



OWNER'S PRIDE

September 29, 2016

To, BSE Limited 25 th Floor, P.J. Towers, Dalal Street, Mumbai-400 001	To, The Manager - Corporate Compliance National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051	To Central Depository Services (India) Ltd. 17 th Floor, P J Towers, Dalal Street, Fort, Mumbai - 400001
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Dear Sir/Madam,

Sub: Compliance under Regulation 30(2), 34(1) and 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Scrutinizer's Report.

Script Code: BSE - 500279, NSE - MIRCELECTR

A] Pursuant to Regulation 30(2) read with Schedule III and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby intimate that the 35th Annual General Meeting (AGM) was held on September 28, 2016.

The Chairman has ordered a poll on all the resolutions from Item Nos. 1 to 8 of the notice of 35th AGM. All the resolutions were passed (including votes cast through remote e-voting) with requisite majority. The proceeding of the resolutions passed is enclosed herewith.

B] Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the year 2015-2016 which was approved and adopted by the members of the Company in the 35th AGM.

C] Pursuant to Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith details of voting results of the resolutions passed at 35th AGM in the prescribed format.

D] Please find enclosed herewith Scrutinizer's Report issued by Mr. Mahesh Darji, Practicing Company Secretary on the Consolidated Result of Voting i.e. through Remote E-voting and Poll conducted during 35th AGM.

You are requested to kindly take the same on record and oblige.

Thanking You,

For MIRC Electronics Limited


Lalit Chendvankar

**Head - Corporate Affairs,
Legal & Company Secretary**

Encl: - As above

MIRC ELECTRONICS LIMITED

Regd. Office: Onida House, G-1, M.I.D.C., Mahakali Caves Road, Andheri (East), Mumbai - 400 093.

Tel.: +91-22-6697 5777, 2820 0435 Fax : +91-22-2820 2002

CIN No.: L32300MH1981PLC023637. Website: www.onida.com

PROCEEDINGS OF THE 35TH AGM

Item No.	Particulars	Resolutions (Ordinary/Special)	Result
1	To receive, consider and adopt: (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2016; (b) the reports of the Board of Directors and Auditors thereon; (c) the audited consolidated financial statement of the Company for the financial year ended March 31, 2016.	Ordinary	Passed by requisite majority
2	Re-appointment of Mr. Vijay J. Mansukhani (DIN. 01041809), as a Director who retires by rotation.	Ordinary	Passed by requisite majority
3	Ratification of appointment of statutory auditors of the Company and fixing their remuneration.	Ordinary	Passed by requisite majority
4	Re-appointment of Mr. Gulu L. Mirchandani (DIN: 00026664), as a Chairman and Managing Director of the Company and remuneration payable to him.	Special	Passed by requisite majority
5	Re-appointment of Mr. Shyamsunder Dhoot (DIN: 06502107), as a Whole Time Director of the Company and remuneration payable to him.	Special	Passed by requisite majority
6	Appointment of Mr. Kaval G. Mirchandani (DIN: 01179978) as a Director of the Company.	Ordinary	Passed by requisite majority
7	Appointment of Mr. Kaval G. Mirchandani (DIN: 01179978) as a Whole Time Director of the Company and remuneration payable to him.	Special	Passed by requisite majority
8	Remuneration of the Cost Auditors for the financial year ending March 31, 2017.	Ordinary	Passed by requisite majority



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MIRC ELECTRONICS LIMITED - VOTING RESULTS

Date of the AGM:		28.09.2016						
Total number of shareholders on record date:		61806						
No. of shareholders present in the meeting either in person or through proxy:-								
Promoters and Promoter Group		8						
Public		30						
No. of Shareholders attended the meeting through Video Conferencing:-								
Promoters and Promoter Group		Not Applicable						
Public		Not Applicable						
Resolution Required : (Ordinary)		Agenda Item No. 1 - To receive, consider and adopt:						
		(a) the audited standalone financial statement of the Company for the financial year ended March 31, 2016;						
		(b) the reports of the Board of Directors and Auditors thereon;						
		(c) the audited consolidated financial statement of the Company for the financial year ended March 31, 2016.						
Whether promoter/ promoter group are interested in the agenda/resolution?		No						
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes -Against	% of Votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	122192638	89284350	$[3]=\{[2]/[1]\} * 100$	89284350	[5]	$[6]=\{[4]/[2]\} * 100$	$[7]=\{[5]/[2]\} * 100$
	Poll		12268038	10.0399	12268038	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		101552388	83.1084	101552388	0	100.0000	0.0000
Public Institutions	E-Voting	4225949	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	69815615	400709	0.5740	400474	235	99.9414	0.0586
	Poll		5374222	7.6977	5374222	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		5774931	8.2717	5774696	235	99.9959	0.0041
Total		196234202	107327319	54.6935	107327084	235	99.9998	0.0002



