

Decoding
INDIAN
Needs





VISION

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

Corporate Information

Board of Directors

Mr. Gulu L. Mirchandani, Chairman and Managing Director
Mr. Vijay J. Mansukhani, Managing Director
Mr. Shyamsunder Dhoot, Whole-time Director
Mr. Rafique Malik, Director
Mr. Carlton Pereira, Director
Ms. Radhika Piramal, Director (w.e.f. 24/07/2014)
Mr. Vimal Bhandari, Director (till 07/06/2014)

Head - Corporate Affairs, Legal & Company Secretary

Mr. Aashay Khandwala

Auditors

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

Bankers

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

Registered office

Onida House, G-1, MIDC, Mahakali Caves Road, Andheri(East), Mumbai-400 093.
CIN: L32300MH1981PLC023637

Website

www.onida.com

Works

1. Village Kudus, Bhiwandi Wada Road, Taluka Wada, Dist.Thane – 421 312
2. Khasra No.158, Village- Raipur, Pargana - Bhagwanpur, Roorkee, Dist - Haridwar, Uttarakhand.
3. Khasra No.399 to 401 & 405 to 410, 158 KMS Milestone, Delhi -Roorkee Highway – NH 58, Village – Mundiyaiki, Pargana– Manglour, Tehsil - Roorkee, District – Haridwar, Uttarakhand– 247 670

Registrar & Share Transfer Agent:

M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai:400 078

Forward Looking Statement

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



MIRC ELECTRONICS LIMITED

Chairman's Note

Dear Shareholders,

Decoding is the reverse of encoding, which is the process of transforming information from one format into another. Being a hard core Indian company at heart we have always kept Indians and their needs as our priority. This has been the foundation of our thought process right through inception. Hence whenever we have thought of launching new products we have always kept Indian consumers and their needs in mind and given them products that help them fulfill their needs. Hence we can proudly say that we have been 'Decoding Indian needs'.

We have always thought out of the box and come-up with innovations. We were the First to come up with:

- Pre-cool AC • i-Cool AC • LED TV with 1200 W sound output • Washing Machine with In-Built Brush
- Smart Chef - Microwave Oven with weighing system

Through our innovation, we have always kept our customers at the centre of whatever we do. Thus ensuring time and again products that were needed by them. Right from giving Indians fantastic sounding color televisions since 1980's to satisfy their taste for good quality thunderous sound to technologically advanced air conditioners that are capable to counter the stubborn Indian heat.

There was an era, which was called as the 'Era of Production', wherein the consumer had no other choice but to simply buy whatever was made available to him. Often there was no substitute or competing product. The consumer was not required to be convinced. Hence there was no consumer need analysis, no market research or insight mining requirement.

Gradually this era transformed into the 'Era of Selling'. Products were manufactured and then communication was woven around the product highlighting the USP of the product. Consumers had limited choice and there was no guarantee that their needs would be fulfilled with the choice available to them.

Then was the 'Era of Marketing'. Products were no longer manufactured blindly. The development of the product started by understanding what the consumer needed and then developing and designing the product so as to satisfy the consumer needs. More importantly, a wide variety of products were made available keeping in mind billions of consumers and respecting their unique needs.

An extension of this era was reaching out to the consumers. The rapid rise of the internet and social media has given voice to a fresh breed of consumers. ROBO (Research Online Buy Offline) is the current trend. The consumers of today have an option of searching for the product that they need on the internet comparing it with other competitive products and short-listing a few. They then go to the modern trade outlet where they can experience the product, as they want to touch, feel and experience the product before making the final decision. Only once they are satisfied do they go and buy the product at the modern trade outlet or most of them prefer going to the local dealer outlet to buy.

Keeping this particular trend of our consumers in mind we have laid special focus on ensuring that our executives are there at the 'Last Mile' to help our consumers and guide them to make the right choice. The battle of this era has shifted now to the 'Last Mile' where the customer actually buys the product. The customer might become aware of the product via above the line (ATL) media, he will go and compare the same with other competitive products on the internet, but he will come to the outlet to experience the product and that is the 'Last Mile' when his decision can be converted. The company has invested in resources to ensure that we make the most of this opportunity and do not let go off our customer and try and convert as many customers from other brands as possible.

I would like to conclude by saying that irrespective of the product or the market strategy, we at Onida strongly believe and will ensure that we always think in a manner so as to decode the Indian consumer's needs. Thus providing them with products, that not only make life easier for them but will give them pride of ownership.

With Warm Regards,

Gulu L. Mirchandani
Chairman & Managing Director

MIRC

MIRC ELECTRONICS LIMITED

Managing Director's Note

Dear Shareholders,

In today's world loyalties are limited and commitments are few. The old adage of the seven year itch which describes weakness in emotional commitment to a marriage has been reduced to a four year itch. Lately I even heard this being reduced to a two year itch. Similarly loyalties and commitments towards companies & parents of old age are also wavering. There is a paradigm shift in the thinking & outlook of people and corporates. They are selfish and give more importance to commercial aspects of commitment as compared to emotional loyalties.

At Onida we have realized this and are constantly introspecting and bench-marking to improve ourselves by innovating our product line-up. Our value systems have remained the same over the years and this has stood us in good stead of attracting the best talent and keeping attrition to a minimum. For us both the consumer and the employees are equally important. We are constantly striving and bench marking to make the working environment and the products being manufactured by us as 'best in class' in the world.

Parents, corporates and brands should expect no commitment or loyalty, and those who do would be deeply disappointed. Consumers think nothing of dumping old brands and switching over to newer products where innovation & superior technology is offered. The future is not what it used to be. Innovation is the new buzz word. Corporates with no value systems will experience high rate of attrition. We at Onida are conscious of this and striving to make Mirc Electronics Ltd., one of the most favored companies to work for. Without compromising on our values of quality everyone is given autonomy and total freedom to flourish.

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

The rural market is growing much faster than the urban market and the urban market has now largely become a product replacement market. The consumer durables industry in rural and semi-urban areas has witnessed a considerable change during the last few years. Some of the high growth categories within this segment include Mobile Phones, TVs (LEDs / LCDs) and Air Conditioners. India's rural consumer durable market is expected to witness higher growth rates in coming years, owing to the change in lifestyle and higher disposable income of rural India. Hence we have also strengthened our presence in these markets and laid a special emphasis on ensuring that we have our presence felt on the shop floor by appointing, In-Shop Demonstrators (ISDs) that help guide a customer in his purchase and help him in making the right purchase decision.

With the new government, India will be the new frontier for growth and with the demographic profile of our population working to our advantage we will move to have a modern, younger, innovative style of management. The management's aim is to create a powerful culture of employee engagement. This will positively impact the organization by encouraging creativity and passion amongst our people.

I am sure this financial year 2014-15 will be the turning point and we will ride the good times once again.

Best Regards,

Vijay J. Mansukhani
Managing Director

MIRC

MIRC ELECTRONICS LIMITED

LED TV



ROCKSTARZ LED

Living upto its image of introducing cutting-edge technology, Onida brings you yet another range of TVs, made with innovation as the core ingredient. The time has come for you to transform your TV viewing experience into something far more exceptional, something that will bring you closer to sound, right in the comfort of your home.

A song, movie or game can sound only as good as the device it's played back on and what people experience is far from what it sounds like in the studio. Onida offers end-users unparalleled sound performance, whether they're watching movies, listening to music or playing games.

SMART AIR CONDITIONER



JADE INVERTER

Onida Air Conditioners are continuously innovated to deliver Powerful Cooling with lower power consumption. The design is based on delivering superior consumer experience.

JADE is designed with World's best DC Inverter Compressor using Frequency based Automatic Speed Control Technology (FAST). This advanced control technology continuously senses and monitors the room temperature. Using an advanced algorithm it changes the frequency and speed of the compressor motor to provide super high efficiency and saves up to 65% in energy bills under part load conditions. Onida JADE Smart Inverter AC has Unique Super Slim design, Super Silent operation and Super Fast Cooling which is 170% faster than normal ACs making it amongst the World's Best .

WASHING MACHINE



SMART WASHING MACHINE

We live in a world where technology dominates lifestyles, and keeping pace with changing customer expectations is an endless task. Onida's range of washing machines brings a revolution in washing! It's the next level of care for your clothes that's even better than hand wash.



Presenting a revolution in the Microwave Oven's segment in India - 'Smart Chef' Microwave Oven. 'Smart Chef' is the most stylish Microwave Oven in India, that weighs the ingredients and does smart cooking. Smart Chef Microwave Oven, comes with a unique in-built-calorie meter that takes care of your health while you enjoy cooking your favourite delicacies at just the touch of a button. Now surprise everyone with a wide choice of Indian Cuisines with first in class 66 recipes, which includes North Indian, South Indian, Bengali, Gujarati, Maharashtrian, Rajasthani, Punjabi & also Chinese and Thai menus.

Now whatever you are going to put in your recipe preparation will be at ultimate precision in taste with this weighing & cooking system integrated with 15 types of auto cook menus. This means you just have to put ingredients in Smart Chef Microwave Oven and in-built processor will calculate and set exact time & temperature required for your recipe preparation.

Full of taste and health every menu promises to be a fulfilling experience. Onida's Microwave Oven allows you to do more for your near and dear ones, everyday.

*Patent Pending

Annual Report 2013-2014

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3 YEAR HIGHLIGHTS

₹ in cr.

	2013-14	2012-13	2011-12
Balance Sheet			
I. Equity and Liabilities			
Shareholders Funds			
Share capital	14.19	14.19	14.19
Reserves and Surplus	124.77	184.74	213.38
	138.96	198.93	227.57
Non-current Liabilities			
Long-term borrowings	-	-	15.00
Deferred tax liabilities (Net)	-	-	15.45
Other Long term liabilities	-	-	-
Long-term provisions	-	-	-
	-	-	30.45
Current Liabilities			
Short-term borrowings	267.55	272.94	226.40
Trade Payables	210.78	193.85	204.52
Other current liabilities	48.14	55.30	80.64
Short-term provisions	4.03	4.11	7.57
	530.50	526.20	519.13
Total Equity and Liabilities	669.46	725.13	777.15
II. Assets			
Non-current Assets			
Fixed assets			
Tangible assets	151.45	154.14	164.95
Intangible assets	0.12	0.06	0.08
Capital work-in-progress	-	7.67	-
	151.57	161.87	165.03
Non-current investments	26.25	26.25	26.25
Long-term loans and advances	37.68	40.46	43.79
Other non-current assets	0.46	0.45	0.34
Current Assets			
Current investments	0.19	0.17	0.19
Inventories	234.00	251.06	303.60
Trade Receivables	124.63	132.54	127.50
Cash, cash equivalents and bank balances	25.47	30.73	28.51
Short-term loans and advances	34.03	31.59	37.81
Other current assets	35.18	50.01	44.13
	453.50	496.10	541.74
Total Assets	669.46	725.13	777.15
Profit and loss statement			
Sales	1370.76	1375.72	1749.54
Excise	75.65	72.94	85.87
Net Sales	1295.11	1302.78	1663.67
Other Income	1.80	2.01	2.55
Total Income	1296.91	1304.79	1666.22
Material Consumed	498.66	479.24	637.96
Purchase of Tranded Goods	535.37	537.35	653.10
(Increase) / Decrease in inventories of	17.60	45.97	28.03
Finished Goods, Work-in-progress and Traded Goods			
Personnel Expenses	82.35	77.23	92.26
Freight and Forwarding Expenses	49.01	46.09	67.39
Advertising Expenses	17.36	30.95	56.02
Other Expenses	104.08	80.33	110.65
Total Cost	1304.43	1297.16	1645.41
Profit Before Depreciation, Interest and Tax	(7.52)	7.63	20.81
Interest	38.13	38.72	35.86
Profit Before Depreciation and Tax	(45.65)	(31.09)	(15.05)
Depreciation	14.32	15.79	21.55
Exceptional Items	-	-	5.01
Profit Before Tax	(59.97)	(46.88)	(41.61)
Tax	-	(18.24)	(2.67)
Profit after Tax	(59.97)	(28.64)	(38.94)
Equity Dividend Paid	-	-	-
Year End Price (Rs.)	4.86	6.60	14.35
Market Capitalisation (Rs. in Cr.)	68.89	93.56	203.41

Dear Shareholders,

Your Directors present the 33rd Annual Report along with the Financial Statements for the year ended 31st March 2014.

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

Results of Operations

(₹ in Crores)

Particulars	2013-14	2012-13
Turnover	1372.56	1377.73
Profit/(Loss) before tax	(59.97)	(46.88)
Income Tax of earlier years	—	2.79
Deferred Tax	—	15.45
Profit /(Loss) after tax	(59.97)	(28.64)
Surplus carried to balance sheet	16.74	76.71

Performance:

During the year under review, the turnover of the Company stood at ₹ 1372.56 crores as against ₹ 1377.73 crores, during the previous financial year. The Company has incurred a loss before tax of ₹ 59.97 crores as against a loss of ₹ 46.88 crores recorded during the previous financial year. This loss was mainly due to the unfavorable impact of rupee being depreciated against dollar and continued sluggish market conditions.

With the introduction of newer sales avenues and a range of new generation products which are technologically advanced, along with stringent cost control measures, your company is confident to make a mark and improve the performance in the years to come.

Dividend and Transfer to General Reserves

In view of the loss incurred by the Company, no dividend has been proposed for the year ended March 31, 2014 and there is no appropriation of any amount to General Reserves during the year under review.

Proposed Rights Issue.

The Company has proposed to make a Rights Issue upto ₹ 33.00 crores to be utilized towards part payment / prepayment / reduction of working capital loans / liabilities including buyer's credit and general corporate purpose.

The Company was under commitment to its lenders to bring additional contribution in form of equity / debt to reduce the working capital liabilities under buyers credit.. As the Company was in requirement of capital, members of the Promoter and Promoter group have brought in a sum of ₹ 32.00 crores as interest free unsecured loan. The said unsecured loan is free of any interest and any amount received through subscription in the Rights Issue which is in excess or shortage towards their actual

entitlement including additional subscription, if any shall be adjusted or refunded to them.

BSE Ltd. and National Stock Exchange of India Limited have given their in principal approval to the Rights Issue vide letters dated 30th April, 2014 and 02nd April, 2014 respectively and approval from SEBI is awaited.

Subsidiary Company

Your Company is having a subsidiary company i.e. Akasaka Electronics Limited which is in the business of manufacturing of Printed Circuit Boards. During the year 2013-14 the revenues of Akasaka was ₹ 14.73 crores as compared to ₹ 19.72 crores in 2012-13. The loss for the year was ₹ 2.52 crores in 2013-14. The Company's working was impacted due to decline in the market for printed Circuit Board for CRT TV's as major customers have discontinued this product.

The Ministry of Corporate Affairs, New Delhi vide General Circular no. 2/2011 dated 08th February 2011 has granted general exemption under Section 212 of the Companies Act 1956 to the holding Company from attaching the specified documents of its subsidiary companies as referred in Section 212 (1) with its Balance Sheet, on fulfillment of certain conditions. Accordingly, the annual accounts of Company does not contain the financial statements of the subsidiary, but contains audited consolidated financial statement of the Company and its subsidiary and statement under section 212 of the Companies Act, 1956 giving particulars as per requirement of the circular.

The annual accounts of the subsidiary Company and the related detailed information are made available to the shareholders of the Company and subsidiary company seeking such information. The annual accounts of the subsidiary company is available is also open for inspection by any member at the registered office of the company and of the subsidiary company. Copies of the audited accounts of the company's subsidiary can be sought by any member by making a written request addressed to the Company Secretary of the Company at the registered office of the Company.

Consolidated Financial Statements

In accordance with Accounting Standard 21 - Consolidated Financial Statements and the Listing Agreement entered into with the Stock Exchanges, the audited Consolidated Financial Statement for the financial year ended 31st March 2014 is provided in this Annual Report.

Cash flow statement

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges, the Cash flow statement for the year ended 31st March, 2014 is annexed hereto.

Board of Directors

During the year Mr. Rafique Malik was appointed as Additional Director and as an Independent Director on 28th January, 2014. Mr. Malik holds office as Director upto the date of the ensuing Annual general meeting and is eligible for re-appointment.

Mr. Manoj Maheshwari resigned on 26th March, 2014 as Independent Director of the Board as large portion of his time was spent overseas on his becoming an Non-Resident Indian. The Board places on record their sincere appreciation for the guidance and advice given by Mr. Manoj Maheshwari as an Independent Director.

Mr. Ranjan Kapur resigned as Independent Director of the Board on 28th April, 2014 due to personal commitments. The Board places its appreciation for the guidance and advice rendered by Mr. Ranjan Kapur as Director on the Board of Directors of the Company and as Member of the Audit Committee and as Chairman of Shareholder and Investors Grievance Committee & Remuneration Committee.

Mr. Carlton Pereira was appointed as an Additional Director and as an Independent Director at the Board meeting held on 15th May, 2014. Mr. Pereira holds office as Director upto the date of the ensuing Annual General meeting and is eligible for re-appointment.

As per the provisions of the Companies Act, 2013 the Independent Directors are required to be appointed for a term of five years and shall not be liable to retire by rotation. Accordingly resolutions proposing appointment of Independent Directors forms part of the Notice of the Annual General Meeting.

Mr. Shyamsunder Dhoot shall be retiring by rotation at the ensuing Annual General Meeting pursuant to Section 152(6) of the Companies Act, 2013 and is eligible for re-appointment.

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

Directors' Responsibility Statement

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

- a) that in the preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the year under review;

c) that the Directors 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) that the Directors have prepared the annual accounts on a going concern basis.

Corporate Governance

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

A separate section on the Corporate Governance forming part of the Directors' Report and the certificate from the Company's Auditors M/s S. R. Batliboi & Co. LLP, Chartered Accountants, Mumbai confirming compliance with the conditions of Corporate Governance as stipulated under the clause 49 of the Listing Agreement, is annexed to this report.

The Chief Executive Officer's declaration regarding compliance of Code of Business Conduct and Ethics for Board members and Senior Management personnel forms part of this Report.

Green Initiative

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

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

Management Discussion and Analysis

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

Fixed deposits

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

Listing fees

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

Clause 5A of the Listing Agreement

Pursuant to clause 5A of the Listing Agreement the details of the shares lying with the Company in Unclaimed Suspense Account as on 31st March, 2014 is as under:

Sl. No.	Description
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; 4692 shareholders for 102455 shares.
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year; 1 shareholder for 20 shares.
3	Number of shareholders to whom shares were transferred from suspense account during the year; 1 shareholder for 20 shares.
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; 4691 shareholders for 102435 shares.

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

Transfer of Unpaid and Unclaimed Dividend

Pursuant to Section 205A(5) of the Companies Act, 1956, the dividend declared for the financial year 2005-06 (Final) and 2006-07(Interim) which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

Shareholders who have not claimed dividend for the financial year 2007-08, which is due for transfer to IEPF on expiry of seven years on 31st July, 2015 are requested to write to the Registrar for claiming their unpaid/ unclaimed dividend.

Auditors

M/s. S.R Batliboi & Co. LLP Chartered Accountants holds office as Statutory Auditors of the Company up to the conclusion of the ensuing Annual General Meeting and have expressed their unwillingness to be re-appointed as Auditor of the Company.

M/s. S.R.B.C. & Co. LLP, one of the firms in overall M/s. S.R. Batliboi & Co. Chartered Accountant's network has given a letter expressing their willingness and eligibility under the Act, to act as Auditors of the Company, if appointed by the members.

The Audit Committee has recommended and the Board of Directors at its meeting held on 15th May, 2014 proposed the appointment of M/s S.R.B.C & Co, LLP (ICAI Firm Reg. No 324982E) as Statutory Auditors of the Company to hold office from conclusion of 33rd Annual General meeting up to the conclusion of 37th Annual General meeting of the Company, subject to approval of the shareholders at the ensuing Annual General Meeting. Since M/s S.R.B.C. & Co. LLP is under the same network of firm as existing Auditors they will hold office as Auditors for period of 4 years considering the office of 1 year held by M/s S.R Batliboi & Co. Their appointment shall be subject to ratification by the members at every subsequent Annual General meeting during their tenure.

Members are requested to appoint them as Auditors of the Company and to fix their remuneration.

As regards to the observation in the Auditors Report the same, is self-explanatory and does not require any further comment.

Cost Auditor

The Ministry of Corporate Affairs (MCA), Cost Audit Branch vide its Order dated 24th January, 2012 directed all companies to which the Companies (Cost Accounting Records) Rules, 2011 apply, to get their cost accounting records for products covered under specified chapters of the Central Excise Tariff Act, 1985 duly audited by a Cost Auditor. The Company has, based on an application made, received the Central Government's approval for appointment of Mr. Suresh D. Shenoy as the Cost Auditor of the Company for the year ending 31st March, 2014 in respect of products covered under Chapters 84 and 85 of the Central Excise Tariff Act, 1985.

