes

Particulars	2008-09	2007-08
Remuneration to Auditors :		
Audit fees	18.85	18.85
Other Services (Certification, Tax Audit etc.)	7.57	5.03
Out of pocket expenses	0.79	0.97
Total	**27.21**	**24.85**

Rs. in Lacs

7.	Particulars	2008-09		2007-08	
	Remuneration to Directors				
i)	Salaries		190.32		161.28
ii)	Commission to Chairman and Managing Director and Managing Director		28.33		92.06
iii)	Commission to Non Executive Directors		8.00		8.00
iv)	Contribution to Provident Fund and other funds		30.46		27.22
v)	Other Perquisites		23.40		3.64
	Total		**280.51**		**292.20**

In case of Holding Company, in view of inadequacy of profit for the year 2008-09, remuneration to the mangerial personnel is in excess of the limit prescribed under schedule XIII of Companies Act, 1956, by Rs. 146.05 lacs. The said amount is held in trust by the directors of the Company pending approval from Central Government and approval from the Shareholders of the Company. The steps are being taken by the Company for seeking required approvals.

8. Provision for Taxation comprises of current tax Rs.139.95 and deferred tax asset of Rs.138.72 . The current tax includes wealth tax of Rs. 1.23

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

Sr. No.	Nature of expenses / Income	31st March, 2009		31st March, 2008	
	Deferred Tax Liabilities				
1.	Related To Fixed Assets		2167.92	2339.07	
2.	Related To Others		264.72	263.59	
	Total (A)		**2432.64**	**2602.66**	
	Less : Deferred Tax Assets				
1.	Disallowed expenses as per Income Tax Act-1961		329.07	346.12	
2.	Unabsorbed losses / Depreciation of erstwhile Imercius Technologies (India) Limited		8.18	84.80	
3.	Provision for doubtful Debts		403.72	371.90	
4.	Related to Leave Encashment		140.99	110.44	
	Total (B)		**881.96**	**913.26**	
	Net Liability (A) - (B)		**1550.68**	**1689.40**	

Rs. in Lacs

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

Sr. No.	Hedged Items	Currency	Amount in foreign currency (in lacs)	Forward Exchange Rate per unit of foreign currency	Amount
a)	Secured Loans	USD	53.00	46.9875	2490.34

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

Sr. No.	Particulars	Currency	Amount in foreign currency (in lacs)	Amount in Indian Rupees
a)	Amount payable in foreign currency on account of import of goods and its equivalent Indian Rupees	USD	98.82	5014.90
		JPY	30.71	15.79
b)	Amount receivable in foreign currency on export of goods and its equivalent Indian Rupees	USD	8.44	427.47

10. Disclosure pursuant to Accounting Standard 24 (AS 24) 'Discounting Operations'

The Board of Directors in their meeting held on January 29, 2007 has decided to discontinue operations of Business Process Management and Customer Contract services (hereinafter referred to as 'Services Division), which was a separate business segment of the Company. Pursuant thereto, no activities of Services Division were carried during the current financial year. The impact of the discontinuing of these operations is as follows:

I) The carrying amount of assets of Services Division is Rs.18.75 (previous year Rs.263.01) and liabilities are Rs.20.21 (previous year Rs.95.47) as on March 31, 2009.

II) The amount of revenue, expense, pre-tax profit / (loss) of Services Division are as under:

Particulars	31st March 2009	31st March 2008
Income	0.21	1.80
Expense	(163.33)	(124.35)
Pre tax Profit (Loss)	(163.12)	(122.55)
Income Tax Expenses	—	—
Profit / (Loss) after tax	(163.12)	(122.55)

III) The cash flows during the year of Services Division are as follows:

Particulars	31st March 2009	31st March 2008
Operating Activity	(7.58)	(8.66)
Investing Activity	27.71	1.80
Financing Activity	(0.85)	5.25
Net Increase / (Decrease) in cash and cash equivalents	19.28	(1.61)

IV) During the year the Subsidiary Compnay has sold fixed assets of Rs.128.43 lacs of the Service division. Loss on sale of these assets amounting to Rs.101.84 lacs is charged to Profit and Loss Account.

Rs. in Lacs

11. 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.

Ordinary course of business

Rs. Lacs

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 1.4.08 to 31.03.09				
Purchase of goods, services, spares and fixed assets	— —	— —	— —	1012.83 (1032.97)
Sale of goods, fixed assets, spares and services spares and services	— —	— —	— —	11.41 (8.60)
Loans Given	— —	— —	1169.00 —	— —
Inter Corporate Deposits given	— —	— —	— —	125.00 —
Inter Corporate Deposits taken	949.00 (70.75)	— —	— —	— —
Inter Corporate Deposits taken repaid	700.50 (546.15)	— —	— —	— —
Interest paid / payable Inter Corporate Deposits / loans	6.07 (23.21)	— —	— —	— —
Refund of advance	— —	— —	— —	50.00 —
Interest due & received on Inter Corporate Deposits / loans / advances	— —	— —	66.36 —	16.22 (6.00)
Rent paid	— —	6.59 (8.12)	54.53 (69.18)	20.00 —
Refund of rent deposit	— —	— (9.53)	— (66.42)	— —
Payment of Rent deposit	— —	111.70 —	910.49 (0.29)	1000.00 —
Rent received	— —	— —	— —	0.54 (0.41)
Remuneration	— —	272.51 (284.20)	24.00 (23.87)	— —