MIRC ELECTRONICS LIMITED - VOTING RESULTS

Resolution Required : (Ordinary)		Agenda Item No. 2 - To appoint a Director in place of Mr. Vijay J. Mansukhani (DIN: 01041809) who retires by rotation and being eligible, offers himself for re-appointment.						
Whether promoter/ promoter group are interested in the agenda/resolution?		No						
Category	Mode of Voting	No. of shares held [1]	No. of votes polled [2]	% of Votes Polled on outstanding shares [3] = {[2]/[1]}*100	No. of Votes - in favour [4]	No. of Votes -Against [5]	% of Votes in favour on votes polled [6] = {[4]/[2]}*100	% of Votes against on votes polled [7] = {[5]/[2]}*100
Promoter and Promoter Group	E-Voting	122192638	89284326	73.0685	89284326	0	100.0000	0.0000
	Poll		12268038	10.0399	12268038	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		101552364	83.1084	101552364	0	100.0000	0.0000
Public Institutions	E-Voting	4225949	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	69815615	400709	0.5740	399474	1235	99.6918	0.3082
	Poll		5374222	7.6977	5374222	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		5774931	8.2717	5773696	1235	99.9786	0.0214
Total		196234202	107327295	54.6935	107326060	1235	99.9988	0.0012



MIRC ELECTRONICS LIMITED - VOTING RESULTS

Resolution Required : (Ordinary)		Agenda Item No. 3 - To ratify the appointment of statutory auditors of the Company and to fix their remuneration.						
Whether promoter/ promoter group are interested in the agenda/resolution?		No						
Category	Mode of Voting	No. of shares held [1]	No. of votes polled [2]	% of Votes Polled on outstanding shares [3]={[2]/[1]}*100	No. of Votes – in favour [4]	No. of Votes –Against [5]	% of Votes in favour on votes polled [6]={[4]/[2]}*100	% of Votes against on votes polled [7]={([5]/[2])*100
Promoter and Promoter Group	E-Voting	122192638	89284350	73.0685	89284350	0	100.0000	0.0000
	Poll		12268038	10.0399	12268038	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		101552388	83.1084	101552388	0	100.0000	0.0000
Public Institutions	E-Voting	4225949	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	69815615	400709	0.5740	400474	235	99.9414	0.0586
	Poll		5374222	7.6977	5374222	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		5774931	8.2717	5774696	235	99.9959	0.0041
Total		196234202	107327319	54.6935	107327084	235	99.9998	0.0002



MIRC ELECTRONICS LIMITED - VOTING RESULTS

Resolution Required : (Special)									
Agenda Item No. 4 - To approve the re-appointment of Mr. Gulu L. Mirchandani (DIN: 000266664) as a Chairman & Managing Director of the Company and remuneration payable to him.									
Whether promoter/ promoter group are interested in the agenda/resolution?									
Yes									
Category	Mode of Voting	No. of shares held [1]	No. of votes polled [2]	% of Votes Polled on outstanding shares [3]={[2]/[1]}*100	No. of Votes - in favour [4]	No. of Votes -Against [5]	% of Votes in favour on votes polled [6]={[4]/[2]}*100	% of Votes against on votes polled [7]={([5]/[2])*100	
Promoter and Promoter Group	E-Voting		67861842	55.5368	67861842	0	100.0000	0.0000	
	Poll		0	0.0000	0	0	0.0000	0.0000	
	Postal Ballot	122192638	0	0.0000	0	0	0.0000	0.0000	
	Total		67861842	55.5368	67861842	0	100.0000	0.0000	
Public Institutions	E-Voting		0	0.0000	0	0	0.0000	0.0000	
	Poll		0	0.0000	0	0	0.0000	0.0000	
	Postal Ballot	4225949	0	0.0000	0	0	0.0000	0.0000	
	Total		0	0.0000	0	0	0.0000	0.0000	
Public Non Institutions	E-Voting		400709	0.5740	400474	235	99.9414	0.0586	
	Poll		5374222	7.6977	5374222	0	100.0000	0.0000	
	Postal Ballot	69815615	0	0.0000	0	0	0.0000	0.0000	
	Total		5774931	8.2717	5774696	235	99.9959	0.0041	
Total		196234202	73636773	37.5249	73636538	235	99.9997	0.0003	