The Cost Audit Report, for the year ended 31st March, 2014 will be filed with the Central Government within the due date.

The Board has further reappointed them as Cost Auditors for carrying out cost audit for the financial year 2014-15 and their remuneration is to be approved by the shareholders.

Audit Committee

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and Section 177 of the Companies Act, 2013 and provisions

DIRECTORS' REPORT

of the Listing Agreement, the Company has constituted an Audit Committee. The composition, scope and powers of the Audit Committee together with details of meetings held during the period under review, forms part of Corporate Governance Report.

Employee relations and particulars of Employees

Relations between employees and the management continued to be cordial during the year. The Company has 1428 employees on permanent rolls of the Company as on 31st March 2014.

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 the Registered Office of the Company.

Environment

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

Research and Development

The Company recognizes that a vigorously intelligent research initiative enables not only cost reduction through effective

process improvement but also value-addition through sustained innovative and customized products in line with customer requirements.

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

This team conducts research in the areas of:

Embedded Software

Industrial Design

Mechanical Design

Electrical Circuit Design

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

The particulars as prescribed under Section 217(1)(e) of the Companies Act 1956 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 and forms part of this report.

Acknowledgement

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

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

On behalf of the Board of Directors

sd/-

Date: 15th May, 2014

Place: Mumbai

Gulu L. Mirchandani
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

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

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

- Provision of introducing Solar Panel for process heating and installation of poly carbonate transparent sheet for Natural light.
- The Company has used LED lights in few locations as an initiative to green energy. Further there is boiler furnace oil savings by use of an house developed Heat Exchanger and Solar System for feed water.
- In Roorkee Unit-I factory, the Company has changed the overhead factory shed sheets to transparent type thereby avoiding using tubelights during the day.
- The production team under the 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.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

The Company has with 'zero investment' initiative taken to rearrange the workplace arrangement to reduce Air-conditioner consumption. Also conducted energy audit for pumps in Injection Moulding to explore the energy saving potential. Experts have visited Wada factory and given inputs and advice on various energy saving potential and projects. implemented Variable Frequency Drivers (VFDs) for energy saving for blower units of Paint booth.

(c) Impact of the above measures as stated under (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

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

- The Company's initiative to maintain unity power factor, use of LED lights in few locations as an initiative to green energy and installation of boiler furnace oil savings by using of in house developed Heat Exchanger and Solar System for feed water resulted in increase in the Steam/ Furnace oil ratio and resulted in saving of 2% power cost due to reduction of Maximum Demand 3300KVA to 2950KVA.
- The change of overhead factory shed sheets to transparent type in Roorkee Unit-I, resulted in reduction in use of tube lights during the day hence there was saving of around 10% on electrical consumption. In Roorkee Unit-II factory, total cost savings due to energy conservation was ₹ 65.13 Lacs
- The production team under the able guidance of expert engineers from the research and development centre of the Company continuously monitor and devise various means to conserve energy and identify methods for the optimum use of energy without affecting productivity. This is ensured through the adoption of the latest techniques of production which helps in better productivity levels, timely maintenance and upgradation of machines and equipments to ensure that energy consumption is at the minimal level possible. Further on-the-job training to production team members is also given in order to conserve energy.

(d) Total energy consumption and energy consumption per unit of production in respect of the industries specified:

Not Applicable to the Company.

B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as per 'Form B'

FORM B

(a) Research and Development (R&D):

1. Specific areas in which Research and Development was carried out by the company:

Colour televisions, LEDs/LCDs, LED lighting, Washing Machines, Air-conditioners, Microwave Ovens & Induction cookers.

Colour Television, LCD/LED TV

The Company introduced the complete range of LCD/ LED TVs ranging from 19" model to the 50" model. Nearly 25+ new models were developed this year. The new

ANNEXURE TO THE DIRECTORS' REPORT

Wave, Cristal, Trend & Rockstarz series models were launched during the year. The sound platform in the LED TV segment has been raised to new heights with our new Rockstarz series. As per market requirements, we could cater to the customer needs in terms of basic, mid-end & high end models. The 50" segment was filled in our range of LED TVs with appreciable market acceptance. Appreciable growth was seen in terms of export models also.

We continued to work on development of new CRT TV's & launched new 14" & 21" models.

Washing Machines:

The following new models and technologies were developed:

- Front loading machines with fastest Wash Cycle;
- Semi Automatic (SA) machines with attractive Basket design for easy handling of clothes.
- SA machines with new more efficient pulsator design.
- Power Brush Technology for collar & cufflink area washing, based on market survey & customer need Analysis.
- Launched new variants with cosmetic changes including new vibrant colors, body graphics, knobs etc;
- Added air jet dry function in semi automatic washing machine to increase the drying efficiency.
- Launching of cost Improved model of SA machine based on customer feedback & research.

Air Conditioners:

Your Company has developed and improved its product range by introducing the following new technologies:

- Introduced new range and new indoor unit looks and upgraded all models by one step up to match new BEE (Bureau of Energy Efficiency) star rating norms to compete in revised market scenario;
- Introduced another variant of highly technological Inverter AC with Environment friendly R410a Gas, which has efficiency better than even revised 5 star rating norms and saves more than 40% power when compared to the conventional AC. Following BEE testing method for Inverter AC development. Localization of Inverter ODU for better performance in tropical conditions.

- New Indoor Units developed with hidden display that is visible only when AC is ON. The display is a smooth diffused and with soothing effect to eyes.
- Developed New Modern Looking Remote unit with new aesthetics and features.

Microwave Ovens:

The Company has made innovations in number of products to suit the market demand. Products contain innovative technologies like:

- On Customer surveys & feedback your Company developed a Microwave Oven with weighing sensors to measure weight of cooking material and apply algorithm to select automatically suitable time and temp for cooking so that to get proper taste, color and texture of food.
- Multi-Stage Cooking which allows cooking food at different heat levels ensuring preparation of delicious dishes.
- Expanding the Auto cook menu to 251 recipes with altogether new software algorithm and emphasis to Indian dishes. This new software helps to cook food quickly and better control over taste, color & texture;
- Touch sensitive control panel introduced;
- Expanded the Black beauty range to other capacities.
- Models revamped with new floral design on glass and control panel aesthetics.

Intellectual Property Rights:

Amid increasingly intense competition from Global Players your Company need to efficiently secure and leverage IP rights to new technologies, designs and services to maximize the value of products and businesses growth. To foster these we had initiated registering our new designs for IP rights. As a part of this process we had registered below designs from appliances range for copyright.

- 1) Design Registration of new remote for AC.
- 2) Design registration of New Semi Automatic washing machine with Basket & Jet dry feature.
- 3) Applied for Patent of indigenously developed Power Brush technology for Collar & cufflink washing with patent office.

ANNEXURE TO THE DIRECTORS' REPORT

2. Benefits derived as a result of the above Research and Development:

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

3. Future plan of action:

The Company has plans to further expand the range of LED/LCD televisions in all the categories, taking into consideration the emerging new-technologies. As per the new government norms of the Electronics & Information Technology Goods Compulsory registration Order, 2012 has come into effect and our products have positively met the requisite IS standards & registered with the BIS.

The Company has planned to introduce higher capacity range of washing machines with innovative features like mechanized brush, highly efficient pulsators, water recirculation - to reduce the detergent consumption. The company is working on revolutionary concept of washing machine in order to reduce the water and detergent consumption significantly.

4. Expenditure on research and development

(₹ in lacs)

	Particulars of expenditures	2013-14	2012-13
a	Capital	7.65	-
b	Recurring	563.34	591.10
c	Total	570.99	591.10
d	Total Expenditure as a % of total Turnover	0.42	0.43

(b) Technology Absorption, Adaptation & Innovation:

As regards product technologies the Company would like to state as follows:

1. 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.

2. 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.

3. Imported technology.

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

4. Foreign exchange earnings and outgo

(₹ in lacs)

Particulars	2013-14	2012-13
Foreign exchange earnings	1702.81	1716.14
Foreign exchange outgo (including capital goods and imported software packages)	75092.82	68831.88

MANAGEMENT DISCUSSION AND ANALYSIS

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

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

MIRC Electronics Limited (MIRC or 'the Company') has been one of the pioneering companies in the electronics industry in India. Over the decades, the reliability and quality of the MIRC's product has resulted in a strong brand creation.

The Indian consumer electronics market demand is estimated to grow to USD 125 billion by 2015-16 and USD 400 billion in next six years. The long term opportunity in consumer electronics has opened the door to new international players. Several new entrants are investing in brand creation, new innovation and distribution network to attract Indian customers. Modern retail and e-commerce has increased the reach of consumer durables, and devices including smart phones and tablets will be common way to consume entertainment.

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

TVs:

The Indian TV industry has made rapid strides with the advent of Internet ready and Smart TV which has have altered the characteristics and dynamics of TV market. There is a paradigm shift from CRT TVs to Flat panels, Smart TV and other variations. Growth in expected to be driven by enhanced purchasing power, digital broadcast and better informed consumer awareness. The future of TV is very mobile and will interface with internet and has huge potential to grow. The innovations like OLED and 4K and wide screen models and value additions will rule customer preferences. There is a major shift in consumer preferences with LED TVs gaining share from 21% in 2012 to 75 % in 2013.

Air conditioners:

The Indian Air conditioner market in 2013 was around 3.5 million units. An 10% annual increase is expected over next couple of years. There is a distinct increasing preference for split air conditioners which dominate with 83% share of the market. Energy efficiency is the key parameter for consumers while making purchase decisions for air conditioners. The digital inverter technology now provided by most manufacturers has resulted in increased power efficiency and coupled with other smart features has enhanced the air-conditioning experience. Rising incomes levels and expansion of modern retail and exclusive company outlets has increased ACs penetration in India. Urbanization is one of the most important mega trends driving India's growth

and infrastructure development. It is anticipated that urban areas will be home to 30% of Indian population and contribute 70% of the total GDP. This increase of middle class families present an immense opportunity for air conditioner manufacturers.

Washing Machines:

These are the second largest contributor to consumer appliance market after refrigerators. Fully automatic washing machines are garnering increased share of the market due to affordable prices and higher disposable income. The major chunk of the growth is expected to be driven by newer households, as well households replacing their semi-automatic washing machines with fully automatic washing machines.

Microwave Ovens:

Due to ease of operation and built in recipes the microwave ovens continue to dominate the Indian markets. Microwave oven are increasingly sharing space with the refrigerators in the Indian households.

2. OPPORTUNITIES AND THREATS:

Opportunities

- 1) In India, penetration levels of white goods is lower as compared to the other developing countries. This shows that there huge untapped demand. Further with rapid urbanization and increase in family disposable income there is greater propensity to spend on consumer electronics. Consumer electronics such as air conditioners, microwave which were considered luxury consumer goods a few years ago have become comforts and necessities of life for each household.
- 2) There is a major spurt in housing and new projects coming up in metros and Tier 1 and Tier 2 cities. This results in additional demand of TVs, air conditioners, microwave and other electronic goods. This will continue to rise with rising trend of macro families and better lifestyles.
- 3) There is a huge rural market which with better power availability and increase in agricultural income has a big demand potential for consumer electronics such as TVs, refrigerators, air-conditioners.
- 4) Easy availability of finance and the attractive finance scheme makes the consumer electronics and appliances more affordable and has brought within the reach of many people.
- 5) The festive season and the sporting events also spurs demand for TV and large screen. These events promotes sales of TVs with large viewer ship and brand promotion to very large number of people across the country.

MANAGEMENT DISCUSSION AND ANALYSIS

Threats

1. The sector faces stiff competition from multinational players who have a big spend on advertisement and brand display. There is threat of them overshadowing domestic manufacturers by aggressive advertisement.
2. There is difficulty to pass the increase input costs to the consumer. The interest rates and adverse foreign exchange rate could lead to pressure on the margins.
3. Domestic manufacturer have to rely on heavy dependence on imports and import policy.

3. RISKS & CONCERNS:

- 1) Lack of adequate infrastructure such as roads, power is adversely affecting the competitiveness of and production of domestic consumer electronics and appliance industry in India. Uninterrupted power supply is necessary for manufacturing units as power fluctuations can lead to major losses in the manufacturing process. Moreover the demand of home appliances such as air conditioners, washing machine, micro wave ovens are driven by electrification of homes and uninterrupted supply of power, which the country is deficient.
- 2) Weak supply chain network and lack of vendor support affects the quality, productivity and competitiveness of the consumer electronics industry.
- 3) Indian manufacturers are not able to compete with global players as they have high level of technological knowhow and advertisement budget.
- 4) Labour policies in India are not as favorable as compared to other competing countries. There should be flexible market policies to restructure labour force in response to market demand.
- 5) Heavy taxation in the country is one of the challenges of all the domestic players. At its present structure the total tax incidence in India stands at 25-30 per cent, whereas in corresponding tariffs in other Asian countries are between 7-17 per cent.

4. PRODUCT-WISE PERFORMANCE

The sale of Air Conditioners during the year under review witnessed a growth of about 9%.

During the year under review, the Company witnessed degrowth in sales of LCD/LED of about (4.5%). However, the CRT TV segment grew by about 14% in the financial year under review.

There was about (14%) degrowth in sale of Company's Washing machines.

5. OUTLOOK

The economy is now showing chances of revival and there are all hopes for positive governmental measures. In year 2013 volumes in consumer appliance industry was stagnant and there was price pressure due to high inflation, increase in fuel costs, weakening rupee and rising input prices impacting sales of products. Rupee which was very volatile during the close of the year 2013 has now stabilized and moves within the narrow range and is strengthening with the surge in foreign inflows. The external sector is far more stable with exports picking up.

In a recent study on Opportunities & Challenges in Consumer Electronics & Home appliances (India) by CEAMA and Arthur D Little it anticipates a demand of USD 400 Billion whereas domestic production would be able to cater to demand of only USD 100 Billion and rest will have to be supplemented by imports. This opens a new vistas for growth.

The Government has also given impetus towards making India into a global hub for electronics system design and manufacturing to meet the growth in local and global needs. In March 2014 the cabinet approved setting up of two semi conductor wafer fabrication (FAB) in Uttar Pradesh and Gujarat by private sector involving project costs of Rs 63000 crores. This will stimulate the flow of capital and technology, create employment opportunities, help addition of higher value electronics products and lead to innovation. The appliances using semiconductors are room air conditioners, washing machine which accounts for 60% of the semi conductors industry home appliance revenue in 2013. This will help to reduce the import duties and restrictions.

Another factor which is expected to steer the market in next few years is the replacement market given the growing need to focus on energy conservation and meet the energy star rating models and energy guide labels.

Global warming continues to be to remain a major factor and El Nino effect makes a primary reason to have inverter based air-conditioning systems.

With penetration of branded household appliances still not very high, specially in semi urban and rural areas there is plenty of opportunities to grow.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has evolved a structure for carrying out internal audits across the Company and branches spread all over India. The branches are audited by Chartered Accountant firms at respective locations and is a continuous audit. The Plants and HO functions are audited by the external reputed Chartered Accountant Audit Firm who carries the Internal Audit as per the scope finalized and approved by the Audit Committee in the beginning of the financial year. Internal audit department of the Company co-ordinates and conducts extensive audit on specific matters and/or the workflows and co-ordinates on implementing the recommendations of the audit firms.



MANAGEMENT DISCUSSION AND ANALYSIS

In view of the above, the Company has adequate systems of internal control and documented procedures covering all financial & operating functions. Adequate internal control measures are available in the form of various manuals, policies and procedures issued by the management covering all critical and important activities.

The Internal Audit findings are presented to the Audit Committee and the corrective and improvisation measures are discussed by the Audit Committee of the Board of Directors of the Company. The suggestions and directions of the Audit Committee are implemented and followed up to improve the internal controls and prevent their recurrence. Reports of the Internal Auditors are also continuously reviewed by the management and corrective action initiated to strengthen the controls and enhance the effectiveness of the existing systems.

Your Management tries to keep all these risks in control, to the extent it is possible, by developing a frame work for risk identification, risk management & control and risk reporting and review.

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

The financial year 2013-14 was a year of challenges and uncertainties for businesses across various segments of industry with the financial crisis, volatile prices, sharp movement in currencies and 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 2013-14, the turnover of the Company stood at Rs. 1373 crores as against Rs. 1378 crores in the previous financial year 2012-13. The Company recorded a net loss before tax of ₹ 59.97 crores as against a net loss of Rs. 46.88 crores during the 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 2014-15.

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

Human Capital is the backbone of the business at MIRC. We believe in creating competitive advantage for all stakeholders through effective Human Capital Management. People are nurtured, developed, motivated and rewarded to drive business growth.

We ensure that by adapting various professional Talent Management processes we are able to attract people with right talent and competency, train and develop them continuously by conducting and facilitating need-based training, supported by structured career plans that optimize individual potential

and provide them the right opportunity to grow within the organization.

Human Capital here takes a proactive role in ensuring all employees are engaged at all times and aligned to top management's directive and business goals, also through the element of Fun@work we are able to create a work environment that is enjoyable to each employee.

Open and two way communication is all time encouraged across all levels throughout the organization and Open door policy creates a favorable environment in nurturing the Open Culture @ MIRC.

The women friendly policies of MIRC ensures that women employees are able to maintain the work-life balance as well as meet the organizational goals and objectives as increasingly we observe that the male to female ratio is fast improving with more and more women choosing to be financially independent.

The Management is continuously driving on the development of Human Capital to enhance responsiveness and efficiency in an ever-changing and dynamic business environment.

MIRC has 1428 employees on its payroll as on 31st March 2014.

9. MATERIAL FINANCIAL & COMMERCIAL TRANSACTIONS INVOLVING SENIOR MANAGEMENT:-

The Company has in place a Code of Corporate Governance which stipulates that senior management personnel shall make disclosures to the Board of Directors regarding any material financial and/or commercial transactions in which they are interested which may have a potential conflict with the interest of the company.

Cautionary Statement

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

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

On behalf of the Board of Directors

Date : 15th May 2014
Place : Mumbai

Gulu L. Mirchandani
Chairman and Managing Director

MIRC

MIRC ELECTRONICS LIMITED

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report in compliance with Clause 49 of the Listing Agreement with the Stock Exchanges, as applicable for the year ended 31st March 2014, is set out below for the information of shareholders and investors of the Company.

I. Company's philosophy on code of Corporate Governance

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

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

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

II. Board of Directors

A] Composition

As at March 31, 2014 the Board of Directors comprises six Directors, out of which two directors are Promoters cum Executive Directors, one Non-Promoter Executive Director and three are Non-Executive Independent Directors. The Chairman is an Executive Director. Thus 50% of the Board comprises Non-Executive and Independent Directors.

During the Financial year 2013-14, five Board Meetings were held on 14th May 2013, 31st July 2013, 13th November 2013, 04th December 2013 and 10th February 2014. The interval between any two meetings was not more than four calendar months. The constitution of the Board of Directors, the details of meetings attended by the Directors and the information with regard to their membership of Committees are as under:

Name	Category	Attendance Particulars			No. of Directorships and Committee Memberships/ Chairmanships (including MIRC)		
		Number of Board Meetings		Last AGM			
		Held**	Attended		Directorship	Committee Chairmanship	Committee Membership
Mr. Gulu L. Mirchandani	Promoter [CMD]	5	5	Yes	6	0	2
Mr. Vijay J. Mansukhani	Promoter [MD]	5	5	Yes	2	0	1
Mr. Shyamsunder Dhoot	Non Promoter [WTD]	5	4	Yes	1	0	0
Mr. Vimal Bhandari	I & NED*	5	5	Yes	8	3	2
Mr. Ranjan Kapur	I & NED*	5	4	Yes	3	1	3
Mr. Rafique Malik	I & NED*	5	0	N.A.	2	0	1
Mr. Manoj Maheshwari	I & NED*	5	2	No	-	-	-

* Independent & Non Executive Director

** Board Meeting held during the year

Dates on which Board Meeting were Held	Total Strength of the Board	No of Directors Present
May 14, 2013	6	6
July 31, 2013	6	6
November 13, 2013	6	5
December 04, 2013	6	3
February 10, 2014	7	5

Notes:

1. As detailed above, none of the Directors is a member of more than 10 Board level Committees of Public Companies in which they are Directors, nor as Chairman of more than five such committees.
2. Only directorship in public limited Companies (listed or unlisted) has been considered.
3. Membership / Chairmanship of Audit Committee and Investor Grievance Committee of public companies have been considered.
4. Mr. Rafique Malik was appointed as Independent & Non Executive Director w.e.f. 28th January, 2014.
5. Mr. Manoj Maheshwari resigned as a director w.e.f. 26th March, 2014.
6. Mr. Ranjan Kapur resigned as director w.e.f. 28th April, 2014.
7. Mr. Carlton Pereira was appointed as Independent & Non Executive Director w.e.f. 15th May, 2014.