Rs. in Lacs

Closing Balance as at 31st Mar 2009

Receivable				
Advances given	— —	— —	— —	0.16 (47.50)
Rent Deposit	— —	119.82 (8.12)	978.49 (68.00)	— —
Loans given	— —	— —	1169.00 —	— —
Inter Corporate Deposits given	— —	— —	— —	125.00 —
Interest on Inter Corporate Deposit loans given	— —	— —	66.36 —	10.28 —
Payable				
Inter Corporate Deposits taken	— (76.60)	— —	— —	— —
Interest on Inter Corporate Deposit	— (23.21)	— —	— —	— —
Creditors	— —	— —	— —	182.90 —

Names of related parties & description of relationship :

1. Holding Company	Guviso Holdings Pvt. Ltd. (amalgamated w.e.f. 15th July, 2008)
2. Key Management Personnel	Mr. G.L. Mirchandani - Chairman & Managing Director of Mirc Electronics Ltd. Mr. V.J. Mansukhani - Managing Director of Mirc Electronics Ltd.
3. Relatives of Key Management Personnel	Mrs. Gita Mirchandani (Wife of Mr. G.L. Mirchandani) Mrs. Marissa Mansukhani (Wife of Mr. V.J. Mansukhani) Mr. 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 significiant influence	Iwai Electronics Pvt. Ltd. Adino Telecom Ltd. Gulita Wealth Advisors Pvt. Ltd. (erstwhile Bombay Container Terminals Pvt. Ltd.)

12. The Consolidated Group is mainly engaged in Consumer Durables business and components. As per Accounting Standard on Segment Accounting (AS) - 17, there is no seperate reportable segment and hence disclosure as per (AS) - 17 is not required to be furnished.

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

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

For N.M. RAIJI & CO.,
Chartered Accountants

For and on behalf of the
BOARD OF DIRECTORS

J.M. Gandhi
Partner

Satrajit Ray
Chief Financial Officer

G.L. Mirchandani
Chairman and Managing Director

Mumbai, June 25, 2009

Anoop Pillai
Company Secretary and Legal Head

V.J. Mansukhani
Managing Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

Rs. in Lacs

		31st March, 2009		31st March, 2008	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax & Extraordinary Item		**919.89**		**4177.41**
	Adjustments for :				
	Depreciation	2124.89		2691.00	
	Unrealised Foreign Exchange Fluctuations	541.52		130.15	
	(Increase)/Dimunition in value of Investments	23.92		(0.41)	
	Interest	2883.03		2350.30	
	Interest Income	(89.99)		(10.00)	
	Dividend Income	(5.02)		(6.82)	
	(Profit)/Loss on Sale of Fixed Assets (Net)	104.81		12.17	
			5583.16		**5166.39**
	Operating Profit before Working Capital changes		**6503.05**		**9343.80**
	Adjustments for :				
	Trade and Other receivables	(408.30)		(2269.40)	
	Inventories	8232.47		(6242.93)	
	Trade Payables	(9286.29)		712.84	
			(1462.12)		**(7799.49)**
	Cash Generated from Operations		5040.93		1544.31
	Direct Taxes (Paid)/Refund Received		(151.37)		(1042.50)
	NET CASH USED IN OPERATING ACTIVITIES......(A)		**4889.56**		**501.81**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Payment for Purchase of Fixed Assets		(1280.06)		(955.13)
	Purchase of Investments		(101.85)		—
	Proceeds from Sale of Fixed Assets		28.39		20.29
	Proceeds from Sale of Investments		—		—
	Movement of Capital Advances		(2410.23)		(203.86)
	Interest Received		89.99		10.00
	Dividend Received		5.02		6.82
	NET CASH USED IN INVESTING ACTIVITIES.....(B)		**(3668.74)**		**(1121.88)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

Rs. in lacs

	31st March, 2009		31st March, 2008	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Preference Shares		1891.51		—
Amalgamation adjustment		(210.40)		—
Movement in Term Loans		2392.00		(1103.16)
Movement in Short Term Loans		(1783.68)		4,684.18
Interest Paid		(2898.71)		(2376.87)
Dividends paid		(1634.76)		(222.57)
NET CASH USED IN FINANCING ACTIVITIES....(C)		**(2244.04)**		**981.58**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(1023.22)**		**361.51**
CASH AND CASH EQUIVALENTS AS AT 01.04.2008 (OPENING BALANCE)		**2057.07**		**1695.56**
CASH AND CASH EQUIVALENTS AS AT 31.03.2009 (CLOSING BALANCE)		**1033.85**		**2057.07**

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

For and on behalf of the
BOARD OF DIRECTORS

J. M. Gandhi
Partner

Satrajit Ray
Chief Financial Officer

G. L. Mirchandani
Chairman and Managing Director

Anoop Pillai
Company Secretary and Head Legal

V. J. Mansukhani
Managing Director

Mumbai, June 25, 2009

NOTES

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Visit us at: www.onida.com

Printed by: Uchitha Graphic Printers Pvt. Ltd. : Tel. 022 - 4033 6400