MIRC ELECTRONICS LIMITED - VOTING RESULTS

Resolution Required : (Special)

Agenda Item No. 5 - To approve the re-appointment of Mr. Shyamsunder Dhoot (DIN: 06502107) as a Whole Time Director of the Company and remuneration payable to him.

Whether promoter/ promoter group are interested in the agenda/resolution?

No

Category	Mode of Voting	No. of shares held [1]	No. of votes polled [2]	% of Votes Polled on outstanding shares [3]={[2]/[1]}*100	No. of Votes – in favour [4]	No. of Votes –Against [5]	% of Votes in favour on votes polled [6]={[4]/[2]}*100	% of Votes against on votes polled [7]={[5]/[2]}*100
Promoter and Promoter Group	E-Voting	122192638	89284350	73.0685	89284350	0	100.0000	0.0000
	Poll		12268038	10.0399	12268038	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		101552388	83.1084	101552388	0	100.0000	0.0000
Public Institutions	E-Voting	4225949	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	69815615	400709	0.5740	399474	1235	99.6918	0.3082
	Poll		5374222	7.6977	5374222	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		5774931	8.2717	5773696	1235	99.9786	0.0214
Total		196234202	107327319	54.6935	107326084	1235	99.9988	0.0012



MIRC ELECTRONICS LIMITED - VOTING RESULTS

Resolution Required : (Ordinary)									
Agenda Item No. 6 - To approve the appointment of Mr. Kaval G. Mirchandani (DIN: 01179978) as a Director of the Company.									
Whether promoter/ promoter group are interested in the agenda/resolution?									
Category	Mode of Voting	No. of shares held [1]	No. of votes polled [2]	% of Votes Polled on outstanding shares [3]={[2]/[1]}*100	No. of Votes - in favour [4]	No. of Votes -Against [5]	% of Votes in favour on votes polled [6]={[4]/[2]}*100	% of Votes against on votes polled [7]={[5]/[2]}*100	
Promoter and Promoter Group	E-Voting		67861842	55.5368	67861842	0	100.0000	0.0000	
	Poll		0	0.0000	0	0	0.0000	0.0000	
	Postal Ballot	122192638	0	0.0000	0	0	0.0000	0.0000	
	Total		67861842	55.5368	67861842	0	100.0000	0.0000	
Public Institutions	E-Voting		0	0.0000	0	0	0.0000	0.0000	
	Poll		0	0.0000	0	0	0.0000	0.0000	
	Postal Ballot	4225949	0	0.0000	0	0	0.0000	0.0000	
	Total		0	0.0000	0	0	0.0000	0.0000	
Public Non Institutions	E-Voting		400709	0.5740	399474	1235	99.6918	0.3082	
	Poll		5374222	7.6977	5374222	0	100.0000	0.0000	
	Postal Ballot	69815615	0	0.0000	0	0	0.0000	0.0000	
	Total		5774931	8.2717	5773696	1235	99.9786	0.0214	
Total		196234202	73636773	37.5249	73635538	1235	99.9983	0.0017	