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 field of finance, management and public policy.

C] Information placed before the Board of Directors

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

D] Code of Conduct

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

Committees of the Board:

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

III. (1) Audit Committee

A] Constitution:

The composition, role and powers of the audit committee meets the requirements of Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956. As at March 31, 2014, the Audit committee comprised of Mr. Vimal Bhandari, Chairman, Mr. Ranjan Kapur and Mr. Rafique Malik. All are Independent Non-Executive Directors of the Company. The Company Secretary acts as the Secretary to the Committee.

Mr. Ranjan Kapur resigned as Director and as Member of the Audit Committee on 28th April, 2014 and Mr. Carlton Pereira was appointed as member of the Audit Committee w.e.f. 15th May, 2014.

Mr. Vimal Bhandari is a Chartered Accountant. All the members of the audit committee are financially literate and possess accounting and financial management expertise. At the Annual General Meeting held on 31st July, 2013, Mr. Vimal Bhandari, Chairman of the audit committee was present to reply to the shareholders' queries.

B] Meetings of Audit Committee

During the financial year 2013-14, the Audit Committee met four times on 14th May, 2013, 31st July, 2013, 13th November, 2013 and 10th February, 2014. Mr. Gulu L. Mirchandani, Chairman and Managing Director, Mr. Vijay J. Mansukhani, Managing Director and Mr. G. Sundar, the Chief Executive Officer are permanent invitees to the audit committee meetings. The Chief Financial Officer, the Internal Auditors, the Statutory Auditors and Vice Presidents of various functions are also invited to the committee meetings as and when necessary. The attendance of each Audit Committee member in the above meetings is given hereunder:-

CORPORATE GOVERNANCE REPORT

Name	Audit Committee Meetings (F.Y. 2013-14)	
	Held	Attended
Mr. Vimal Bhandari (Chairman) I & NED*	4	4
Mr. Ranjan Kapur (Member) I & NED*	4	4
Mr. Rafique Malik (Member) I & NED*	4	0
Mr. Manoj Maheshwari (Member) I & NED*	4	2

* Independent & Non-Executive Director

Notes:

1. Mr. Manoj Maheshwari resigned as member of Audit Committee w.e.f. 26th March, 2014.
2. Mr. Rafique Malik was appointed as a member of Audit Committee w.e.f. 28th March, 2014.
3. Mr. Ranjan Kapur resigned as member of Audit Committee w.e.f. 28th April, 2014.
4. Mr. Carlton Pereira was appointed as a member of Audit Committee w.e.f. 15th May, 2014.

Audit Committee Meeting held during the year

Dates on which Audit Committee Meeting were Held	Total Strength of the Committee	No of Members Present
May 14, 2013	3	3
July 31, 2013	3	3
November 13, 2013	3	2
February 10, 2014	3	2

C] Powers of Audit Committee

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

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

D] Role of Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditors and fix the audit fees.
3. Approval of payment to the statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement which forms part of the Directors' Report pursuant to Section 217 (2AA) of the Companies Act, 1956.
 - b) Changes, if any, in the accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by the management.
 - d) Significant adjustments made in the financial statements arising out of the audit findings.

- e) Compliance with the listing and other legal requirements relating to financial statements.
- f) Disclosure of any related party transactions.
- g) Qualifications in the draft audit report.
- 5. Reviewing, with the management, the quarterly/half yearly and annual financial statements before submission to the Board for approval.
- 6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 7. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, the reporting structure coverage and the frequency of internal audit.
- 8. Discussion with the internal auditors on 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. To carry out any other function as mentioned in the terms of reference of the Audit Committee.

E] Review of information by Audit Committee

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

- 1. Management discussion and analysis of the financial condition and results of operations;
- 2. Statement of related party transactions;
- 3. Management letters/letters on internal control weaknesses issued by the Statutory Auditors;
- 4. Internal audit reports relating to internal control weaknesses;
- 5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

III. (2) Shareholders' and Investors' Grievance Committee.

As at 31.03.2014 the Shareholders' and Investors' Grievance Committee consisted of the following members:

- 1. Mr. Ranjan Kapur, (Chairman)
- 2. Mr. Gulu L. Mirchandani,
- 3. Mr. Vijay J. Mansukhani

Mr. Ranjan Kapur, Non-executive and Independent Director was Chairman of the Committee. Mr. Ranjan Kapur resigned as Director and as Chairman of Shareholders' and Investors' Grievance Committee w.e.f. 28th April, 2014. Mr. Rafique Malik was appointed as a Chairman of Stakeholders and Relationship Committee w.e.f. 15th May, 2014.

Mr. Anoop Pillai, Company Secretary & Head-Corporate Affairs was Compliance Officer and after his resignation on November 19, 2013. Mr. Predeep Kumar Gupta, Chief Financial Officer, was nominated as the Compliance Officer of the Company.

Mr. Aashay Khandwala was appointed as Head, Corporate Affairs, Legal and Company Secretary of the Company w.e.f. 26th March 2014 and as Compliance Officer w.e.f. 15th May 2014.

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.

CORPORATE GOVERNANCE REPORT

The attendance of each Committee member in the meetings during the financial year ended 31st March, 2014 is given hereunder:-

Name	Shareholders'/Investors' Grievance Committee meetings	
	Held**	Attended
Mr. Ranjan Kapur (Chairman) I & NED*	11	11
Mr. Gulu L. Mirchandani (Member) Promoter (CMD)	11	11
Mr. Vijay J. Mansukhani (Member) Promoter (MD)	11	11

* Independent & Non-Executive Director

** Shareholders' and Investors' Grievance Committee Meeting held during the year

Dates on which Shareholders' and Investors' Grievance Committee Meeting were Held	Total Strength of the Committee	Number of Members Present
April 30, 2013	3	3
May 31, 2013	3	3
June 29, 2013	3	3
July 31, 2013	3	3
August 31, 2013	3	3
October 31, 2013	3	3
November 26, 2013	3	3
December 31, 2013	3	3
January 28, 2014	3	3
February 28, 2014	3	3
March 28, 2014	3	3

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

No. of complaints received	:	41
No. of complaints resolved	:	41
No. of complaints pending	:	Nil

III. (3) Remuneration Committee

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

- To review, assess and recommend the appointment and remuneration of executive directors.
- To review the remuneration packages payable to executive directors periodically and recommend suitable revision/ increments, whenever required to the Board of Directors.
- To recommend the commission payable to the non-executive director(s) in accordance with and upto the limits laid down under the Companies Act, 1956 and the Companies Act, 2013.
- To carry out such other functions as delegated by the Board from time to time.

Remuneration Committee was reconstituted on March 28, 2014 and Mr. Gulu L. Mirchandani (CMD), Mr. Vijay J. Mansukhani, (MD) and Mr. Manoj Maheshwari, Non Executive Independent Director resigned from the committee.

As at 31.03.2014 the Remuneration Committee consisted of the following members:

- Mr. Ranjan Kapur, (Chairman)
- Mr. Vimal Bhandari,
- Mr. Rafique Malik

Mr. Ranjan Kapur resigned as Director and as Chairman of the Remuneration Committee on 28th April, 2014 and Mr. Rafique Malik was appointed as Chairman and Mr. Carlton Pereira was appointed as member of the Committee.

CORPORATE GOVERNANCE REPORT

The attendance of each Committee member in the meeting during the Financial year ended 31st March, 2014 is given below

Name of member	Remuneration Committee meetings	
	Held**	Attended
Mr. Ranjan Kapur, I & NED* (Chairman)	1	1
Mr. Vimal Bhandari, I & NED* (Member)	1	1
Mr. Manoj Maheshwari, I & NED* (Member)	1	1
Mr. Gulu L. Mirchandani, Promoter (CMD) (Member)	1	1
Mr. Vijay J. Mansukhani, Promoter (MD) (Member)	1	1

* Independent & Non-Executive Director

** Remuneration Committee Meeting held during the year

Dates on which Remuneration Committee Meeting were Held	Total Strength of the Committee	No of Members Present
May 14, 2013	5	5

Note:

1. Mr. Manoj Maheshwari resigned as member of Remuneration Committee w.e.f. 26th March, 2014.

2. Mr. Ranjan Kapur resigned as Chairman of Remuneration Committee w.e.f. 28th April, 2014.

Remuneration policy

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 to Executive Directors comprises of basic salary, allowances, perquisites and commissions etc. The Remuneration Committee decides and recommends annual increments for executive directors within the limits stipulated by the Board of Directors/Shareholders and other applicable approvals.

Remuneration to Executive Directors

The Remuneration Committee and the Board of Directors at its meeting held on 14th May, 2013 approved the re-appointment of Mr. Gulu L. Mirchandani as Chairman & Managing Director of the Company for a period of three years w.e.f. 1st December, 2013 to 30th November, 2016 and was approved by the shareholders on 31st July, 2013 and Central Government approval is awaited for the excess remuneration paid/payable due to inadequacy of profit.

Mr. Vijay J. Mansukhani, Managing Director was re-appointed by the Board of Directors at its meeting held on 25th January, 2012 and approved by the shareholders at its meeting held on July 24, 2012. The Central Government has vide letter dated 05.09.2013 accorded its approval for his appointment and remuneration for a period of three years w.e.f 01.04.2012 to 31.03.2015.

Mr. Shyamsunder Dhoot was appointed as Whole time Director for the period of three years w.e.f. 16.02.2013 and approved by the shareholders at its meeting held on 31.07.2013 at a remuneration as per Schedule XIII of the Companies Act, 1956.

Non-executive Directors' Compensation and disclosures

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

The elements of the remuneration package of the Non-Executive Directors consist of profit based commission in addition to sitting fees. The same has been approved by the shareholders in the Annual General Meeting of the Company held on 24th June, 2011, which is valid till 31st March, 2016. However, due to loss during the financial year 2013-14 no commission has been paid to any Director.

CORPORATE GOVERNANCE REPORT

The Company is availing professional expertise of Non-executive Directors through their participation in the Board meetings. The Non-executive Directors are paid sitting fees of ₹ 5000/- per meeting for attending Board Meetings and Audit Committee Meetings. The sitting fees has been Increased to ₹ 20000/- per meeting of the Board & Audit Committee w.e.f May 15, 2014.

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

The details of remuneration paid / payable to the Directors for the financial year 2013-14 is as follows:

(Amount in ₹)

Sr. No.	Director	Relation with MIRC	Inter-se Relation	Remuneration for F.Y. 2013-14				
				Sitting fees	Salary allowance & perquisites	Comm-ssion	PF & Superannuation	Total
1	Mr. G. L. Mirchandani (Note 5)	Promoter [CMD]	Brother in law of sr. no.2	Nil	1,28,80,000	Nil	15,39,000	1,44,19,000
2	Mr. V. J. Mansukhani	Promoter [MD]	Brother in Law of sr. no.1	Nil	1,02,99,000	Nil	17,01,000	1,20,00,000
3	Mr. Shyamsunder Dhoot	Non Promoter [WTD]	NA	Nil	43,95,912	Nil	1,04,088	45,00,000
4	Mr. Manoj Maheshwari	I & NED*	NA	20,000	Nil	Nil	Nil	20,000
5	Mr. Ranjan Kapur	I & NED*	NA	40,000	Nil	Nil	Nil	40,000
6	Mr. Vimal Bhandari	I & NED*	NA	45,000	Nil	Nil	Nil	45,000
7	Mr. Rafique Malik	I & NED*	NA	Nil	Nil	Nil	Nil	Nil
8	Mr. Carlton Pereira	I & NED*	NA	N.A.	N.A.	N.A.	N.A.	N.A.

* Independent & Non-Executive Director

Note:

1. Mr. Rafique Malik was appointed as Independent & Non Executive Director w.e.f. 28th January, 2014.
2. Mr. Manoj Maheshwari resigned as director w.e.f. 26th March, 2014.
3. Mr. Ranjan Kapur resigned as director w.e.f. 28th April, 2014.
4. Mr. Carlton Pereira was appointed as Independent & Non Executive Director w.e.f. 15th May, 2014.
5. The remuneration paid/payable to Mr. Gulu L. Mirchandani, Chairman and Managing Director is in excess of the limit prescribed under Schedule XIII of the Companies Act, 1956 by ₹ 27.74 lacs. The Company has applied to Central Government for its approval for payment of excess remuneration and approval is still awaited, hence amount paid / payable is held in trust by him.

IV. Subsidiary

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

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

- a) Financial Statements and in particular the investments made by the unlisted subsidiary company are reviewed by the Audit Committee of the Company.
- b) The minutes of the Board meetings of the subsidiary Company are placed before the Company's Board of Directors for its regular review.

CORPORATE GOVERNANCE REPORT

V. General Body Meetings

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

Year	Location	Type of meeting	Date	Time	No. of Special Resolutions passed at AGM/ EGM
2013-14	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai –400 018	EGM	20-01-14	03.00 p.m	2
2012-13	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai –400 018	AGM	31-07-13	03.00 p.m.	3
2011-12	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai –400 018	AGM	26-07-12	03.00 p.m.	2
2010-11	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai –400 018	AGM	24-06-11	03.00 p.m.	1

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

None of the items transacted at the last Annual General Meeting held on 31st July, 2013 were required to be passed by postal ballot, nor any resolution requiring postal ballot is being proposed.

VI. Disclosures

A] Materially significant related party transactions

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

B] Related Party Transactions

The Company places all related party transactions to the Audit Committee and Board of Directors:

- A statement in summary form of transactions with related parties in the ordinary course of business is placed before the Audit Committee.
- 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.
- Details of Material individual transactions with related parties or others which were not on arms length basis, with justification thereof are placed before the Audit Committee.

C] Status of regulatory compliances

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

D] Whistle Blower Mechanism

In addition to complying with the mandatory requirements of Clause 49 of the Listing Agreement, the Board has also adopted a non-mandatory requirement viz. Whistle Blower Policy in its meeting held on 23rd January, 2007. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal and unethical behaviour. Employees are free to report violation of laws, rules, regulations and unethical conduct to their immediate supervisor/ notified person. The 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 under the Whistle Blower policy mechanism.

E] Management Discussion and Analysis Report.

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

F] Details of Directors seeking appointment/reappointment as required under Clause 49 IV(G) of the Listing Agreement.

As required under Clause 49 IV(G), particulars of Directors seeking appointment/reappointment are given in the Explanatory Statements annexed to the Notice of the Annual General Meeting.

G] Insider Trading Code

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

H] CEO/ CFO certification

The certificate in terms of Clause 49(V) of the Listing Agreement with Stock Exchanges for the financial year ended 31st March, 2014 was placed before the Board of Directors of the Company in their meeting held on 15th May, 2014 and is annexed to this Report.

VII. Means of communication:

The Company has furnished quarterly financial results along with notes on a regular basis as per the format prescribed in clause 41 of the Listing Agreement within prescribed time to the Stock Exchanges in respect of first three quarters in financial year 2013-14. In respect of last quarter of financial year 2013-14, the Company has opted to furnish audited financial results within 60 days from the end of financial year and accordingly, the Board Meeting for considering the results of last quarter and for the full financial year was held on 15th May, 2014.

The quarterly financial results of the Company were published within 48 hours of conclusion of Board Meeting in English Newspaper viz. "Financial Express" and "Mumbai Lakshdeep", a newspaper published in the language of the region where the registered office is situated. The audited annual results for financial year 2013-14 were published in "Financial Express" and 'Mumbai Lakshdeep'. The Company informs the Stock Exchanges where its shares are listed, about the date of Board Meeting 7 days in advance and also issues an advertisement in atleast one national newspaper and one in regional language newspaper about the Board Meetings.

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

CORPORATE GOVERNANCE REPORT

VIII. General Shareholders Information:

AGM date, time and venue	Wednesday, September 03, 2014 at 3.00 pm Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
Financial year	1 st April – 31 st March
Book Closure:	Monday, September 01, 2014 to Wednesday, September 03, 2014 (Both day inclusive)
Dividend payment date: [if declared]	Not Applicable
Listing on Stock Exchange	BSE Limited and National Stock Exchange of India Limited. Listing fees for the year 2014-15 have been paid.
Stock code at BSE	500279
Stock symbol at NSE	MIRCELECTR
ISIN of the Company	INE831A01028
Website	www.onida.com
Corporate Identification No. (CIN)	L32300MH1981PLC023637

Unclaimed dividends:

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

Year	Dividend	Date of declaration	Date of transfer to the Investor Education & Protection Fund
2007-08	Final	30 th June, 2008	31 st July, 2015
2008-09	Final	18 th August, 2009	18 th September, 2016
2009-10*	Interim	14 th October, 2009	14 th November, 2016
2009-10	Final	28 th June, 2010	29 th July, 2017
2010-11	Final	24 th June, 2011	25 th July, 2018

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

Market Price Data: (F.Y. 2013-14)

Month	STOCK EXCHANGE					
	BSE Ltd.			National Stock Exchange of India Ltd.		
	Share Price		Sensex	Share Price		Nifty
	High (₹)	Low (₹)	Close	High (₹)	Low (₹)	Close
April 2013	7.25	6.45	19504.18	7.80	6.10	5930.20
May 2013	7.45	6.06	19760.30	7.60	6.05	5985.95
June 2013	6.90	5.60	19395.81	6.50	5.40	5842.20
July 2013	8.35	5.82	19345.70	8.30	5.70	5742.00
August 2013	6.09	4.73	18619.72	6.00	4.80	5471.80
September 2013	5.45	4.25	19379.77	5.45	4.30	5735.30
October 2013	6.44	4.70	21164.52	6.55	4.70	6299.15
November 2013	6.29	4.91	20791.93	6.30	4.90	6176.10
December 2013	6.56	5.05	21170.68	6.45	5.00	6304.00
January 2014	7.20	5.10	20513.85	7.10	5.00	6089.50
February 2014	5.75	4.85	21120.12	5.85	4.95	6276.95
March 2014	5.40	4.25	22386.27	5.40	3.80	6704.20

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

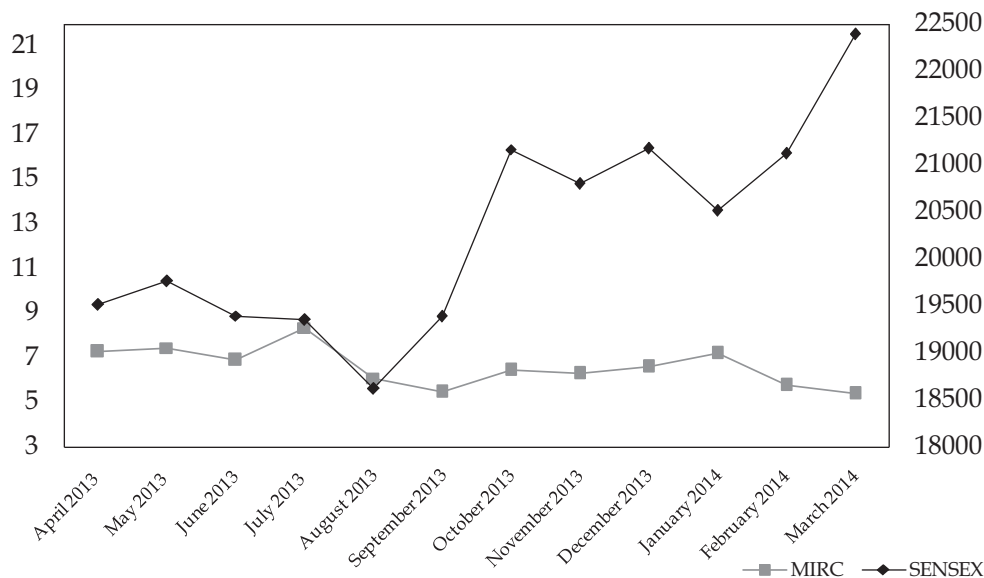


MIRC ELECTRONICS LIMITED

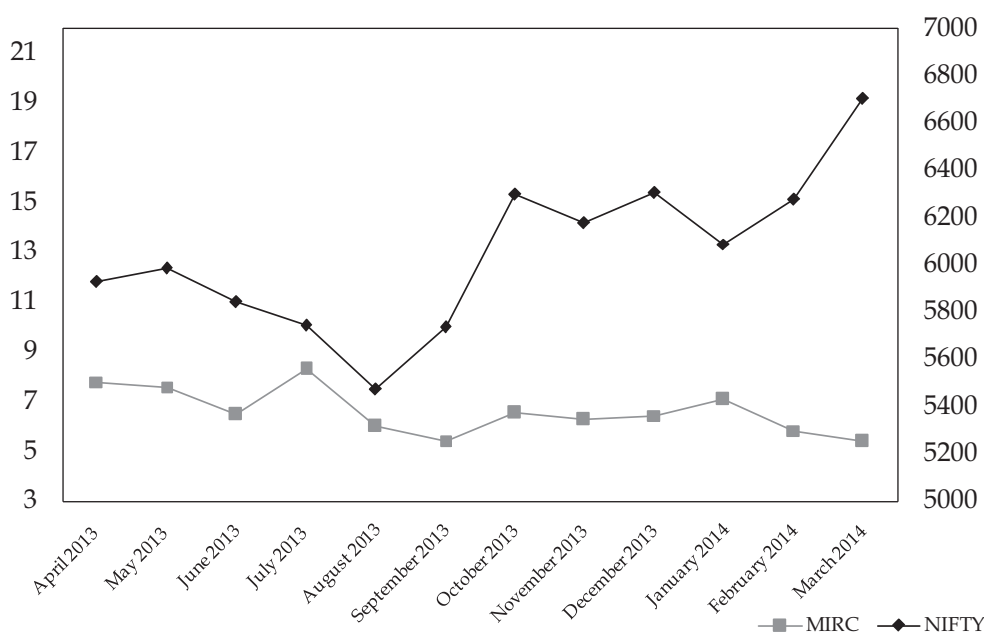
CORPORATE GOVERNANCE REPORT

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

MIRC SHARE PRICES - BSE



MIRC SHARE PRICES - NSE



Registrar & Share Transfer Agent:

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

Share transfer system

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

Shareholding distribution schedule as on 31st March 2014

Equity shares held	Shareholders	%	Shares	%
1-500	49124	79.96	5159836	3.64
501-1000	5392	8.78	4912761	3.47
1001-2000	4591	7.47	8455219	5.96
2001-3000	731	1.19	1915956	1.35
3001-4000	357	0.58	1330248	0.94
4001-5000	314	0.51	1510628	1.07
5001-10000	477	0.78	3565899	2.52
10001 and above	446	0.73	114901131	81.05
Total	61432	100.00	141751678	100.00

Shareholding pattern as on 31st March 2014

Category		Number of shares	Percentage of Holding
A	Promoter's Holding		
1	Indian Promoter	78091636	55.09
2	Foreign Promoter	0	0.00
	Sub Total (A)	78091636	55.09
B	Non Promoter's Holding		
	Institutional Investors		
1	Mutual funds/ UTI	2700	0.00
2	Financial institutions/ banks	1208	0.00
3	Insurance Companies	800000	0.57
4	Foreign institutional investors	6823322	4.82
	Non Institutional Investors		
1	Bodies Corporates	10147976	7.16
2	Clearing members	643759	0.45
3	Non-resident Indians	1007476	0.71
4	Others	44233601	31.20
	Sub Total (B)	63660042	44.91
	Grand Total (A + B)	141751678	100.00

Dematerialisation of shares and liquidity

As at 31st March, 2014, 96.39% (13,66,29,113 shares) of paid up share capital were held in dematerialised form with NSDL and CDSL, while 3.61% (51,22,565 shares) were held in physical form. All Promoter shareholding are in demat form.