MIRC ELECTRONICS LIMITED - VOTING RESULTS

Resolution Required : (Special)		Agenda Item No. 7 - To approve the appointment of Mr. Kaval G. Mirchandani (DIN: 01179978) as a Whole Time Director of the Company and remuneration payable to him.						
Whether promoter/ promoter group are interested in the agenda/resolution?		Yes						
Category	Mode of Voting	No. of shares held [1]	No. of votes polled [2]	% of Votes Polled on outstanding shares [3]={([2]/[1])*100}	No. of Votes – in favour [4]	No. of Votes –Against [5]	% of Votes in favour on votes polled [6]={([4]/[2])*100}	% of Votes against on votes polled [7]={([5]/[2])*100}
Promoter and Promoter Group	E-Voting	122192638	67861842	55.5368	67861842	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		67861842	55.5368	67861842	0	100.0000	0.0000
Public Institutions	E-Voting	4225949	0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting	69815615	400709	0.5740	399474	1235	99.6918	0.3082
	Poll		5374222	7.6977	5374222	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		5774931	8.2717	5773696	1235	99.9786	0.0214
Total		196234202	73636773	37.5249	73635538	1235	99.9983	0.0017



MIRC ELECTRONICS LIMITED - VOTING RESULTS

Resolution Required : (Ordinary)		Agenda Item No. 8 - To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2017.						
Whether promoter/ promoter group are interested in the agenda/resolution?		No						
Category	Mode of Voting	No. of shares held [1]	No. of votes polled [2]	% of Votes Polled on outstanding shares [3]={[2]/[1]}*100	No. of Votes – in favour [4]	No. of Votes –Against [5]	% of Votes in favour on votes polled [6]={[4]/[2]}*100	% of Votes against on votes polled [7]={[5]/[2]}*100
Promoter and Promoter Group	E-Voting		89284350	73.0685	89284350	0	100.0000	0.0000
	Poll		12268038	10.0399	12268038	0	100.0000	0.0000
	Postal Ballot	122192638	0	0.0000	0	0	0.0000	0.0000
	Total		101552388	83.1084	101552388	0	100.0000	0.0000
Public Institutions	E-Voting		0	0.0000	0	0	0.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot	4225949	0	0.0000	0	0	0.0000	0.0000
	Total		0	0.0000	0	0	0.0000	0.0000
Public Non Institutions	E-Voting		400709	0.5740	400474	235	99.9414	0.0586
	Poll		5374222	7.6977	5374222	0	100.0000	0.0000
	Postal Ballot	69815615	0	0.0000	0	0	0.0000	0.0000
	Total		5774931	8.2717	5774696	235	99.9959	0.0041
Total		196234202	107327319	54.6935	107327084	235	99.9998	0.0002



**Form No. MGT-13
Report of Scrutinizer**

[Pursuant to rule section 109 of the Companies Act, 2013 and rule 21(2) of the Companies
(Management and Administration) Rules, 2014]

To,
The Chairman
of 35th Annual General Meeting of
Shareholders of MIRC Electronics Limited
Held on Wednesday, 28th September, 2016
At Hall of Culture, Nehru Centre,
Dr. Annie Besant Road, Worli,
Mumbai – 400 018

Sir,

I, Mahesh Darji, Practicing Company Secretary (Membership No. FCS- 7175) was appointed as a Scrutinizer for the purpose of the poll taken at Annual General Meeting (including remote e-voting) on the resolutions as per the Annexure attached at the 35th Annual General Meeting of the Equity Shareholders of MIRC Electronics Limited (the Company) held on 28th September, 2016 at 3.00 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018. I hereby submit my report as under:

1. After the time fixed for closing of the poll by the Chairman, one (1) ballot box was kept for polling and the same was locked in my presence with due identification marks placed on the same.
2. The locked ballot boxes was subsequently opened in my presence (along with presence of two witnesses viz. Mr. Rakesh Achhpal and Ms. Aarti Parmar both are not in employment of the Company) and poll papers were diligently scrutinized. The poll papers were reconciled with the records maintained by the Company / Registrars and Transfer Agents of the Company and the authorizations / Proxies lodged with the Company. The signatures of Members and No. of Shares held by respective members were scrutinized and confirmed by the Registrar and Transfer Agent.
3. The poll papers, which were incomplete and/or which were otherwise found defective have been treated as invalid and kept separately.
4. The result of the poll (including voting through remote e-voting) is as per annexure attached herewith.
5. The list of equity shareholders who voted 'for' or 'against' and those whose votes were declared 'invalid' for each resolution is enclosed.
- 6: The poll papers and all other relevant records were sealed and handed over to the Representative of the Company for keeping under safe custody.