Outstanding GDRs / ADRs/ Warrants

There are no outstanding GDRs /ADRs/ Warrants or any convertible instruments, as on 31st March, 2014 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. **Roorkee – Plant I**
Khasra No.158, Village- Raipur,
Pargana - Bhagwanpur,
Roorkee, District - Haridwar,
Uttarakhand
3. **Roorkee – Plant II**
Khasra No.399 to 401 & 405 to 410,
158 KMS Milestone, Delhi-Roorkee
Highway – NH 58, Village– Mundiyaiki,
Pargana–Manglour, Tehsil- Roorkee,
District – Haridwar, Uttarakhand – 247670

Address for correspondence

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

Place : Mumbai
Date : May 15, 2014

On behalf of the Board of Directors

Gulu L. Mirchandani
Chairman and Managing Director

CORPORATE GOVERNANCE REPORT

CEO/ CFO Certificate under clause 49 of the Listing Agreement.

We, G. Sundar, Chief Executive Officer and Predeep Kumar Gupta, 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, 2014 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee that:
 - (i) there are no significant changes in internal control over financial reporting during the year;
 - (ii) there have been no significant changes in accounting policies during the year which are required to be disclosed in the notes to the financial statements; and
 - (iii) there have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date : May 15, 2014
Place: Mumbai

Sd/-
G. Sundar
Chief Executive Officer

Sd/-
Predeep Kumar Gupta
Chief Financial Officer

COMPLIANCE OF CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, I, G. Sundar, Chief Executive Officer hereby confirm that all Board Members and senior management personnel have affirmed the compliance with the Code of Business Ethics and Conduct of MIRC Electronics Limited for the year ended 31st March, 2014."

Date : May 15, 2014
Place: Mumbai

Sd/-
G. Sundar
Chief Executive Officer

Auditor's certificate on Corporate Governance

To the Members of Mirc Electronics Limited

We have examined the compliance of conditions of corporate governance by Mirc Electronics Limited ('the Company') for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

For S. R. Batliboi & Co. LLP
Firm registration number: 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No: 49365

Place : Mumbai
Date : May 15, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of MIRC Electronics Limited

Report on the Financial Statements

We have audited the accompanying financial statements of MIRC Electronics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss 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.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S. R. Batliboi & Co. LLP
ICAI Firm registration number: 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No: 49365

Place : Mumbai
Date : May 15, 2014

MIRC

MIRC ELECTRONICS LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

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

Re: MIRC Electronics Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the period.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted loan to three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 356 lakhs and the year-end balance of loans granted to such parties was Rs. 125 lakhs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) The loans granted are re-payable on demand. We are informed that the loans have been repaid on demand and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the products manufactured and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax customs duty, excise duty cess and other material statutory dues have *not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases. The said delayed statutory dues are subsequently paid.*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

ANNEXURE TO THE AUDITOR'S REPORT

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Nature of dues	Financial Year	Forum where Dispute is Pending	Amount in Lakhs
Excise Duty	1999 - 2000 & 2005 - 2006, 2004 to 2010	CESTAT	230.44
	1998 - 1999	High Court	10.00
	1997 - 1998, 1999 - 2000, 2001 - 2005, 2010 to 2012	Commissioner of Excise & Custom	56.43
Service Tax	2004 - 2011	Service Tax Appellate Tribunal	612.00
Sales Tax (Central & State)	2003 - 2004, 2005 - 2006, 2006 - 2007, 2007 - 2008	Revisional Board	181.38
	2005 - 2006	Additional Commissioner	13.20
	2009 - 2010	Assessing Authority	318.84
	2008 - 2009	Commissioner	47.04
	1997 - 1998, 1999 - 2000, 2000 - 2001, 2003 - 2004, 2004 - 2005, 2005 - 2006, 2006 - 2007, 2007 - 2008, 2009 - 2010	Deputy Commissioner of Commercial Taxes	32.08
	2000 - 2001, 2008 - 2009, 2011 - 2012, 2012 - 2013	Deputy Commissioner (Appeals)	1,773.35
	1991 - 1992, 2002 - 2003, 2003 - 2004, 2004 - 2005, 2005 - 2006, 2006 - 2007, 2007 - 2008	High Court	322.08
	2003 - 2004, 2005 - 2006, 2006 - 2007, 2007 - 2008, 2010 - 2011	Joint Commissioner	341.80
	2006 - 2007, 2009 - 2010, 2010 - 2011	Joint Commissioner of Commercial Taxes (Appeal)	18.88
	2002 - 2003, 2003 - 2004, 2005 - 2006, 2006 - 2007	Tribunal	65.30
	2008 - 2009	Board of Madhya Pradesh Commercial Taxes	11.58
	2005 - 2006	Joint Commissioner Appeals	651.66
Income Tax	2009 - 2010	CIT (Appeals)	110.77

- (x) The Company has no accumulated losses at the end of the financial year but *it has incurred cash losses in the current and immediately preceding financial year.*
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before 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) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by its wholly owned subsidiary from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company as it is given for wholly owned subsidiary.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have not been used for long term investment, however funds infused by the promoters and funds released by way of reduction in working capital have been utilized for meeting loss incurred during the year.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud on or by the Company has been noticed or reported during the year.

For S. R. Batliboi & Co. LLP
ICAI Firm registration number: 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No: 49365

Place : Mumbai
Date : May 15, 2014

MIRC

MIRC ELECTRONICS LIMITED

Annual Report 2013-2014

BALANCE SHEET AS AT 31ST MARCH, 2014

	Notes	31st March, 2014 ₹ in lacs	31st March, 2013 ₹ in lacs
Equity and Liabilities			
Shareholder's Funds			
Share capital	2	1,419.38	1,419.38
Reserves and surplus	3	12,476.87	18,473.99
		13,896.25	19,893.37
Non-current Liabilities			
Long-term borrowings	4	-	-
Deferred tax liabilities (Net)	5	-	-
		-	-
Current Liabilities			
Short-term borrowings	7	26,755.34	27,293.86
Trade payables	8	21,077.93	19,385.22
Other current liabilities	8	4,813.44	5,530.30
Short-term provisions	6	402.78	410.83
		53,049.49	52,620.21
TOTAL		66,945.74	72,513.58
Assets			
Non-current Assets			
Fixed assets			
Tangible assets	9	15,144.73	15,413.83
Intangible assets	9	11.62	6.32
Capital work-in-progress		-	766.66
		15,156.35	16,186.81
Non-current investments	10	2,624.85	2,624.85
Loans and advances	11	3,768.43	4,045.56
Other non-current assets	12	46.04	45.02
		21,595.67	22,902.24
Current Assets			
Current investments	14	18.64	16.68
Inventories	15	23,400.42	25,106.24
Trade receivables	13	12,463.41	13,254.48
Cash and bank balances	16	2,546.91	3,073.00
Loans and advances	11	3,402.95	3,159.49
Other current assets	17	3,517.74	5,001.45
		45,350.07	49,611.34
TOTAL		66,945.74	72,513.58
Summary of significant accounting policies	1		

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

As per our report of even date

For **S.R. Batliboi & Co. LLP**
ICAI Firm Regn. No. 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai,
Date : May 15, 2014

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

Predeep K. Gupta
Chief Financial Officer

Aashay Khandwala
Head Corporate Affairs,
Legal and Company Secretary

Place : Mumbai,
Date : May 15, 2014

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

MIRC

MIRC ELECTRONICS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Notes	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Income			
Revenue from operations (gross)	18	137,076.12	137,572.18
Less: Excise Duty		7,564.69	7,293.86
Revenue from operations (net)		129,511.43	130,278.32
Other Income	19	179.52	200.92
Total Revenue		129,690.95	130,479.24
Expenses			
Cost of raw materials and components consumed	20	49,865.59	47,924.37
Purchases of Traded Goods	21	53,536.93	53,734.73
(Increase) / Decrease in inventories of Finished Goods, Work-in-progress and Traded Goods	22	1,760.39	4,597.36
Employees benefits expense	23	8,234.68	7,723.21
Finance Costs	24	3,813.02	3,871.65
Depreciation and amortization expense	25	1,432.51	1,578.75
Other Expenses	26	17,044.95	15,736.71
Profit / (Loss) Before Tax		(5,997.12)	(4,687.54)
Tax Expenses			
Income tax of earlier years		-	(279.04)
Deferred Tax	5	-	(1,544.79)
Total tax expense		-	(1,823.83)
Profit / (Loss) For The Year		(5,997.12)	(2,863.71)
Summary of significant accounting policies	1		

Earnings per Equity Shares

[Nominal Value of share ₹ 1 each (31 March, 2013: ₹ 1 each)]

- Basic and Diluted (₹)	37	(4.23)	(2.02)
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The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S.R. Batliboi & Co. LLP**
ICAI Firm Regn. No. 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai,
Date : May 15, 2014

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

Predeep K. Gupta
Chief Financial Officer

Aashay Khandwala
Head Corporate Affairs,
Legal and Company Secretary

Place : Mumbai,
Date : May 15, 2014

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

MIRC

MIRC ELECTRONICS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Cash flow from operating activities		
Loss before tax	(5,997.12)	(4,687.54)
Adjustment to reconcile loss before tax to net cash flows		
Depreciation / amortization on continuing operation	1,432.51	1,578.75
Loss / (profit) on sale of fixed assets	(74.13)	(3.18)
Provision for diminution in value of investments	(1.96)	2.78
Unrealized foreign exchange loss / (gain)	(204.61)	(364.32)
Interest expense	3,813.02	3,871.65
Interest income	(32.74)	(53.05)
Dividend income	(0.57)	(0.97)
Operating profit before working capital changes	(1,065.60)	344.12
Movements in working capital :		
Increase / (decrease) in trade payables	1,897.55	(2,340.15)
Increase / (decrease) in provisions	(8.05)	(286.28)
Increase / (decrease) in other current liabilities	857.06	(309.66)
Decrease / (increase) in trade receivables	791.07	(504.32)
Decrease / (increase) in inventories	1,705.82	5,253.48
Decrease / (increase) in loans and advances	(194.29)	872.49
Decrease / (increase) in other current assets	1,483.71	(588.38)
Cash generated from /(used in) operations	5,467.27	2,441.30
Direct taxes paid (net of refunds)	(3.04)	(168.45)
Net cash flow from / (used in) operating activities (A)	5,464.23	2,272.85
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(457.34)	(1,254.28)
Proceeds from sale of fixed assets	129.42	6.42
Redemption / maturity of bank deposits (having original maturity of more than three months)	134.12	-
Repayment of loans given	231.00	248.00
Interest received	32.51	48.57
Dividends received	0.57	0.97
Net cash flow from / (used in) investing activities (B)	70.28	(950.32)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Cash flows from financing activities		
Repayment of borrowings	(9,012.91)	(2,880.86)
Proceeds from borrowings	6,974.25	5,534.52
Interest paid	(3,869.30)	(3,891.27)
Unpaid Dividend deposited in Investor Education and Protection Fund	(17.50)	(15.11)
Net cash flow from / (used in) in financing activities (C)	(5,925.46)	(1,252.72)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(390.95)	69.81
Cash and cash equivalents at the beginning of the year	2,921.00	2,851.19
Cash and cash equivalents at the end of the year	2,530.05	2,921.00
Components of cash and cash equivalents		
Cash on hand	10.30	12.26
Cheques / drafts on hand	-	19.60
With banks- on current account	46.13	289.26
Unclaimed Dividend Accounts	101.34	118.84
Bank Remittances in Transit	2,372.28	2,481.04
Total cash and cash equivalents	2,530.05	2,921.00

The accompanying notes are integral part of the financial statements.

As per our report of even date
For **S. R. Batliboi & Co. LLP**
ICAI Firm Regn. No. 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai,
Date : May 15, 2014

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

Predeep K. Gupta
Chief Financial Officer
Aashay Khandwala
Head Corporate Affairs,
Legal and Company Secretary

Place : Mumbai,
Date : May 15, 2014

G. L. Mirchandani
Chairman and Managing Director
V. J. Mansukhani
Managing Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Basis of Preparation

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the accounting standards notified in the Companies (Accounting Standards) Rules 2006, (as amended) issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of the Companies Act, 1956 ('the Act'), read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1 Summary of Significant Accounting Policies

1.1 Use of Estimates

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

1.2 Tangible Fixed Assets

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

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

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

1.3 Depreciation on Tangible Fixed Assets

Depreciation is provided on the straight-line method ('SLM'). The depreciation rates prescribed in Schedule XIV to the Act are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management's estimate of useful life / remaining life.

The company provides depreciation as under :

- a) Straight Line Method in accordance with Schedule XIV of the Companies Act, 1956.
- b) Accelerated depreciation has been provided on Fixed Asset which have become obsolete, to reduce the value to estimated realisable value.
- c) Capital items costing less than ₹ 5000 have been charged to Profit and Loss Statement at the time of purchase itself.
- d) Leasehold land is amortized on a straight line basis over the period of lease i.e. 74 to 99 years as applicable

1.4 Intangible assets

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1.5 Lease

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

1.6 Impairment of tangible & Intangible Assets

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

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

1.7 Investments

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

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

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

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

1.8 Inventories

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

1.9 Revenue Recognition

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

Sale of Goods

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

Interest

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

Dividends

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

Export incentives

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

1.10 Foreign Currency Transactions

Foreign currency transactions and balances

Initial Recognition

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

Conversion

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

Derivative Instruments & Hedge Accounting

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1.11 Retirement and other employee benefits

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

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

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

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

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

Superannuation is provided on the basis of premium paid on the policy taken under Group Superannuation Scheme from Life Insurance Corporation of India. The Company's contribution paid / payable under the schemes is recognised as expense in the statement of profit and loss during the period in which the employee renders the related service.

1.12 Income Taxes

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

Deferred Tax Assets 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1.13 Earnings per Share

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

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

1.14 Provisions

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

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

Warranty provisions

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

1.15 Contingent Liability

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

1.16 Cash and cash equivalents

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

1.17 Insurance claims

Amounts by way of insurance claims are recognised as assets when it is reasonably certain that the claim is receivable and is recorded as a reduction in the expense where the corresponding loss has been debited.

1.18 Borrowing costs

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

1.19 Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 2 - SHARE CAPITAL

₹ in lacs

	31st March, 2014	31st March, 2013
	₹ Lacs	₹ Lacs
Authorised		
36,80,20,000 Equity Shares of ₹ 1 each (Previous year 16,80,20,000 Equity Shares of ₹ 1 each)	3,680.20	1680.20
Nil 5% Cumulative Redeemable Preference Shares of ₹ 100 each (Previous year 20,00,000 5% Cumulative Redeemable Preference Shares of ₹ 100 each)	-	2000.00
10,000 8% Cumulative Redeemable Preference Shares of ₹ 100 each (Previous year 10,000 8% Cumulative Redeemable Preference Shares of ₹ 100 each)	10.00	10.00
10,00,000 11% Non-Cumulative Redeemable Preference Shares of ₹ 100 each (Previous year 10,00,000 11% Non-Cumulative Redeemable Preference Shares of ₹ 100 each)	1000.00	1000.00
Issued, Subscribed and Paid Up		
14,17,51,678 Equity Shares of Re.1 each fully paid up (Previous year 14,17,51,678 Equity Shares of ₹ 1 each fully paid up)	1417.52	1,417.52
Add : 2,48,000 Forfeited Equity Shares of ₹ 1 each partly paid up (Previous year 2,48,000 Forfeited Equity Shares of ₹ 1 each partly paid up)	1.86	1.86
	1,419.38	1419.38
	1419.38	1419.38

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

	31st March, 2014		31st March, 2013	
	No. in Lacs	₹ in Lacs	No. in Lacs	₹ in Lacs
Fully paid up shares				
At the beginning of the year	1,417.52	1,417.52	1,417.52	1,417.52
At the end of the year	1,417.52	1,417.52	1,417.52	1,417.52
Forfeited Equity shares				
At the beginning of the year	2.48	1.86	2.48	1.86
At the end of the year	2.48	1.86	2.48	1.86

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

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

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

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

In FY 2009-10 : 7,48,96,669 Equity Shares were allotted and 7,48,96,575 Equity Shares were cancelled as per the Scheme of Amalgamation of Guviso Holdings Private Limited with the Company.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

Name of Shareholder	31st March, 2014		31st March, 2013	
	No. in Lacs	% holding in the class	No. in Lacs	% holding in the class
Mr. Gulu L. Mirchandani	167.61	11.82	209.61	14.79
Mrs. Gita Mirchandani	92.11	6.50	50.11	3.54
IIFL Investment Adviser & Trustee Services Limited (Formerly IIFL Trustee Services Limited) (Beneficial owner Mr. Vijay J. Mansukhani)	256.88	18.12	256.88	18.12
Mr. Kaval G. Mirchandani	125.17	8.83	125.17	8.83
Mr. Sasha G. Mirchandani	124.79	8.80	124.79	8.80

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

NOTE 3 - RESERVES AND SURPLUS

	31st March, 2014		31st March, 2013	
	₹ Lacs		₹ Lacs	
Capital Reserve		7.07		7.07
Capital Redemption Reserve		1,891.51		1,891.51
Securities Premium Account		1.39		1.39
General Reserve		8,902.96		8,902.96
Surplus in Profit and Loss Statement				
Balance as per last financial statements	7,671.06		10,534.77	
Loss for the year	(5,997.12)		(2,863.71)	
Net surplus in the statement of profit and loss		1,673.94		7,671.06
		12,476.87		18,473.99

NOTE 4 - LONG-TERM BORROWINGS

	Non-current portion ₹ Lacs		Current portion ₹ Lacs	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Term loan				
Loan from banks (secured)	-	-	-	1,500.14
Less:- Disclosed under Other current liabilities	-	-	-	(1,500.14)
	-	-	-	-
The above amount includes				
Secured borrowings	-	-	-	1,500.14