Mahesh M. Darji

Practicing Company Secretary
B.Com, DBM, LLB, ACS

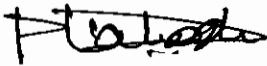
Note: Shareholders had been provided the facility of Remote E-voting also. This report contains the result of consolidated voting (i.e. Remote E-voting and voting through Poll at AGM) casted by the shareholders.

Recommendation:

All the resolutions having secured requisite majority of votes, may be considered to have been passed. The Chairman may accordingly declare the result of voting.

Thanking you,

Yours truly,



Mahesh Darji
Practicing Company Secretary
Membership No. FCS 7175
CP No. 7809

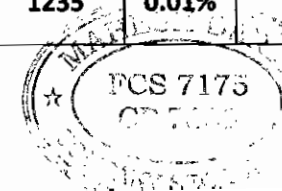
Place: Mumbai

Date: 29/09/2016

Annexure to the Scrutinizer's Report

Result of Voting (through remote e-voting and physical ballot / poll at AGM):

Sr. No.	Reso. No. /Item No.	Heading of Resolution	Type of Resolution	Type of Voting	Valid Votes						Invalid Votes/Abstain	
					Voting in Favour (Assent)			Voted Against (Dissent)			No. of Members Voting	No. of Votes Casted
					No. of Members Voting	No. of Votes Casted	% of valid votes	No. of Members Voting	No. of Votes Casted	% of valid votes		
1	1	To receive, consider and adopt the audited standalone financial statement of the Company for the financial year ended March 31, 2016;	Ordinary	Remote E-Voting	29	89684824	99.99%	3	235	0.01%	0	0
	(a)			Poll at AGM	27	17642260	100%	0	0	0	1	40160917
	(b)	the reports of the Board of Directors and Auditors thereon;		Total	56	107327084	99.99%	3	235	0.01%	1	40160917
2	2	the audited consolidated financial statement of the Company for the financial year ended March 31, 2016	Ordinary	Remote E-Voting	27	89683800	99.99%	4	1235	0.01%	1	24
	(c)			Poll at AGM	27	17642260	100%	0	0	0	1	40160917
		To appoint a Director in place of Mr. Vijay J. Mansukhani (DIN: 01041809) who retires by rotation and being eligible, offers himself for re-appointment.		Total	54	107326060	99.99%	4	1235	0.01%	2	40160941



22/09/16

Sr. No.	Reso. No. /Item No.	Heading of Resolution	Type of Resolution	Type of Voting	Valid Votes						Invalid Votes/Abstain	
					Voting in Favour (Assent)			Voted Against (Dissent)				
					No. of Members Voting	No. of Votes Casted	% of valid votes	No. of Member s Voting	No. of Votes Casted	% of valid votes	No. of Members Voting	No. of Votes Casted
3	3	To ratify the appointment of statutory auditors of the Company and to fix their remuneration.	Ordinary	Remote E-Voting	29	89684824	99.99%	3	235	0.01%	0	0
				Poll at AGM	27	17642260	100%	0	0	0	1	40160917
				Total	56	107327084	99.99%	3	235	0.01%	1	40160917
4	4	To approve the re-appointment of Mr. Gulu L. Mirchandani (DIN: 00026664) as a Chairman & Managing Director of the Company and remuneration payable to him.	Special	Remote E-Voting	26	68262316	99.99%	3	235	0.01%	3	21422508
				Poll at AGM	21	5374222	100%	0	0	0%	7	52428955
				Total	47	73636538	99.99%	3	235	0.01%	10	73851463
5	5	To approve the re-appointment of Mr. Shyamsunder Dhoot (DIN: 06502107) as a Whole Time Director of the Company and remuneration payable to him.	Special	Remote E-Voting	28	89683824	99.99%	4	1235	0.01%	0	0
				Poll at AGM	27	17642260	100%	0	0	0	1	40160917
				Total	55	107326084	99.99%	4	1235	0.01%	1	40160917