Security	Repayment terms
Secured by pari passu charge in favour of the bankers by hypothecation of Company's current assets and on the Company's immovable and movable properties, except the Land and Building and Plant and Machinery embedded to the earth in Roorkee.	Monthly in equal installments payable over a period of two years

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 5 - DEFERRED TAX LIABILITIES (NET)

	31st March, 2014 ₹ Lacs	31st March, 2013 ₹ Lacs
Deferred Tax Liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	2,614.42	2,056.15
Others	-	8.67
Gross deferred tax liability	<u>2,614.42</u>	<u>2,064.82</u>
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	151.30	194.66
Provision for doubtful debts and advances	322.53	234.03
Carry forward of Income Tax Loss and unabsorbed depreciation	<u>2,140.59</u>	<u>1,636.13</u>
Gross deferred tax asset	<u>2,614.42</u>	<u>2,064.82</u>
Net deferred tax asset	<u>-</u>	<u>-</u>

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

NOTE 6 - PROVISIONS

	Long term ₹ Lacs		Short term ₹ Lacs	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Provision for employees benefit				
Provision for gratuity	-	-	170.23	139.64
Provision for leave benefits	-	-	<u>232.55</u>	<u>271.19</u>
	<u>-</u>	<u>-</u>	<u>402.78</u>	<u>410.83</u>

NOTE 7 - SHORT-TERM BORROWINGS

	31st March, 2014 ₹ Lacs	31st March, 2013 ₹ Lacs
Cash Credit Facility from banks (Secured)	13,558.39	9,784.14
Working Capital Loan (Secured)	-	1,500.00
Buyers Credit (Secured)	9,996.95	16,009.72
Interest free loans from Promoters / Directors repayable on demand (Unsecured)	3,200.00	-
	<u>26,755.34</u>	<u>27,293.86</u>
The above amount includes		
Secured borrowings	23,555.34	27,293.86
Unsecured borrowings	3,200.00	-

Cash Credit Facility, Working capital loan and Buyers credit from banks is secured by pari passu charge in favour of the bankers by mortgage / hypothecation of Company's current assets and immovable and movable properties except the Land and Building and Plant and Machinery embedded to the earth at Roorkee. The interest on cash credit ranges from 12% to 15%. The interest on Buyers credit is libor plus spread.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 8 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	31st March, 2014	31st March, 2013
	₹ Lacs	₹ Lacs
Trade payables (including acceptances)	21,077.93	19,385.22
Other liabilities		
Current maturities of long-term borrowings (Refer Note 4)	-	1,500.14
Interest accrued but not due on borrowings	15.01	71.29
Unclaimed dividends	101.34	118.84
Advances from Customers	515.45	286.09
Others payables		
Dealer Deposits	276.17	278.37
Employees Benefit	1,236.77	1,158.55
Statutory Dues	2,511.20	1,997.02
Creditors for Capital items	13.24	38.22
Liability for expenses	38.28	9.20
Others	105.98	72.58
	4,181.64	3,553.94
	25,891.37	24,915.52

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 9 - FIXED ASSETS TANGIBLE ASSETS

	Leasehold land	Freehold land	Buildings	Plant and Machinery and Electrical Fittings	Furniture and Fixtures	Office Equipments	Motor Vehicles	R & D - Building	R & D - Plant and Machinery and Electrical Fittings	R & D - Furniture and Fixture	R & D - Office Equipment	TOTAL
Cost												
As at 1st April, 2012	760.22	1,776.68	10,337.30	22,938.26	747.85	478.20	409.20	157.08	665.43	87.76	40.25	38,398.23
Additions	-	-	-	452.92	-	34.48	11.40	-	-	-	-	498.80
Disposals	-	-	-	285.11	0.54	8.17	42.02	-	-	0.15	-	335.99
As at 31st March, 2013	760.22	1,776.68	10,337.30	23,106.07	747.31	504.51	378.58	157.08	665.43	87.61	40.25	38,561.04
Additions	-	-	101.72	998.20	34.19	37.63	44.61	-	-	-	-	1,216.35
Disposals	-	-	15.10	29.68	0.22	0.69	47.85	-	-	-	-	93.54
As at 31st March, 2014	760.22	1,776.68	10,423.92	24,074.59	781.28	541.45	375.34	157.08	665.43	87.61	40.25	39,683.85
Depreciation												
As at 1st April, 2012	119.61	-	3,090.11	17,022.29	586.77	257.56	203.14	90.50	436.45	70.06	26.84	21,903.33
Charge for the year	9.67	-	331.99	1,143.09	16.72	18.85	24.65	5.24	23.11	1.63	1.68	1,576.63
Disposals	-	-	-	284.25	0.52	7.82	40.02	-	-	0.14	-	332.75
As at 31st March, 2013	129.28	-	3,422.10	17,881.13	602.97	268.59	187.77	95.74	459.56	71.55	28.52	23,147.21
Charge for the year	9.68	-	334.92	990.31	19.22	21.21	25.55	5.25	20.70	1.64	1.68	1,430.16
Disposals	-	-	3.80	28.36	0.22	0.24	5.63	-	-	-	-	38.25
As at 31st March, 2014	138.96	-	3,753.22	18,843.08	621.97	289.56	207.69	100.99	480.26	73.19	30.20	24,539.12
Net Block												
As at 31st March, 2013	630.94	1,776.68	6,915.20	5,224.94	144.34	235.92	190.81	61.34	205.87	16.06	11.73	15,413.83
As at 31st March, 2014	621.26	1,776.68	6,670.70	5,231.51	159.31	251.89	167.65	56.09	185.17	14.42	10.05	15,144.73

INTANGIBLE ASSETS

	R&D Software	TOTAL
Cost or valuation		
As at 1st April, 2012	59.27	59.27
Additions	-	-
Disposals	-	-
As at 31st March, 2013	59.27	59.27
Additions	7.65	7.65
Disposals	-	-
As at 31st March, 2014	66.92	66.92
Depreciation		
As at 1st April, 2012	50.83	50.83
Charge for the year	2.12	2.12
Disposals	-	-
As at 31st March, 2013	52.95	52.95
Charge for the year	2.35	2.35
Disposals	-	-
As at 31st March, 2014	55.30	55.30
Net Block		
As at 31st March, 2013	6.32	6.32
As at 31st March, 2014	11.62	11.62

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 10 - NON-CURRENT INVESTMENTS

	No. of Shares	31st March, 2014 ₹ Lacs	31st March, 2013 ₹ Lacs
Non Trade investments (valued at cost unless stated otherwise)			
Unquoted Equity Instruments			
Investment in subsidiaries			
Akasaka Electronics Limited (Face value ₹10)	8,148,000 (PY.8,148,000)	2624.85	2624.85
Investment In Others			
Kongarar Textiles Limited (Face value ₹ 10)	2,600	1.17	1.17
Less: Provision for diminution in the value of Investments	(PY.2,600)	1.17	1.17
		-	-
Onida Finance Limited (Face value ₹ 10)	468,400	139.60	139.60
Less: Provision for diminution in the value of Investments	(PY.468,400)	139.60	139.60
		-	-
		2624.85	2624.85
Aggregate amount of Unquoted Investments Cost		2765.62	2765.62
Less: Provision for diminution in the value of Investments		140.77	140.77
		2624.85	2624.85

NOTE 11 - LOANS AND ADVANCES

	Long term ₹ Lacs		Short term ₹ Lacs	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Capital Advances, unsecured, considered good	1.40	16.24	-	-
Security Deposits, unsecured, considered good	3,221.89	3,260.27	-	-
Loans and advances to related parties, unsecured, considered good				
Relatives of Directors	-	231.00	-	-
Entity in which Directors have significant influence	125.00	125.00	-	-
Other Loans and Advances, Unsecured, considered good				
Advance Income-tax (Net of Provisions)	412.34	409.30	-	-
Balance with Excise and Customs, etc	-	-	420.60	283.91
Other Receivables	-	-	513.29	419.10
Prepaid Expenses	7.80	3.75	156.20	156.24
Advance paid to Vendors	-	-	2,312.86	2,300.24
	3,768.43	4,045.56	3,402.95	3,159.49

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 12 - OTHER NON-CURRENT ASSETS

	31st March, 2014	31st March, 2013
	₹ Lacs	₹ Lacs
Unsecured, considered good unless stated otherwise		
Margin Money with Banks	46.04	45.02
	<u>46.04</u>	<u>45.02</u>

NOTE 13 - TRADE RECEIVABLES

	31st March, 2014	31st March, 2013
	₹ Lacs	₹ Lacs
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured - considered good	471.35	563.91
- considered doubtful	982.58	688.53
	<u>1,453.93</u>	<u>1,252.44</u>
Less : Provision for Doubtful Debts	982.58	688.53
	<u>471.35</u>	<u>563.91</u>
Other receivables		
Secured	184.32	88.16
Unsecured	11,819.25	12,602.41
	<u>12,003.57</u>	<u>12,690.57</u>
Less : Provision for Doubtful Debts	11.51	-
	<u>11,992.06</u>	<u>12,690.57</u>
	<u>12,463.41</u>	<u>13,254.48</u>

NOTE 14 - CURRENT INVESTMENTS

	No. of Shares	31st March, 2014	31st March, 2013
		₹ Lacs	₹ Lacs
Current investments (valued at lower of cost and fair value, unless stated otherwise)			
Quoted equity instruments			
Menon Pistons Limited (Face Value ₹ 10)	27,804	19.46	19.46
	(PY.27,804)		
Less: Provision for diminution in the value of Investments		0.82	2.78
		<u>18.64</u>	<u>16.68</u>
Aggregate amount of Quoted Investments			
Book Value		19.46	19.46
Market Value		18.64	16.68
Aggregate provision for diminution in value of investment		0.82	2.78

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 15 - INVENTORIES

	31st March, 2014	31st March, 2013
	₹ Lacs	₹ Lacs
Raw materials and components [includes Goods in transit ₹ 1,370.93 lacs (31st March, 2013 ₹ 970.46 lacs)]	7,598.63	7,520.73
Stores and Spares	268.12	291.45
Work-in-Progress	1,380.92	1,613.44
Finished Goods	2,854.18	3,440.60
Traded Goods [includes Goods in transit ₹ 4,119.95 lacs (31st March, 2013 ₹ 2,446.29 lacs)]	11,298.57	12,240.02
	23,400.42	25,106.24

NOTE 16 - CASH AND BANK BALANCES

	31st March, 2014	31st March, 2013
	₹ Lacs	₹ Lacs
Cash in hand	10.30	12.26
Balances with banks		
On Current Account	46.13	289.26
Cheques, drafts on hand	-	19.60
Unclaimed Dividend Accounts	101.34	118.84
Bank Remittances in Transit	2,372.28	2,481.04
	2,519.75	2,908.74
Margin Money Deposits	16.86	152.00
	2,546.91	3,073.00

NOTE 17 - OTHER CURRENT ASSETS

	31st March, 2014	31st March, 2013
	₹ Lacs	₹ Lacs
Deferred Premium on Forward Contract Unsecured, considered good unless stated otherwise	91.06	-
Insurance claims receivable	3,420.96	4,995.50
Interest accrued	5.72	5.95
	3,517.74	5,001.45

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 18 - REVENUE FROM OPERATIONS

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Revenue from operations		
Sale of Products		
Finished Goods	72,136.05	66,257.73
Traded Goods	64,754.33	71,126.12
Other operating revenue		
Sale of Scrap	121.13	80.25
Export Incentives	51.24	83.82
Others	13.37	24.26
Revenue from operations (gross)	137,076.12	137,572.18
Less : Excise duty #	7,564.69	7,293.86
REVENUE FROM OPERATIONS (NET)	129,511.43	130,278.32

Excise duty on sales amounting to ₹ 7,564.69 lacs [previous year ₹ 7,293.86 lacs] has been reduced from sales in Profit and Loss statement and excise duty on increase / decrease in stock amounting to ₹ 67.67 lacs [previous year ₹ (61.30) lacs] has been considered as (income) / expense in note 26 of financial statements.

Details of Products sold	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Finished Goods Sold		
Display Devices	55,649.87	51,464.82
Others	16,486.18	14,792.91
	72,136.05	66,257.73
Traded Goods Sold		
Airconditioners	33,900.01	32,215.97
Display Devices	15,562.01	15,534.23
Washing Machines	4,954.21	7,940.57
Others	10,338.10	15,435.35
	64,754.33	71,126.12
	136,890.38	137,383.85

NOTE 19 - OTHER INCOME

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Dividend Income	0.57	0.97
Interest Income	32.74	53.05
Profit on sale of Assets	74.13	3.18
Interest on Income Tax Refund	-	15.90
Lease rent	-	18.00
Liabilities written back	72.08	109.82
	179.52	200.92

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 20 - COST OF RAW MATERIAL AND COMPONENTS CONSUMED

PARTICULARS	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Inventory at the beginning of the year	7,520.73	8,164.14
Add : Purchases	49,943.49	47,280.96
	<u>57,464.22</u>	<u>55,445.10</u>
Less : Inventory at the end of the year	7,598.63	7,520.73
	<u>49,865.59</u>	<u>47,924.37</u>

Details of raw material and components consumed

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Colour Picture Tube and LCD / LED panels	28,761.00	25,040.03
Components and Parts for Display Devices	9,294.49	8,759.11
Components and Parts for Air Conditioners	952.78	503.21
Components and Parts for Washing Machine	2,988.84	3,767.72
Others	7,868.48	9,854.30
	<u>49,865.59</u>	<u>47,924.37</u>

NOTE 21 - PURCHASES OF TRADED GOODS

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Display Devices	11,840.13	14,945.51
Washing Machines	3,447.21	6,568.50
Air Conditioners	29,703.92	21,360.58
DVD	421.88	1,842.17
Microwave Ovens	2,358.31	2,667.46
Mobiles	4,648.69	3,661.27
Others	1,116.79	2,689.24
	<u>53,536.93</u>	<u>53,734.73</u>

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

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Inventory at the beginning of the year		
Finished Goods	3,440.60	4,200.85
Work in Progress	1,613.44	2,078.90
Traded Goods	<u>12,240.02</u>	<u>15,611.67</u>
	17,294.06	21,891.42
Less : Inventory at the end the year		
Finished Goods	2,854.18	3,440.60
Work in Progress	1,380.92	1,613.44
Traded Goods	<u>11,298.57</u>	<u>12,240.02</u>
	15,533.67	17,294.06
	<u>1,760.39</u>	<u>4,597.36</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Details of Inventory

	31st March, 2014 ₹ Lacs	31st March, 2013 ₹ Lacs
Finished Goods		
Display Devices	2,644.40	3,070.26
Washing Machine	80.15	272.88
Others	129.63	97.46
	<u>2,854.18</u>	<u>3,440.60</u>
Work in Progress		
Display Devices	1,266.46	1,520.74
Washing Machine	71.61	59.49
Others	42.85	33.21
	<u>1,380.92</u>	<u>1,613.44</u>
Traded Goods		
Air Conditioners	7,464.25	7,605.01
Display Devices	545.38	848.77
DVD HTS and Induction cooker	424.35	502.63
Micro wave	573.96	737.48
Mobile	1,463.35	971.22
Washing Machine	554.91	1,159.90
Others	272.37	415.01
	<u>11,298.57</u>	<u>12,240.02</u>
	<u>15,533.67</u>	<u>17,294.06</u>

NOTE 23 - EMPLOYEES BENEFIT EXPENSES

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Salaries, Wages and Bonus	7,063.27	6,528.95
Contribution to Provident Fund and Other Funds	281.78	268.41
Gratuity expense (Note 29)	33.71	72.17
Staff Welfare Expenses	855.92	853.68
	<u>8,234.68</u>	<u>7,723.21</u>

NOTE 24 - FINANCE COST

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Interest Expense	2,010.41	2,261.97
Other Borrowing costs	1,342.02	1,609.68
Exchange difference on foreign currency borrowings	460.59	-
	<u>3,813.02</u>	<u>3,871.65</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 25 - DEPRECIATION AND AMORTIZATION EXPENSE

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Depreciation of Tangible assets	1,430.16	1,576.63
Amortisation of intangible assets	2.35	2.12
	1,432.51	1,578.75

NOTE 26 - OTHER EXPENSES

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Power and Fuel	815.45	703.57
Rent	805.90	949.23
Rates and Taxes	143.14	208.99
Repairs to		
Plant and Machinery	203.70	196.90
Building	4.18	9.12
Others	508.68	493.29
	716.56	699.31
Insurance Charges	143.91	227.14
Freight and Forwarding Charges	4,900.70	4,609.17
Advertisement and sales promotion	1,735.84	3,094.93
Special rebates and incentives	1,125.36	668.30
Sales Commission	-	2.82
Service Charges	1,925.32	2,273.05
Travelling and Conveyance	671.47	778.62
Bad debts written off	-	0.16
Less : Provision for Doubtful Debts written back	-	0.16
	-	-
Provision for Doubtful Debts and advances	305.56	56.91
Research and Development Expenses	531.72	557.32
(Increase) / decrease of excise duty on inventory	67.67	(61.30)
Exchange (gain) / loss	1,519.39	(495.85)
Miscellaneous Expenses	1,636.96	1,464.50
	17,044.95	15,736.71

Remuneration to Auditors:

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
As auditor (exclusive of Service tax)		
Audit fees	21.25	22.75
Tax audit fees	4.00	4.00
Other services	5.65	0.78
Reimbursement of expenses	0.94	0.41
	31.84	27.94

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

27) There was a fire accident in February, 2012 at Roorkee Plant of the Company. The Company had made a claim of ₹ 4995.50 lacs in respect of loss and damages covered by the insurance policy. Against the total claim, on account payment of ₹ 1632.45 lacs has been realised from the insurance company. The balance amount of ₹ 3363.05 lacs has been shown as receivable in the financial statements. The management is confident of recovery of the balance amount in a short time.

28) Contingent Liabilities and Commitments

₹ in lacs

PARTICULARS	31st March 2014	31st March 2013
Contingent Liabilities		
a) Guarantees given to Bank against which ₹ Nil (previous year ₹ Nil) has been deposited as margin money	715.01	1,453.35
b) Guarantees given to bank on behalf of subsidiary company - Akasaka Electronics Limited	1,732.00	2,132.00
c) Income tax demands in respect of which appeals have been filed	-	188.45
d) Excise Duty, Service Tax and Custom Duty in respect of which appeals have been filed	2,563.62	2,708.80
e) Claims made against the Company not acknowledged as debts	10,624.53	6,661.85
Commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	2.46	21.17

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

29) Employee Benefits :

a) Defined contribution plans

The Company has recognised an expense of ₹ 254.56 Lacs (previous year ₹ 241.47 Lacs) towards defined contribution plans, in respect of Provident Fund and Superannuation Fund

b) Description of the Plan

Gratuity

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

c) Principal actuarial assumptions :

Particulars	Gratuity	
	2013-14	2012-13
Discount rate	9.25%	8.25%
Rate of Return on Plan Assets	9.25%	8.25%
Salary Escalation	4.00%	5.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

d) Reconciliation of Benefit Obligation :

₹ in lacs

Particulars	Gratuity	
	2013-14	2012-13
Liability at the beginning of the year	937.78	853.00
Interest cost	77.37	74.64
Current Service Cost	57.08	58.74
Benefit Paid	(94.42)	(56.95)
Actuarial (Gain) / Loss on Obligations	(32.51)	8.35
Liability at the end of the year	945.30	937.78
Fair Value of Plan Assets at the end of the year	775.07	798.14
Liability at the end of the year recognised and disclosed under the head "Provisions for Employees Benefit"		
- Long term provision	-	-
- Short term provision *	170.23	139.64

* Of the total provision, the Company is expected to pay the entire amount to the fund in the year 2014-15

e) Reconciliation of Fair value of Plan Assets :

₹ in lacs

Particulars	Gratuity	
	2013-14	2012-13
Fair Value of Plan Assets at the beginning of the year	798.14	784.36
Expected Return on Plan Assets	65.85	68.63
Contributions	4.67	0.16
Benefit Paid	(94.42)	(56.95)
Actuarial Gain / (Loss) on Asset	0.83	1.94
Fair Value of Plan Assets at the end of the year*	775.07	798.14

* All the assets are categorised as Insurer Managed Funds

f) Return on Plan Assets :

₹ in lacs

Particulars	Gratuity	
	2013-14	2012-13
Expected Return on Plan Assets	65.85	68.63
Actuarial Gain / (Loss) on Plan Assets	0.83	1.94
Actual Return on Plan Assets	66.68	70.57

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

Particulars	Gratuity	
	2013-14	2012-13
Current Service Cost	57.08	58.74
Interest Cost	77.37	74.64
Expected Return on Plan Assets	(65.85)	(68.63)
Net Actuarial (Gain) / Loss recognised	(33.34)	6.41
Expenses recognised in Profit and Loss Statement	35.26	71.16

30) In view of non-availability of profits for the current year, remuneration paid to the managerial personnel is in excess of the limit prescribed under Schedule XIII of the Companies Act, 1956, by ₹ 27.74 lacs (Previous year ₹ 65.07 lacs). The said amount is subject to approval from Central Government and therefore the amount paid is held in trust by the concerned managerial personnel.

31) Imported and Indigenous Material Consumed : ₹ in lacs

Sr. No.	Particulars	2013-14	%	2012-13	%
a)	Imported	40,513.13	81.24	30,870.34	64.41
b)	Indigenous	9,352.46	18.76	17,054.03	35.59
	Total	49,865.59	100.00	47,924.37	100.00

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

Sr. No.	Particulars	2013-14	2012-13
a)	Raw Materials and Spare parts (Including in-transit)	42,036.66	34,651.26
b)	Finished Goods - Stock in Trade (Including in-transit)	31,982.60	32,285.90
c)	Capital Goods	55.77	765.41

33) Details of earnings in Foreign Currency (on accrual basis) : ₹ in lacs

Particulars	2013-14	2012-13
Exports (at FOB Value)	1,702.81	1,716.14

34) Details of expenditure in Foreign Currency (on accrual basis) : ₹ in lacs

Sr. No.	Particulars	2013-14	2012-13
a)	Royalty	13.94	6.72
b)	Finance cost	215.56	456.37
c)	Personnel expenses	320.01	252.26
d)	Freight and Forwarding	31.76	33.93
e)	Travelling and conveyance	54.05	42.06
f)	Others	382.47	337.97
	Total	1,017.79	1,129.31

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

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

36) Disclosure of Foreign Currency exposure :

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

₹ in lacs

Sr. No.	Particulars	Currency	Amount in foreign currency
a)	Amount payable on account of import of goods and buyers credit	USD	225.18
		RMB	456.24
	(Previous year)	USD	(281.97)

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

₹ in lacs

Sr. No.	Particulars	Currency	Amount in foreign currency	Amount in Indian Rupees
a)	Amount payable on account of import of goods	USD	73.41	4,398.77
		JPY	132.38	81.19
	(Previous year)	USD	(239.72)	(13,012.94)
		EUR	**	0.14
		SGD	(0.13)	(5.47)
		JPY	(54.24)	(31.29)
b)	Amount receivable on export of goods	USD	3.12	186.94
	(Previous year)	USD	(5.41)	(293.58)

** Denotes having values less than 500

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

Particulars	2013-14	2012-13
Profit / (Loss) after Tax (₹ In lacs)	(5,997.12)	(2,863.71)
Net Profit / (Loss) after tax attributable to Equity shareholders (₹ In lacs)	(5,997.12)	(2,863.71)
Weighted average number of Equity Shares outstanding	141,751,678	141,751,678
Basic / Diluted Earnings Per Share (₹)	(4.23)	(2.02)

38) Research and development expenses consist of personnel expenses and other expenses of ₹ 399.82 Lacs (previous year ₹ 437.90 Lacs), and ₹ 131.90 Lacs (previous year ₹ 119.41 Lacs) respectively. Depreciation on Research and Development assets is ₹ 31.62 Lacs (previous year ₹ 33.79 Lacs) shown under Fixed Assets.

39) There are no Micro and Small Enterprises, to whom the Company owes dues. This information as required to be disclosed under the Micro Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

40) Related party Disclosure :

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

Names of related parties with whom transactions have taken place & description of relationship :

1. Subsidiary	Akasaka Electronics Ltd.
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. Kaval Mirchandani (Son of Mr. G. L. Mirchandani) Mr. Sasha Mirchandani (Son of Mr. G. L. Mirchandani) Mr. Akshay Mansukhani (Son of Mr. V. J. Mansukhani) Ms. Ayesha Mansukhani (Daughter of Mr. V. J. Mansukhani) G.L. Mirchandani (H.U.F.) V.J. Mansukhani (U.H.F.)
4. Enterprise over which any person described in 2 & 3 is having significant influence	Iwai Electronics Pvt. Ltd. Adino Telecom Ltd. Gulita Wealth Advisors Pvt. Ltd. Adino Electronics Ltd. IIFL Investment Adviser & Trustee Services Ltd. (Formerly IIFL Trustee Services Ltd.) Gulita Securities Ltd.

₹ in lacs

Particulars	Subsidiary	Key Management Personnel	Relatives of key Management personnel	Enterprise over which any person described in (2) & (3) is having significant influence
	(1)	(2)	(3)	(4)
Transactions during 1.4.2013 to 31.03.2014				
Purchase of goods, services and spares				
Akasaka Electronics Limited	458.04 (391.70)	-	-	-
Iwai Electronics Pvt. Limited	-	-	-	1041.83
Adino Telecom Limited	-	-	-	(1425.52)
Adino Telecom Limited	-	-	-	0.08
Adino Telecom Limited	-	-	-	(0.54)
Sale of goods, spares and services				
Akasaka Electronics Limited	0.34 (0.25)	-	-	-
Iwai Electronics Pvt. Limited	-	-	-	2.63
Adino Telecom Limited	-	-	-	(21.48)
Adino Telecom Limited	-	-	-	5.92
Adino Telecom Limited	-	-	-	(3.21)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in lacs

Particulars	Subsidiary	Key Management Personnel	Relatives of key Management personnel	Enterprise over which any person described in (2) & (3) is having significant influence
	(1)	(2)	(3)	(4)
Sale of Fixed Assets				
Adino Telecom Limited	-	-	-	32.06
	-	-	-	-
Inter Corporate Deposits / Loan received				
V. J. Mansukhani	-	1278.58	-	-
	-	-	-	-
G. L. Mirchandani	-	3335.83	-	-
	-	-	-	-
Gita Mirchandani	-	-	208.10	-
	-	-	-	-
Kaval Mirchandani	-	-	282.79	-
	-	-	-	-
Sasha Mirchandani	-	-	281.92	-
	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	-	-	580.36
	-	-	-	-
Gulita Securities Limited	-	-	-	24.65
	-	-	-	-
Adino Electronics Ltd.	-	-	-	7.77
	-	-	-	-
Inter Corporate Deposits / Loan repaid				
V. J. Mansukhani	-	800.00	-	-
	-	-	-	-
G. L. Mirchandani	-	2000.00	-	-
	-	-	-	-
Gita Mirchandani	-	-	101.00	-
	-	-	(50.00)	-
Ayesha Mansukhani	-	-	130.00	-
	-	-	(198.00)	-
Interest received / receivable on				
Inter Corporate Deposits / loans / advances				
Adino Telecom Limited	-	-	-	18.75
	-	-	-	(18.75)
Ayesha Mansukhani	-	-	3.77	-
	-	-	(14.32)	-
Gita Mirchandani	-	-	2.09	-
	-	-	(11.39)	-
Rent paid				
G.L.Mirchandani	-	4.03	-	-
	-	(4.03)	-	-
Gita Mirchandani	-	-	27.74	-
	-	-	(27.74)	-
Marissa Mansukhani	-	-	8.18	-
	-	-	(8.18)	-

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in lacs

Particulars	Subsidiary	Key Management Personnel	Relatives of key Management personnel	Enterprise over which any person described in (2) & (3) is having significant influence
	(1)	(2)	(3)	(4)
Akshay Mansukhani	-	-	0.89	-
	-	-	(0.89)	-
Ayesha Mansukhani	-	-	0.89	-
	-	-	(0.89)	-
G.L.Mirchandani (HUF)	-	-	13.66	-
	-	-	(13.66)	-
V.J.Mansukhani (HUF)	-	-	2.59	-
	-	-	(2.59)	-
Gulita Wealth Advisors Pvt. Ltd.	-	-	-	30.00
	-	-	-	(30.00)
Rent received				
Adino Telecom Limited	-	-	-	1.13
	-	-	-	(1.25)
Remuneration				
G.L. Mirchandani (Note 30)	-	144.19	-	-
	-	(144.19)	-	-
V.J.Mansukhani	-	120.00	-	-
	-	(126.03)	-	-
Kaval Mirchandani	-	-	45.00	-
	-	-	(45.00)	-

Closing Balance as at 31.03.2014

₹ in lacs

Particulars	Subsidiary	Key Management Personnel	Relatives of key Management personnel	Enterprise over which any person described in (2) & (3) is having significant influence
	(1)	(2)	(3)	(4)
Receivable				
Gita Mirchandani				
Rent Deposit given	-	-	631.40	-
	-	-	(631.40)	-
Loan taken	-	-	208.10	-
	-	-	-	-
Loan given	-	-	-	-
	-	-	(101.00)	-
	-	-	423.30	-
	-	-	(732.40)	-
Marissa Mansukhani				
Rent Deposit	-	-	8.18	-
	-	-	(8.18)	-
Akshay Mansukhani				
Rent Deposit	-	-	0.89	-
	-	-	(0.89)	-
Ayesha Mansukhani				
Rent Deposit	-	-	0.89	-
	-	-	(0.89)	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Subsidiary	Key Management Personnel	Relatives of key Management personnel	Enterprise over which any person described in (2) & (3) is having significant influence
	(1)	(2)	(3)	(4)
Loan given	-	-	-	-
	-	-	(130.00)	-
	-	-	0.89	-
	-	-	(130.89)	-
G.L.Mirchandani (HUF) Rent Deposit	-	-	349.70	-
	-	-	(349.70)	-
V.J.Mansukhani (HUF) Rent Deposit	-	-	2.59	-
	-	-	(2.59)	-
Gulita Wealth Advisors Pvt Limited Rent Deposit	-	-	-	1000.00
	-	-	-	(1000.00)
Adino Telecom Limited Debtors	-	-	-	24.63
	-	-	-	(7.06)
Inter corporate deposit given	-	-	-	125.00
	-	-	-	(125.00)
	-	-	-	149.63
	-	-	-	(132.06)
Akasaka Electronics Limited Creditors payable	86.45	-	-	-
	(19.85)	-	-	-
Payable				
G. L. Mirchandani Rent Deposit given	-	119.82	-	-
	-	(119.82)	-	-
Loan taken	-	1335.83	-	-
	-	-	-	-
	-	1216.01	-	-
	-	(119.82)	-	-
Kaval Mirchandani Loan taken	-	-	282.79	-
	-	-	-	-
Sasha Mirchandani Loan taken	-	-	281.92	-
	-	-	-	-
V. J. Mansukhani Loan taken	-	478.58	-	-
	-	-	-	-
Iwai Electronics Pvt. Limited Creditors payable	-	-	-	130.16
	-	-	-	(62.70)
IIFL Investment Adviser and Trustee Services Limited Loan taken	-	-	-	580.36
	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Subsidiary	Key Management Personnel	Relatives of key Management personnel	Enterprise over which any person described in (2) & (3) is having significant influence
	(1)	(2)	(3)	(4)
Gulita Securities Limited				
Loan taken	-	-	-	24.65
	-	-	-	-
Adino Electronics Limited				
Debtors	-	-	-	5.45
	-	-	-	(5.45)
Loan taken	-	-	-	7.77
	-	-	-	-
	-	-	-	2.32
	-	-	-	(-5.45)

Note : Figures in brackets are of previous year

41) Provision for Warranty :

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

The movement in provision can be summarised as -

₹ in lacs

Particulars	2013-14	2012-13
At the beginning of the year	-	-
Provisions		
Created	68.00	-
Utilised	-	-
Reversed	-	-
Balance as at the end of the year		
Current	68.00	-
Non current	-	-

42) The figures of previous year were audited by a firm of Chartered accountants other than S. R. Batliboi & Co. LLP. Figures for the previous year have been regrouped where necessary to conform to current year's classification.

As per our report of even date
For **S. R. Batliboi & Co. LLP**
ICAI Firm Regn. No. 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai,
Date : May 15, 2014

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

Predeep K. Gupta
Chief Financial Officer

Aashay Khandwala
Head Corporate Affairs,
Legal and Company Secretary

Place : Mumbai,
Date : May 15, 2014

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

MIRC

MIRC ELECTRONICS LIMITED

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, 2014	31st March, 2013
3	Share of the Subsidiary held by the Company on the above date :		
	(a) Number and Face Vale	81,48,000 ₹ 10	81,48,000 ₹ 10
	(b) Extent of holding	99.88%	99.88%
			₹ in lacs
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, 2014		
	(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2014	(251.45)	(253.19)
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, 2014		
	(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2014	717.86	971.05
	*Statement regarding Subsidiary Company as at 31st March, 2014 :		
	(a) Issued & Subscribed Share Capital	815.75	815.75
	(b) Reserves	773.76	1025.51
	(c) Total Assets	2692.85	2437.99
	(d) Total Liabilities	1103.34	596.73
	(e) Investments	-	-
	(f) Turnover	1281.72	1726.22
	(g) Profit / (Loss) Before Taxation	(251.75)	(253.49)
	(h) Provision for Tax	-	-
	(I) Profit After Taxation	(251.75)	(253.49)
	(j) Proposed Dividend	-	-

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

CONSOLIDATED FINANCIAL STATEMENTS INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF MIRC ELECTRONICS LIMITED

We have audited the accompanying consolidated financial statements of **MIRC Electronics Limited** ("the Company") and its subsidiary, which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a 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 Company as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit total assets of ₹ 2,637.55 lakhs as at March 31, 2014, total revenues of ₹ 862.44 lakhs and net cash inflows amounting to ₹ 0.45 lakhs for the year then ended, included in the accompanying consolidated financial statements in respect of its subsidiary, whose financial statements and other financial information have been audited by other auditors and whose report has been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiary is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

For S. R. Batliboi & Co. LLP
ICAI Firm registration number: 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No: 49365

Place: Mumbai
Date: May 15, 2014

Annual Report 2013-2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

	Notes	31st March, 2014 ₹ in lacs	31st March, 2013 ₹ in lacs
Equity and Liabilities			
Shareholders Funds			
Share capital	2	1,419.38	1,419.38
Reserves and surplus	3	11,470.94	17,684.39
		12,890.32	19,103.77
		1.74	2.04
Minority Interest			
Non-current Liabilities			
Long-term borrowings	4	263.23	-
Deferred tax liabilities (Net)	5	-	-
Long-term provisions	6	13.97	14.30
		277.20	14.30
Current Liabilities			
Short-term borrowings	8	26,987.49	27,716.75
Trade payables	9	21,374.86	19,465.64
Other current liabilities	9	5,022.29	5,587.94
Short-term provisions	7	404.54	412.46
		53,789.18	53,182.79
TOTAL		66,958.44	72,302.90
Assets			
Non-current Assets			
Fixed assets			
Tangible assets	10	16,538.97	15,923.02
Intangible assets	10	11.62	6.32
Capital work-in-progress		-	1,413.71
		16,550.59	17,343.05
Non-current investments	11	-	-
Loans and advances	12	3,878.54	4,125.49
Other non-current assets	14	46.04	45.02
		20,475.17	21,513.56
Current Assets			
Current investments	16	18.64	16.68
Inventories	17	23,781.24	25,537.36
Trade receivables	15	12,845.21	13,596.19
Cash and bank balances	18	2,798.61	3,347.34
Loans and advances	13	3,510.51	3,269.88
Other current assets	19	3,529.06	5,021.89
		46,483.27	50,789.34
TOTAL		66,958.44	72,302.90
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S. R. Batliboi & Co. LLP**

ICAI Firm Regn. No. 301003E

Chartered Accountants

per Ravi Bansal

Partner

Membership No. 49365

Place : Mumbai,

Date : May 15, 2014

For and on behalf of the Board of Directors of

MIRC Electronics Limited

Predeep K. Gupta
Chief Financial Officer

Aashay Khandwala
Head Corporate Affairs,
Legal and Company Secretary

Place : Mumbai,

Date : May 15, 2014

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

MIRC

MIRC ELECTRONICS LIMITED

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Notes	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Income			
Revenue from operations (gross)	20	138,052.06	139,121.50
Less: Excise Duty		7,717.30	7,508.92
Revenue from operations (net)		130,334.76	131,612.58
Other Income	21	198.72	231.65
Total Revenue		130,533.48	131,844.23
Expenses			
Cost of raw materials and components consumed	22	50,040.30	48,496.63
Purchases of Traded Goods	23	53,536.93	53,734.73
(Increase) / Decrease in inventories of Finished Goods, Work-in-progress and Traded Goods	24	1,786.77	4,650.62
Employees benefits expense	25	8,585.85	8,090.48
Finance Cost	26	3,843.01	3,891.22
Depreciation and amortization expense	27	1,583.10	1,728.21
Other Expenses	28	17,371.27	16,195.23
Profit / (Loss) Before Tax		(6,213.75)	(4,942.89)
Tax Expenses			
Income tax of earlier years		-	(279.04)
Deferred Tax	5	-	(1,544.79)
Total tax expense		-	(1,823.83)
Loss For The Year before Minority interest		(6,213.75)	(3,119.06)
Minority Interest		(0.30)	(0.30)
Loss For The Year		(6,213.45)	(3,118.76)
Summary of significant accounting policies	1		
Earnings per Equity Shares [Nominal Value of share ₹ 1 each (31 March, 2013: ₹ 1 each)]			
Basic and Diluted (₹)	35	(4.38)	(2.20)

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S. R. Batliboi & Co. LLP**
ICAI Firm Regn. No. 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai,
Date : May 15, 2014

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

Predeep K. Gupta
Chief Financial Officer

Aashay Khandwala
Head Corporate Affairs,
Legal and Company Secretary

Place : Mumbai,
Date : May 15, 2014

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

MIRC

MIRC ELECTRONICS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Cash flow from operating activities		
Loss before tax	(6,213.75)	(4,942.89)
Adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortization	1,583.10	1,728.21
Loss/ (profit) on sale of fixed assets	(74.13)	(3.18)
Provision for diminution in value of investments	(1.96)	2.78
Unrealized foreign exchange loss / (Gain)	(224.51)	(364.57)
Interest expense	3,843.01	3,891.22
Interest (income)	(51.77)	(83.63)
Dividend (income)	(0.57)	(0.97)
Operating profit before working capital changes	(1,140.58)	226.97
Movements in working capital :		
Increase / (decrease) in trade payables	2,133.72	(2,544.49)
Increase / (decrease) in provisions	(8.25)	(345.61)
Increase / (decrease) in other current liabilities	888.29	(400.98)
Decrease / (increase) in trade receivables	750.98	(358.87)
Decrease / (increase) in inventories	1,756.12	5,654.15
Decrease / (increase) in loans and advances	(235.66)	1,020.70
Decrease / (increase) in other current assets	1,483.48	(596.48)
Cash generated from / (used in) operations	5,628.10	2,655.39
Direct taxes paid (net of refunds)	(3.87)	(172.60)
Net cash flow from / (used in) operating activities (A)	5,624.23	2,482.79
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(831.09)	(1,686.41)
Proceeds from sale of fixed assets	129.42	6.42
Redemption / maturity of bank deposits (having original maturity of more than three months)	157.21	-
Repayment of loans given	231.00	248.00
Interest received	61.12	71.29
Dividends received	0.57	0.97
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)	(251.77)	(1,359.73)

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Cash flows from financing activities		
Repayment of Term Borrowings	(9,351.13)	(6,761.70)
Proceeds from Term borrowings	7,504.96	9,638.48
Interest paid	(3,899.29)	(3,910.84)
Dividend paid on equity shares	(17.50)	(15.11)
Net cash flow from / (used in) in financing activities (C)	(5,762.96)	(1,049.17)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(390.50)	73.89
Cash and cash equivalents at the beginning of the year	2,932.30	2,858.41
Cash and cash equivalents at the end of the year	2,541.80	2,932.30
Components of cash and cash equivalents		
Cash on hand	18.61	19.97
Cheques / drafts on hand	-	19.60
With banks - on current account	49.57	292.85
Unclaimed Dividend Accounts	101.34	118.84
Bank Remittances in Transit	2,372.28	2,481.04
Total cash and cash equivalents	2,541.80	2,932.30

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S. R. Batliboi & Co. LLP**
ICAI Firm Regn. No. 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No. 49365
Place : Mumbai,
Date : May 15, 2014

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

Predeep K. Gupta
Chief Financial Officer

Aashay Khandwala
Head Corporate Affairs,
Legal and Company Secretary

Place : Mumbai,
Date : May 15, 2014

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

Annual Report 2013-2014

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

Principles of consolidation :

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

- a) The subsidiary is consolidated on line by line basis in accordance with the principles laid down in Accounting Standard (AS)-21 on "Consolidated Financial Statements". Inter-company transactions and balances resulting in unrealised profits are eliminated in full. Unrealised losses resulting from such transactions are also eliminated unless cost cannot be recovered.
- b) The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the parent company i.e. 31st March, 2014
- c) The excess of the Company's portion of equity and reserve of the subsidiary as at the date of its' investment is treated as Capital Reserve.
- d) Minority interest in the net assets of consolidated financial statement consists of :
 - (i) The amount of equity attributable to minorities at the date on which Investment in subsidiary is made; and
 - (ii) the minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
- e) The subsidiary company considered in consolidated statement is :

Name of the Company	Percentage of Holding as on 31 March, 2014 and 31 March, 2013
Akasaka Electronics Limited	99.88

Basis of Preparation

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the accounting standards notified in the Companies (Accounting Standards) Rules 2006, (as amended) issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of the Companies Act, 1956 ('the Act'), read with General Circular 8/2014 dated 4 April, 2014 issued by the Ministry of Corporate Affairs.