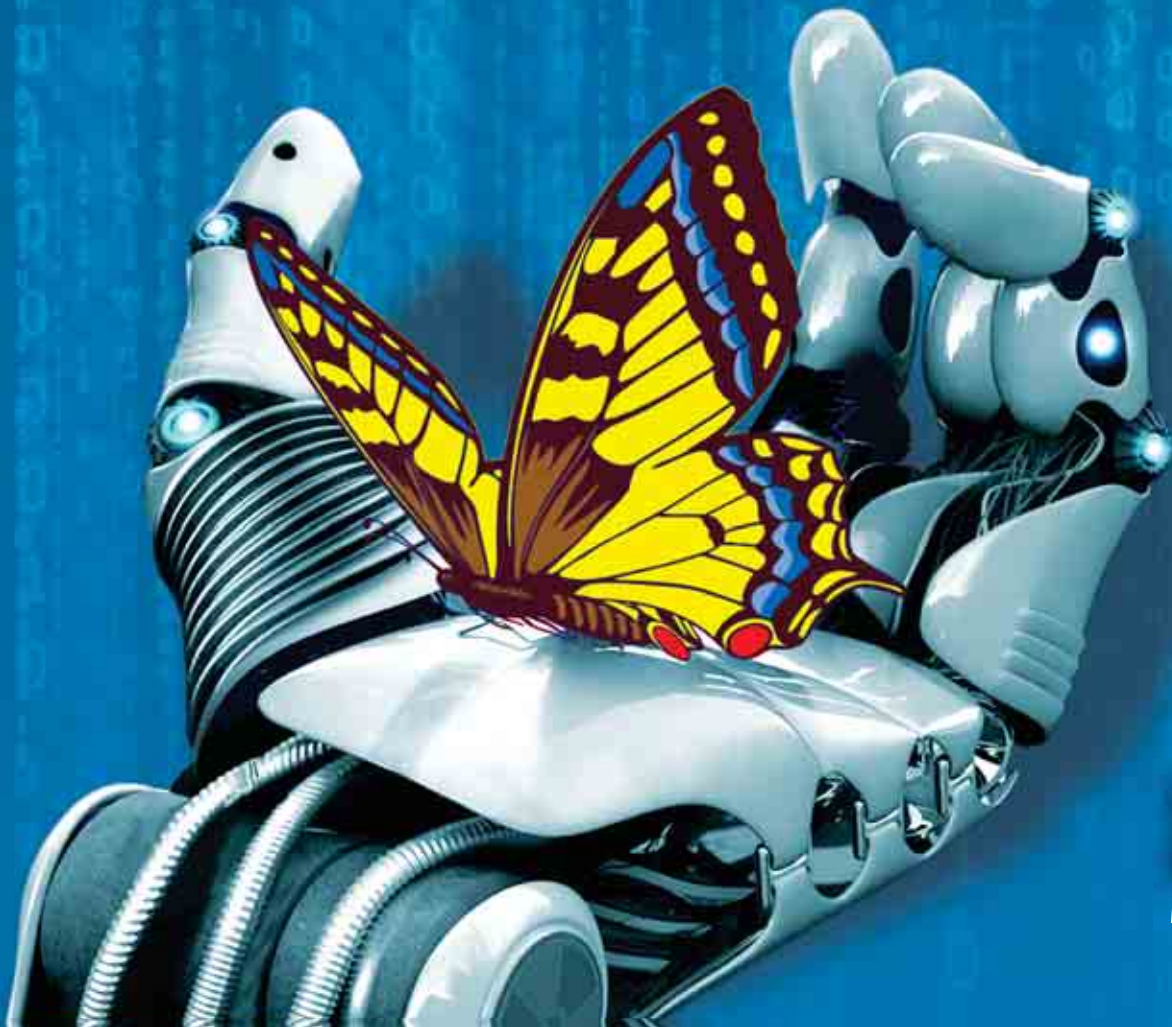


Sr. No.	Reso. No. /Item No.	Heading of Resolution	Type of Resolution	Type of Voting	Valid Votes						Invalid Votes/Abstain	
					Voting in Favour (Assent)			Voted Against (Dissent)				
					No. of Members Voting	No. of Votes Casted	% of valid votes	No. of Members Voting	No. of Votes Casted	% of valid votes	No. of Members Voting	No. of Votes Casted
6	6	To approve the appointment of Mr. Kaval G. Mirchandani (DIN: 01179978) as a Director of the Company	Ordinary	Remote E-Voting	25	68261316	99.99%	4	1235	0.01%	3	21422508
				Poll at AGM	21	5374222	100%	0	0	0%	7	52428955
				Total	46	73635538	99.99%	4	1235	0.01%	10	73851463
7	7	To approve the appointment of Mr. Kaval G. Mirchandani (DIN: 01179978) as a Whole Time Director of the Company and remuneration payable to him.	Special	Remote E-Voting	25	68261316	99.99%	4	1235	0.01%	3	21422508
				Poll at AGM	21	5374222	100%	0	0	0%	7	52428955
				Total	46	73635538	99.99%	4	1235	0.01%	10	73851463
8	8	To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2017.	Ordinary	Remote E-Voting	29	89684824	99.99%	3	235	0.01%	0	0
				Poll at AGM	27	17642260	100%	0	0	0	1	40160917
				Total	56	107327084	99.99%	3	235	0.01%	1	40160917


 29/09/16.

Annual Report **2015-2016**

DIGITIZATION
UNFOLD THE FUTURE





VISION

Our aim is to make Indians proud of the "MadeIn 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. Kaval Mirchandani, Whole Time Director
Mr. Rafique Malik, Independent Director
Mr. Carlton Pereira, Independent Director
Ms. Radhika Piramal, Independent Director

Chief Executive Officer

Mr. G. Sundar

Chief Financial Officer

Mr. Subrat Nayak

Company Secretary and Compliance Officer

Mr. Lalit Chendvankar

Statutory Auditors

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

Bankers

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

Registered office

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

Works

1. Village Kudus, Bhiwandi Wada Road, Taluka Wada, Dist. Palghar – 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– Mundiyaki, Pargana–Manglour, Tehsil- Roorkee, District–Haridwar, Uttarakhand– 247670.

Registrar & Share Transfer Agent:

M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai:-400 078
Tel.: +91 22 2594 6970-78
Fax:+91 22 2594 6969