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

1 Summary of significant accounting policies

1.1 Use of Estimates

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

1.2 Tangible Fixed Assets

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

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

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

1.3 Depreciation on Tangible Fixed Assets

Depreciation is provided on the straight-line method ('SLM'). The depreciation rates prescribed in Schedule XIV to the Act are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management's estimate of useful life / remaining life.

The Group provides depreciation as under :

- a) Straight line method in accordance with Schedule XIV of the Companies Act, 1956.
- b) Accelerated depreciation has been provided on Fixed Asset which have become obsolete, to reduce the value to estimated realisable value.
- c) Capital items costing less than ₹ 5000 have been charged to Profit and Loss Statement at the time of purchase itself.
- d) Leasehold land is amortized on a straight line basis over the period of lease i.e. 74 to 99 years as applicable

1.4 Intangible assets

The Group 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.

1.5 Lease

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

1.6 Impairment of tangible & Intangible Assets

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost, had no impairment been recognised.

1.7 Investments

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

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

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

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

1.8 Inventories

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

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

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

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

1.9 Revenue Recognition

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

Sale of Goods

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

Interest

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

Dividends

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

Export incentives

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

1.10 Foreign Currency Transactions

Foreign currency transactions and balances

Initial Recognition

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

Conversion

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

Derivative Instruments & Hedge Accounting

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

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

1.11 Retirement and other employee benefits

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

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

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

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

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

Superannuation is provided on the basis of premium paid on the policy taken under Group Superannuation Scheme from Life Insurance Corporation of India. The Group's contribution paid / payable under the schemes is recognised as expense in the statement of profit and loss during the period in which the employee renders the related service.

1.12 Income Taxes

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

Deferred Tax Assets 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.

1.13 Earnings per Share

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

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

1.14 Provisions

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

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

Warranty provisions

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

1.15 Contingent Liability

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

1.16 Cash and cash equivalents

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

1.17 Insurance claims

Amounts by way of insurance claims are recognised as assets when it is reasonably certain that the claim is receivable and is recorded as a reduction in the expense where the corresponding loss has been debited.

1.18 Borrowing costs

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

1.19 Operating cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. The Group has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

NOTE 2 - SHARE CAPITAL

	31st March, 2014 ₹ in lacs	31st March, 2013 ₹ in lacs
Authorised :		
36,80,20,000 Equity Shares of ₹ 1 each (Previous year 16,80,20,000 Equity Shares of ₹ 1 each)	3,680.20	1,680.20
Nil 5% Cumulative Redeemable Preference Shares of ₹ 100 each (Previous year 20,00,000 5% Cumulative Redeemable Preference Shares of ₹ 100 each)	-	2,000.00
10,000 8% Cumulative Redeemable Preference Shares of ₹ 100 each (Previous year 10,000 8% Cumulative Redeemable Preference Shares of ₹ 100 each)	10.00	10.00
10,00,000 11% Non-Cumulative Redeemable Preference Shares of ₹ 100 each (Previous year 10,00,000 11% Non-Cumulative Redeemable Preference Shares of ₹ 100 each)	1000.00	1000.00
Issued, Subscribed and Paid Up :		
14,17,51,678 Equity Shares of ₹ 1 each fully paid up (Previous year 14,17,51,678 Equity Shares of ₹ 1 each fully paid up)	1,417.52	1,417.52
Add : 2,48,000 Forfeited Equity Shares of ₹ 1 each partly paid up (Previous year 2,48,000 Forfeited Equity Shares of ₹ 1 each partly paid up)	1.86	1.86
	<u>1,419.38</u>	<u>1,419.38</u>
	1,419.38	1,419.38

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

	31st March, 2014		31st March, 2013	
	No. in Lacs	₹ in lacs	No. in Lacs	₹ in lacs
Fully paid up shares				
At the beginning of the year	1,417.52	1,417.52	1,417.52	1,417.52
At the end of the year	1,417.52	1,417.52	1,417.52	1,417.52
Forfeited Equity shares				
At the beginning of the year	2.48	1.86	2.48	1.86
At the end of the year	2.48	1.86	2.48	1.86

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

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

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

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

In FY 2009-10 : 7,48,96,669 Equity Shares were allotted and 7,48,96,575 Equity Shares were cancelled as per the Scheme of Amalgamation of Guviso Holdings Pvt. Ltd. with the Company.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

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

Name of Shareholder	31st March, 2014		31st March, 2013	
	No. in Lacs	% holding in the class	No. in Lacs	% holding in the class
Mr. Gulu L. Mirchandani	167.61	11.82	209.61	14.79
Mrs. Gita Mirchandani	92.11	6.50	50.11	3.54
IIFL Investment Adviser & Trustee Services Limited (Formerly IIFL Trustee Services Limited) (Beneficial owner Mr.Vijay J. Mansukhani)	256.88	18.12	256.88	18.12
Mr. Kaval G. Mirchandani	125.17	8.63	125.17	8.83
Mr. Sasha G. Mirchandani	124.79	8.80	124.79	8.80

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

NOTE 3 - RESERVES AND SURPLUS

	31st March, 2014		31st March, 2013	
	₹ in lacs		₹ in lacs	
Capital Redemption Reserve		1,990.74		1,990.74
Capital Reserve				
on Amalgamation		207.55		207.55
on Consolidation		340.97		340.97
on Others		7.07		7.07
Securities Premium Account		1.39		1.39
General Reserve		8,896.85		8,896.85
Surplus in Profit and Loss Statement				
Balance as per last financial statements	6,239.82		9,324.26	
Add : Adjustment for prior years	-		34.32	
Less : Loss for the year	(6213.45)		(3,118.76)	
Net surplus in the statement of profit and loss		26.37		6,239.82
		11,470.94		17,684.39

NOTE 4 - LONG-TERM BORROWINGS

	Non-current portion (₹ Lacs)		Current portion (₹ Lacs)	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Term loan				
Loan from banks (secured)	263.23	-	120.00	1,500.14
Less:- Disclosed under Other liabilities	-	-	(120.00)	(1,500.14)
	263.23	-	-	-

The above amount includes

Secured borrowings	263.23	-	120.00	1,500.14
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

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

In the previous year loan from bank was secured by pari passu charge in favour of the bankers by hypothecation of the Company's current assets and on the immovable and movable properties except the Land and Building and Plant and Machinery embedded to the earth in Roorkee. The loan repayable in Monthly equal installments payable over a period of two years.

NOTE 5 - DEFERRED TAX LIABILITIES (NET)

	31st March, 2014	31st March, 2013
	₹ in lacs	₹ in lacs
Deferred Tax Liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	2,841.32	2,056.15
Others	-	8.67
Gross deferred tax liability	2,841.32	2,064.82
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	151.30	194.66
Provision for doubtful debts and advances	331.11	234.03
Carry forward of Income Tax Loss and unabsorbed depreciation	2,358.91	1,636.13
Gross deferred tax asset	2,841.32	2,064.82
Net deferred tax asset	-	-

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

NOTE 6 - LONG TERM PROVISIONS

	31st March, 2014	31st March, 2013
	₹ in lacs	₹ in lacs
Provision for employees benefit	13.97	14.30
	13.97	14.30

NOTE 7 - SHORT TERM PROVISIONS

	31st March, 2014	31st March, 2013
	₹ in lacs	₹ in lacs
Provision for employees benefit		
Provision for gratuity	170.23	139.64
Provision for leave benefits	234.31	272.82
	404.54	412.46

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

NOTE 8 - SHORT-TERM BORROWINGS

	31st March, 2014	31st March, 2013
	₹ in lacs	₹ in lacs
Cash Credit Facility from banks (Secured)	13,790.54	9,868.81
Working Capital Loan (Secured)	-	1,838.22
Buyers Credit (Secured)	9,996.95	16,009.72
Interest free loans from Promoters / Directors repayable on demand (Unsecured)	3,200.00	-
	26,987.49	27,716.75

The above amount includes

Secured borrowings	23,787.49	27,716.75
Unsecured borrowings	3,200.00	-

Cash Credit Facility, Working capital loan and Buyers credit from banks of the Company is secured by pari passu charge in favour of the bankers by mortgage / hypothecation of Company's current assets and immovable and movable properties except the Land and Building and Plant and Machinery embedded to the earth at Roorkee. The interest on cash credit ranges from 12% to 15%. The interest on Buyers credit is libor plus spread.

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

NOTE 9 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	31st March, 2014	31st March, 2013
	₹ in lacs	₹ in lacs
Trade payables (including acceptances)	21,374.86	19,465.64
Other liabilities		
Current maturities of long-term borrowings (Refer Note 4)	120.00	1,500.14
Interest accrued but not due on borrowings	15.01	71.29
Unclaimed dividends	101.34	118.84
Advances from Customers	515.45	286.09
Others payables		
Dealer Deposits	276.17	278.37
Employees Benefit	1,267.18	1,188.67
Statutory Dues	2,535.01	2,024.54
Creditors for Capital items	47.87	38.22
Liability for expenses	38.28	9.20
Others	105.98	72.58
	4,270.49	3,611.58
	26,397.15	25,053.58

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

NOTE 10 - FIXED ASSETS

TANGIBLE ASSETS

₹ in lacs

	Leasehold land	Freehold land	Buildings	Plant and Machinery and Electrical Fittings	Furniture and Fixtures	Office Equipments	Motor Vehicles	R & D - Building	R & D - Plant and Machinery and Electrical Fittings	R & D - Furniture and Fixture	R & D - Office Equipment	TOTAL
Cost												
As at 1st April, 2012	770.78	1776.68	10597.99	25784.19	785.38	503.37	419.91	157.08	665.43	87.76	40.25	41588.82
Additions	-	-	-	519.00	0.11	36.35	11.40	-	-	-	-	566.86
Disposals	-	-	-	285.11	0.54	8.17	42.02	-	-	0.15	-	335.99
As at 31st March, 2013	770.78	1776.68	10597.99	26018.08	784.95	531.55	389.29	157.08	665.43	87.61	40.25	41819.69
Additions	57.82	-	815.64	1,261.60	34.19	38.13	44.61	-	-	-	-	2251.99
Disposals	-	-	15.10	29.68	0.22	0.69	47.85	-	-	-	-	93.54
As at 31st March, 2014	828.60	1776.68	11398.53	27250.00	818.92	568.99	386.05	157.08	665.43	87.61	40.25	43978.14
Depreciation												
As at 1st April, 2012	128.97	-	3208.54	19372.78	688.82	270.68	209.70	90.50	436.45	70.05	26.84	24503.33
Charge for the year	9.78	-	340.70	1278.28	19.99	20.04	25.64	5.24	23.11	1.63	1.68	1726.09
Disposals	-	-	-	284.25	0.52	7.82	40.02	-	-	0.14	-	332.75
As at 31st March, 2013	138.75	-	3549.24	20366.81	708.29	282.90	195.32	95.74	459.56	71.54	28.52	25896.67
Charge for the year	9.80	-	343.95	1126.20	22.50	22.49	26.54	5.25	20.70	1.64	1.68	1580.75
Disposals	-	-	3.80	28.36	0.22	0.24	5.63	-	-	-	-	38.25
As at 31st March, 2014	148.55	-	3889.39	21464.65	730.57	305.15	216.23	100.99	480.26	73.18	30.20	27439.17
Net Block												
As at 31st March, 2013	632.03	1776.68	7048.75	5651.27	76.66	248.65	193.97	61.34	205.87	16.07	11.73	15923.02
As at 31st March, 2014	680.05	1776.68	7509.14	5785.35	88.35	263.84	169.82	56.09	185.17	14.43	10.05	16538.97

INTANGIBLE ASSETS

	R&D Software	TOTAL
Cost or valuation		
As at 1st April, 2012	59.27	59.27
Additions	-	-
Disposals	-	-
As at 31st March, 2013	59.27	59.27
Additions	7.65	7.65
Disposals	-	-
As at 31st March, 2014	66.92	66.92
Depreciation		
At at 1st April, 2012	50.83	50.83
Charge for the year	2.12	2.12
Disposals	-	-
As at 31st March, 2013	52.95	52.95
Charge for the year	2.35	2.35
Disposals	-	-
As at 31st March, 2014	55.30	55.30
Net Block		
As at 31st March, 2013	6.32	6.32
As at 31st March, 2014	11.62	11.62

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

NOTE 11 - NON-CURRENT INVESTMENTS

	No. of Shares	31st March, 2014 ₹ in lacs	31st March, 2013 ₹ in lacs
Non Trade investments (valued at cost unless stated otherwise)			
Unquoted Equity Instruments			
Kongarar Textiles Limited (Face value ₹ 10)	2,600	1.17	1.17
Less: Provision for diminution in the value of Investments	(PY.2,600)	1.17	1.17
		-	-
Onida Finance Limited (Face value ₹ 10)	468,400	139.60	139.60
Less: Provision for diminution in the value of Investments	(PY.468,400)	139.60	139.60
		-	-
		-	-
Aggregate amount of Unquoted Investments Cost		140.77	140.77
Less : Provision for diminution in the value of Investments		140.77	140.77
		-	-

NOTE 12 - LONG TERM LOANS AND ADVANCES

	31st March, 2014 ₹ in lacs	31st March, 2013 ₹ in lacs
Capital Advances, unsecured, considered good	1.40	16.24
Amount paid under protest, unsecured, considered good	19.30	16.92
Security Deposits, unsecured, considered good	3,277.15	3,288.56
Advance income tax (Net of provision), unsecured, considered good	446.46	442.59
Loans and advances to related parties, unsecured, considered good (Refer Note 37)		
Relatives of Directors	-	231.00
Entity in which Directors have significant influence	125.00	125.00
Prepaid Expenses, unsecured, considered good	7.80	3.75
Others, unsecured, considered good	1.43	1.43
	3,878.54	4,125.49

NOTE 13 - SHORT TERM LOANS AND ADVANCES

	31st March, 2014 ₹ in lacs	31st March, 2013 ₹ in lacs
Other Loans and Advances, Unsecured, considered good		
Balance with Excise, Customs, etc	495.65	359.39
Other Receivables	538.59	446.03
Prepaid Expenses	163.41	164.22
Advance paid to Vendors	2,312.86	2,300.24
	3,510.51	3,269.88

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

NOTE 14 - OTHER NON-CURRENT ASSETS

	31st March, 2014	31st March, 2013
	₹ in lacs	₹ in lacs
Unsecured, considered good unless stated otherwise		
Margin Money with bank	46.04	45.02
	<u>46.04</u>	<u>45.02</u>

NOTE 15 - TRADE RECEIVABLES

	31st March, 2014	31st March, 2013
	₹ in lacs	₹ in lacs
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured - considered good	479.68	646.13
- considered doubtful	994.09	692.87
	<u>1,473.77</u>	<u>1,339.00</u>
Less : Provision for Doubtful Debts	994.09	692.87
	<u>479.68</u>	<u>646.13</u>
Other receivables		
Secured	184.32	88.16
Unsecured	12,192.72	12,861.90
	<u>12,377.04</u>	<u>12,950.06</u>
Less : Provision for Doubtful Debts	11.51	-
	<u>12,365.53</u>	<u>12,950.06</u>
	<u>12,845.21</u>	<u>13,596.19</u>

NOTE 16 - CURRENT INVESTMENTS

	No. of Shares	31st March, 2014	31st March, 2013
		₹ in lacs	₹ in lacs
Current investments (valued at lower of cost and fair value, unless stated otherwise)			
Quoted equity instruments			
Menon Pistons Limited (Face Value ₹ 10)	27,804 (PY.27,804)	19.46	19.46
Less: Provision for diminution in the value of Investments		0.82	2.78
		<u>18.64</u>	<u>16.68</u>
Aggregate amount of Quoted Investments			
Book Value		19.46	19.46
Market Value		18.64	16.68
Aggregate provision for diminution in value of investment		0.82	2.78

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

NOTE 17 - INVENTORIES

	31st March, 2014	31st March, 2013
	₹ in lacs	₹ in lacs
Raw materials and components [includes Goods in transit ₹ 1,370.93 lacs (31st March 2013 ₹ 970.46 lacs)]	7,815.66	7,761.69
Stores and Spares	292.76	316.08
Work-in-Progress	1,473.14	1,729.85
Finished Goods	2,901.11	3,489.72
Traded Goods [includes Goods in transit ₹ 4,119.95 lacs (31st March 2013 ₹ 2,446.29 lacs)]	11,298.57	12,240.02
	23,781.24	25,537.36

NOTE 18 - CASH AND BANK BALANCES

	31st March, 2014	31st March, 2013
	₹ in lacs	₹ in lacs
Cash And Cash Equivalents		
Cash in hand	18.61	19.97
Balances with banks :		
On Current Account	49.57	292.85
Cheques, drafts on hand	-	19.60
Unclaimed Dividend Accounts	101.34	118.84
Bank Remittances in Transit	2,372.28	2,481.04
	2,523.19	2,912.33
Other Bank Balances		
Margin Money	256.81	415.04
	2,798.61	3,347.34

NOTE 19 - OTHER CURRENT ASSETS

	31st March, 2014	31st March, 2013
	₹ in lacs	₹ in lacs
Deferred Premium on Forward Contract	91.06	-
Unsecured, considered good unless stated otherwise		
Insurance claims receivable	3,420.96	4,995.50
Interest accrued	17.04	26.39
	3,529.06	5,021.89

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

NOTE 20 - REVENUE FROM OPERATIONS

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Revenue from operations		
Sale of Products		
Finished Goods	73,040.43	67,743.07
Traded Goods	64,754.33	71,126.12
Other operating revenue		
Sale of Scrap	121.13	144.00
Export Incentives	51.24	83.82
Others	84.93	24.49
Revenue from operations (gross)	138,052.06	139,121.50
Less : Excise duty #	7,717.30	7,508.92
REVENUE FROM OPERATIONS (NET)	130,334.76	131,612.58

Excise duty on sales amounting to ₹ 7,717.31 lacs [previous year ₹ 7,508.92 lacs] has been reduced from sales in Profit and Loss statement and excise duty on increase / decrease in stock amounting to ₹ 73.64 lacs [previous year ₹ 55.95 lacs] has been considered as (income) / expense in note 28 of the financial statements.

Details of Products sold	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Finished Goods Sold		
Display Devices	55,649.87	51,464.82
Others	17,390.56	16,278.25
	73,040.43	67,743.07
Traded Goods Sold		
Airconditioners	33,900.01	32,215.97
Display Devices	15,562.01	15,534.23
Washing Machines	4,954.21	7,940.57
Others	10,338.10	15,435.35
	64,754.33	71,126.12
	137,794.76	138,869.19

NOTE 21 - OTHER INCOME

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Dividend Income	0.57	0.97
Interest Income	51.77	83.63
Profit on sale of Assets	74.13	3.18
Interest on Income Tax Refund	-	15.90
Lease rent	-	18.00
Liabilities written back	72.08	109.82
Miscellaneous income	0.17	0.15
	198.72	231.65

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

NOTE 22 - COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Inventory at the beginning of the year	7,761.69	8,745.91
Add : Purchases	50,094.27	47,512.41
	57,855.96	56,258.32
Less : Inventory at the end of the year	7,815.66	7,761.69
	50,040.30	48,496.63

Details of raw material and components consumed

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Colour Picture Tube and LCD / LED panels	28,761.00	25,040.03
Components and Parts for Display Devices	9,294.49	8,759.11
Components and Parts for Air Conditioners	952.78	503.21
Components and Parts for Washing Machine	2,988.84	3,767.72
Components and Parts for Printed Circuit Boards	174.71	572.26
Others	7,868.48	9,854.30
	50,040.30	48,496.63

NOTE 23 - PURCHASES OF TRADED GOODS

PARTICULARS	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Display Devices	11,840.13	14,945.51
Washing Machines	3,447.21	6,568.50
Air Conditioners	29,703.92	21,360.58
DVD	421.88	1,842.17
Microwave Ovens	2,358.31	2,667.46
Mobiles	4,648.69	3,661.27
Others	1,116.79	2,689.24
	53,536.93	53,734.73

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

NOTE 24 - (INCREASE) / DECREASE IN INVENTORIES OF FINISHED, GOODS WORK-IN-PROGRESS AND TRADED GOODS

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Inventory at the beginning of the year		
Finished Goods	3,489.72	4,239.71
Work in Progress	1,729.85	2,258.83
Traded Goods	12,240.02	15,611.67
	17,459.59	22,110.21
Less : Inventory at the end the year		
Finished Goods	2,901.11	3,489.72
Work in Progress	1,473.14	1,729.85
Traded Goods	11,298.57	12,240.02
	15,672.82	17,459.59
	1,786.77	4,650.62

Details of Inventory

	31st March, 2014 ₹ in lacs	31st March, 2013 ₹ in lacs
Finished Goods		
Display Devices	2,644.40	3,070.26
Washing Machine	80.15	272.88
Printed circuit boards	46.92	49.12
Others	129.64	97.46
	2,901.11	3,489.72
Work in Progress		
Display Devices	1,266.46	1,520.74
Washing Machine	71.61	59.49
Printed circuit boards	92.22	116.41
Others	42.85	33.21
	1,473.14	1,729.85
Traded Goods		
Air Conditioners	7,464.25	7,605.01
Display Devices	545.38	848.77
DVD HTS and Induction cooker	424.35	502.63
Micro wave	573.96	737.48
Mobile	1,463.35	971.22
Washing Machine	554.91	1,159.90
Others	272.37	415.01
	11,298.57	12,240.02
	15,672.82	17,459.59

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

NOTE 25 - EMPLOYEE BENEFIT EXPENSES

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Salaries, Wages and Bonus	7,362.29	6,842.48
Contribution to Provident Fund and Other Funds	301.70	291.65
Gratuity expense (Note 31)	33.71	72.17
Staff Welfare Expenses	888.15	884.18
	8,585.85	8,090.48

NOTE 26 - FINANCE COST

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Interest Expense	2,026.71	2,269.02
Other Borrowing costs	1,355.71	1,622.20
Exchange difference on foreign currency borrowings	460.59	-
	3,843.01	3,891.22

NOTE 27 - DEPRECIATION AND AMORTIZATION EXPENSE

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Depreciation of tangible assets	1,580.75	1,726.09
Amortisation of intangible assets	2.35	2.12
	1,583.10	1,728.21

NOTE 28 - OTHER EXPENSES

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Power and Fuel	951.79	872.57
Rent	811.67	962.38
Rates and Taxes	150.43	213.51
Repairs to		
Plant and Machinery	220.37	232.80
Building	7.34	10.08
Others	518.29	505.40
	746.00	748.28
Insurance Charges	148.48	230.29
Freight and Forwarding Charges	4,917.58	4,653.81
Advertisement and sales promotion	1,735.84	3,094.93
Special rebates and incentives	1,125.36	668.30
Sales Commission	-	2.82
Service Charges	1,925.32	2,273.05
Travelling and Conveyance	686.99	794.23
Bad debts written off	7.17	0.16
Less : Provision for Doubtful Debts written back	-	0.16
	7.17	-

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
Provision for Doubtful Debts and advances	305.56	56.91
Research and Development Expenses	531.72	557.32
Consultancy fees paid to directors	24.07	-
(Increase) / decrease of excise duty on inventory	73.64	(55.95)
Exchange (gain) / loss	1,519.39	(479.93)
Miscellaneous Expenses	1,710.26	1,602.71
	17,371.27	16,195.23

Remuneration to Auditors:

	2013-14 ₹ in lacs	2012-13 ₹ in lacs
As auditor (exclusive of Service tax)		
Audit fees	24.25	22.75
Tax audit fees	4.00	4.00
Other services	5.65	0.78
Reimbursement of expenses	0.94	0.41
	34.84	27.94

29) There was a fire accident in February, 2012 at Roorkee Plant of the Company. The Company had made a claim of ₹ 4995.50 lacs in respect of loss and damages covered by the insurance policy. Against the total claim, on account payment of ₹ 1632.45 lacs has been realised from the insurance company. The balance amount of ₹ 3363.05 lacs has been shown as receivable in the financial statements. The management is confident of recovery of the balance amount in a short time.

30) Contingent Liabilities and Commitments :

₹ in lacs

	31st March, 2014	31st March, 2013
Contingent Liabilities		
a) Guarantees given to Bank against which ₹ Nil (previous year ₹ Nil) has been deposited as margin money	715.01	1,453.35
b) Income tax demands in respect of which appeals have been filed	-	188.45
c) Excise Duty, Service Tax and Custom Duty in respect of which appeals have been filed	2,586.42	2,731.60
d) Claims made against the Group not acknowledged as debts	10,663.93	6,701.25
Commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	2.46	21.31

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

31) Employee Benefits

a) Defined contribution plans

The Group has recognised an expense of ₹ 271.09 Lacs (previous year ₹ 257.99 Lacs) towards defined contribution plans, in respect of Provident Fund and Superannuation Fund

b) Description of the Plan

Gratuity

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

c) Principal actuarial assumptions:

PARTICULARS	Gratuity			
	Mirc Electronics Ltd.		Akasaka Electronics Ltd.	
	2013-14	2012-13	2013-14	2012-13
Discount rate	9.25%	8.25%	9.32%	8.25%
Rate of Return on Plan Assets	9.25%	8.25%	8.70%	8.70%
Salary Escalation	4.00%	5.00%	5.00%	5.00%

d) Reconciliation of Benefit Obligation :

₹ in lacs

PARTICULARS	Gratuity	
	2013-14	2012-13
Liability at the beginning of the year	999.49	907.88
Interest cost	82.49	79.31
Current Service Cost	59.96	61.72
Benefit Paid	(96.22)	(58.55)
Actuarial (Gain) / Loss on Obligations	(36.00)	9.13
Liability at the end of the year	1,009.72	999.49
Fair Value of Plan Assets at the end of the year	862.04	879.76
Liability at the end of the year recognised and disclosed under the head "Provisions for Employees Benefit"		
- Long term provision	-	-
- Short term provision	170.23	139.64
Amount recognised and disclosed under Short Term Loans and Advances	22.55	19.91

* Of the Total Provision, the Group is expected to pay the entire amount to the fund in the year 2014-15

e) Reconciliation of Fair value of Plan Assets :

₹ in lacs

PARTICULARS	Gratuity	
	2013-14	2012-13
Fair Value of Plan Assets at the beginning of the year	879.78	857.09
Expected Return on Plan Assets	72.95	74.47
Contributions	4.67	3.74
Benefit Paid	(96.22)	(58.55)
Actuarial Gain / (Loss) on Asset	0.86	3.01
Fair Value of Plan Assets at the end of the year	862.04	879.76

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

f) **Return on Plan Assets :**

₹ in lacs

PARTICULARS	Gratuity	
	2013-14	2012-13
Expected Return on Plan Assets	72.95	74.47
Actuarial Gain / (Loss) on Plan Assets	0.85	3.03
Actual Return on Plan Assets	73.80	77.50

g) **Expenses recognised in the Profit and Loss Statement under the head Personnel Expenses :**

₹ in lacs

PARTICULARS	Gratuity	
	2013-14	2012-13
Current Service Cost	59.96	61.73
Interest Cost	82.46	79.31
Expected Return on Plan Assets	(72.95)	(74.47)
Net Actuarial (Gain) / Loss recognised	(36.85)	6.10
Expenses recognised in Profit and Loss Statement	32.62	72.67

32) In view of non-availability of profits for the current year, remuneration paid to the managerial personnel is in excess of the limit prescribed under Schedule XIII of the Companies Act, 1956, by ₹ 27.74 lacs (Previous year ₹ 65.07 lacs). The said amount is subject to approval from Central Government and therefore the amount paid is held in trust by the concerned managerial personnel.

33) The Group considers entire business under one segment i.e. consumer durable products. Further, there is no separately identifiable geographical segment and hence no reporting is made for segment.

34) **Disclosure of Foreign Currency exposure :**

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

₹ in lacs

Sr. No.	PARTICULARS	Currency	Amount in foreign currency
a)	Amount payable on account of import of goods and Buyers credit	USD	225.18
		RMB	456.24
	(Previous year)	USD	(281.97)

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

₹ in lacs

Sr. No.	Particulars	Currency	Amount in foreign currency	Amount in Indian Rupees
a)	Amount payable on account of import of goods	USD	77.75	4,692.43
		JPY	132.38	81.19
	(Previous year)	USD	(239.72)	(13,012.94)
		EUR	**	0.14
		SGD	(0.13)	(5.47)
		JPY	(54.24)	(31.29)
b)	Amount receivable on export of goods	USD	3.12	186.94
	(Previous year)	USD	(5.41)	(293.58)

** Denotes having values less than ₹ 500

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

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

PARTICULARS	2013-14	2012-13
Profit / (Loss) after Tax (₹ In lacs)	(6,213.45)	(3,118.76)
Net Profit / (Loss) after tax attributable to Equity shareholders (₹ In lacs)	(6,213.45)	(3,118.76)
Weighted average number of Equity Shares outstanding	141,751,678	141,751,678
Basic / Diluted Earnings Per Share (₹)	(4.38)	(2.20)

- 36) Research and development expenses consist of personnel expenses and other expenses of ₹ 399.82 Lacs (previous year ₹ 437.90 Lacs), and ₹ 131.90 Lacs (previous year ₹ 119.41 Lacs) respectively. Depreciation on Research and Development assets is ₹ 31.62 Lacs (previous year ₹ 33.79 Lacs) shown under Fixed Assets.

37) Related party Disclosure

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

Names of related parties with whom transactions have taken place & description of relationship :

1. Key Management Personnel	Mr. G.L. Mirchandani - Chairman & Managing Director of Mirc Electronics Ltd. Mr. V.J. Mansukhani - Managing Director of Mirc Electronics Ltd.
2. Relatives of Key Management Personnel	Mrs. Gita Mirchandani (Wife of Mr. G.L. Mirchandani) Mrs. Marissa Mansukhani (Wife of Mr. V.J. Mansukhani) Mr. Kaval Mirchandani (Son of Mr. G.L. Mirchandani) Mr. Sasha Mirchandani (Son of Mr. G.L. Mirchandani) Mr. Akshay Mansukhani (Son of Mr. V.J. Mansukhani) Ms. Ayesha Mansukhani (Daughter of Mr. V.J. Mansukhani) G.L. Mirchandani (H.U.F.) V.J. Mansukhani (H.U.F.)
3. Enterprise over which any person described in 1 & 2 is having significant influence	Iwai Electronics Pvt. Ltd. Adino Telecom Ltd. Gulita Wealth Advisors Pvt. Ltd. Adino Electronics Ltd. IIFL Investment Adviser & Trustee Services Ltd. (Formerly IIFL Trustee Services Ltd.) Gulita Securities Ltd.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

₹ in lacs

Particulars	Key Management Personnel	Relatives of key Management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
	(1)	(2)	(3)
Transactions during 1.4.2013 to 31.03.2014			
Purchase of goods, services and spares			
Iwai Electronics Pvt. Limited	-	-	1041.83
	-	-	(1425.52)
Adino Telecom Limited	-	-	0.08
	-	-	(0.54)
Purchase of capital goods			
Iwai Electronics Pvt. Limited	-	-	14.46
	-	-	-
Sale of goods, spares and services			
Iwai Electronics Pvt. Limited	-	-	2.63
	-	-	(21.99)
Adino Telecom Limited	-	-	5.92
	-	-	(3.21)
Sale of Fixed Assets			
Adino Telecom Limited	-	-	32.06
	-	-	-
Inter Corporate Deposits / Loan received			
V.J. Mansukhani	1278.58	-	-
	-	-	-
G.L. Mirchandani	3335.83	-	-
	-	-	-
Gita Mirchandani	-	208.10	-
	-	-	-
Kaval Mirchandani	-	282.79	-
	-	-	-
Sasha Mirchandani	-	281.92	-
	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	-	580.36
	-	-	-
Gulita Securities Limited	-	-	24.65
	-	-	-
Adino Electronics Limited	-	-	7.77
	-	-	-
Inter Corporate Deposits / Loan repaid			
V.J.Mansukhani	800.00	-	-
	-	-	-
G.L. Mirchandani	2000.00	-	-
	-	-	-
Gita Mirchandani	-	101.00	-
	-	(50.00)	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

₹ in lacs

Particulars	Key Management Personnel	Relatives of key Management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
	(1)	(2)	(3)
Ayesha Mansukhani	-	130.00	-
	-	(198.00)	-
Interest due & received on Inter Corporate Deposits / loans / advances			
Adino Telecom Limited	-	-	18.75
	-	-	(18.75)
Ayesha Mansukhani	-	3.77	-
	-	(14.32)	-
Gita Mirchandani	-	2.09	-
	-	(11.39)	-
Rent paid			
G.L.Mirchandani	4.03	-	-
	(4.03)	-	-
Gita Mirchandani	-	27.74	-
	-	(27.74)	-
Marissa Mansukhani	-	8.18	-
	-	(8.18)	-
Akshay Mansukhani	-	0.89	-
	-	(0.89)	-
Ayesha Mansukhani	-	0.89	-
	-	(0.89)	-
G.L.Mirchandani (HUF)	-	13.66	-
	-	(13.66)	-
V.J.Mansukhani (HUF)	-	2.59	-
	-	(2.59)	-
Gulita Wealth Advisors Pvt. Limited	-	-	30.00
	-	-	(30.00)
Rent received			
Adino Telecom Limited	-	-	1.13
	-	-	(1.25)
Remuneration			
G.L. Mirchandani (Note 32)	144.19	-	-
	(144.19)	-	-
V.J.Mansukhani	120.00	-	-
	(126.03)	-	-
Kaval Mirchandani	-	45.00	-
	-	(45.00)	-

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

Closing Balance as at 31.03.2014

₹ in lacs

Particulars	Key Management Personnel	Relatives of key Management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
	(1)	(2)	(3)
Receivable			
Gita Mirchandani			
Rent Deposit given	-	631.40	-
	-	(631.40)	-
Loan taken	-	208.10	-
	-	-	-
Loan given	-	-	-
	-	(101.00)	-
	-	423.30	-
	-	(732.40)	-
Marissa Mansukhani			
Rent Deposit	-	8.18	-
	-	(8.18)	-
Akshay Mansukhani			
Rent Deposit	-	0.89	-
	-	(0.89)	-
Ayesha Mansukhani			
Rent Deposit	-	0.89	-
	-	(0.89)	-
Loan given	-	-	-
	-	(130.00)	-
	-	0.89	-
	-	(130.89)	-
G.L.Mirchandani (HUF)			
Rent Deposit	-	349.70	-
	-	(349.70)	-
V.J.Mansukhani (HUF)			
Rent Deposit	-	2.59	-
	-	(2.59)	-
Gulita Wealth Advisors Pvt Limited			
Rent Deposit	-	-	1,000.00
	-	-	1,000.00
Adino Telecom Limited			
Debtors	-	-	24.63
	-	-	(7.06)
Inter corporate deposit given	-	-	125.00
	-	-	(125.00)
	-	-	149.63
	-	-	(132.06)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

₹ in lacs

Particulars	Key Management Personnel	Relatives of key Management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
	(1)	(2)	(3)
Payable			
G.L.Mirchandani			
Rent Deposit given	119.82	-	-
	(119.82)	-	-
Loan taken	1,335.83	-	-
	-	-	-
	1,216.01	-	-
	(119.82)	-	-
Kaval Mirchandani			
Loan taken	-	282.79	-
	-	-	-
Sasha Mirchandani			
Loan taken	-	281.92	-
	-	-	-
V.J.Mansukhani			
Loan taken	478.58	-	-
	-	-	-
Iwai Electronics Pvt. Limited			
Creditors payable	-	-	144.62
	-	-	(62.70)
IIFL Investment Adviser & Trustee Services Limited			
Loan taken	-	-	580.36
	-	-	-
Gulita Securities Limited			
Loan taken	-	-	24.65
	-	-	-
Adino Electronics Limited			
Debtors	-	-	5.45
	-	-	(5.45)
Loan taken	-	-	7.77
	-	-	-
	-	-	2.32
	-	-	(-5.45)

Note : Figures in brackets are of previous year

Annual Report 2013-2014

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

38) Provision for Warranty :

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

The movement in provision can be summarised as -

₹ in lacs

PARTICULARS	2013-14	2012-13
At the beginning of the year	-	-
Provisions :		
Created	68.00	-
Utilised	-	-
Reversed	-	-
Balance as at the end of the year		
Current	68.00	-
Non current	-	-

39) The figures of previous year were audited by a firm of Chartered accountant other than S. R. Batliboi & Co. LLP. Figures for the previous year have been regrouped where necessary to conform to current year's classification.

As per our report of even date

For **S. R. Batliboi & Co. LLP**

ICAI Firm Regn. No. 301003E

Chartered Accountants

per Ravi Bansal

Partner

Membership No. 49365

Place : Mumbai,

Date : May 15, 2014

For and on behalf of the Board of Directors of

MIRC Electronics Limited

Predeep K. Gupta
Chief Financial Officer

Aashay Khandwala
Head Corporate Affairs,
Legal and Company Secretary

Place : Mumbai,

Date : May 15, 2014

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

Form No. MGT-11**PROXY FORM****MIRC ELECTRONICS LIMITED**

Regd. Office: Onida House, G-1, M.I.D.C, Mahakali Caves Road, Andheri (East), Mumbai 400093

CIN: L32300MH1981PLC023637 Website: www.onida.com

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

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

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

- 1) Name : _____ Address : _____

Email ID : _____ Signature : _____ or failing
him/her
- 2) Name : _____ Address : _____

Email ID : _____ Signature : _____ or failing
him/her
- 3) Name : _____ Address : _____

Email ID : _____ Signature : _____

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on September 03, 2014 at 3:00 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400018 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution No.	Description	For*	Against*
1	To receive, consider and adopt the Financial Statements of the Company as at 31 st March, 2014 including the audited Balance Sheet as at 31 st March, 2014 and Statement of Profit & Loss for the financial year ended 31 st March, 2014 and the reports of Director's and Auditor's thereon.		
2	To appoint a Director in place of Mr. Shyamsunder Dhoot, who retires by rotation and being eligible, offers himself for re-appointment.		
3	To appoint Statutory Auditors and fix their remuneration.		
4	To appoint Mr. Rafique Malik as an Independent Director of the Company to hold office for five consecutive years.		
5	To appoint Mr. Carlton Pereira as an Independent Director of the Company to hold office for five consecutive years.		
6	To appoint Ms. Radhika Piramal as an Independent Director of the Company to hold office for five consecutive years.		
7	To approve remuneration of the Cost Auditor for the financial year 2014-2015.		

Signed this _____ day of _____, 2014

Affix
Re 1/-
Revenue
Stamp

Signature of shareholder

Notes:

- * 1. Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 2. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
- 3. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at Onida House, G-1, M.I.D.C., Mahakali Caves Road, Andheri (East), Mumbai 400093 not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

MIRC ELECTRONICS LIMITED

Regd. Office: Onida House, G-1, M.I.D.C, Mahakali Caves Road, Andheri (East), Mumbai 400093
CIN: L32300MH1981PLC023637 Website: www.onida.com

GREEN INITIATIVE **E-MAIL IDs REGISTRATION FORM**

I, _____ (name of first/individual shareholder)
holding _____ (no. of shares) equity shares in **physical mode** vide folio no. _____
in the Company, would like to register below mentioned e-mail ID for receiving all the communications/ documents / notices /
correspondences from the Company in electronic mode instead of getting physical copies of the same. Kindly register the same.

E-mail ID : _____

Yours truly,

Signature and Name of First named shareholder :

Address: _____

Dated : _____

MIRC ELECTRONICS LIMITED

Regd. Office: Onida House, G-1, M.I.D.C, Mahakali Caves Road, Andheri (East), Mumbai 400093
CIN: L32300MH1981PLC023637 Website: www.onida.com

ATTENDANCE SLIP **33rd ANNUAL GENERAL MEETING**

Name of the Member(s) : _____

Registered address : _____

E-mail ID : _____

Folio No./DP ID-client ID : _____ No. of Shares : _____

I/We hereby record my/our presence at the 33rd Annual General Meeting of the Company at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400018 on **September 03, 2014 at 3:00 p.m.**

Note: Please complete this slip and hand it over at the entrance of the Meeting venue.

Member's/Proxy's Signature



MIRC Electronics Ltd. Onida House, G-1, M.I.D.C. Mahakali Caves Road, Andheri (East), Mumbai - 400 093.

Corporate Identification Number (CIN): L32300MH1981PLC023637

Website: www.onida.com

Institutional enquiries: corporate.sales@onida.com, response@onida.com

 www.facebook.com/onida.live

 www.onidalive.blogspot.com

 www.youtube.com/onidalive

@ Mail us at response@onida.com