Email ID: rnt.helpdesk@linkintime.co.in



MIRC ELECTRONICS LIMITED

DIGITIZATION—Unfold The Future!!!

The business world is rapidly digitizing, breaking down industry barriers and creating new opportunities while destroying long successful business models - Peter Weill.

The extremely vibrant atmosphere created by the various projects initiated by the Government, the consumer electronics and appliances is growing at a healthy pace. The Make in India initiative is leading to growth and investment opportunities leading to job creation. The Make in India programme launched in September 2014, has already attracted USD 17 billion worth of proposals for manufacturing electronics in the country.

Changing market dynamics are reviving up the electronic industry. Consumers today are not looking only for a product but a bundled "experience package." Intuitive interfaces, round-the-clock availability, real time fulfillment, personalized treatment, global consistency, zero errors - is the world to which customers have become accustomed to.

Digitization has sneaked into every aspect of our life and has brought us closer to the customers in terms of their needs and expectations from ONIDA.

The massive shift into a digital realm has created a primacy for ONIDA in creating value.

ONIDA with its upcoming innovative products intends to provide world-class products that are a perfect mix of wisdom with new technology. By adopting the digital change we have been victorious in creating a constant flow of new ideas and different approaches to meet the challenges and opportunities of the future. We sincerely believe it is our duty to deliver the responsibilities that come along with our global leadership.

Keeping in sync with the same, last year ONIDA introduced the Smart Wi-Fi AC- i-Genius. It had Self Diagnosis Manager which is a classic case of automation due to Digitization, wherein the AC understands if there are any errors that occur in it and automatically sends the notification about the error on the customer's smart phone and service centre simultaneously.

We also had introduced the Smart Android LED TV, wherein we took your big screen entertainment to the next level with, the Onida Live Genius - Smart LED TV. It is designed to match your current lifestyle with Smart Apps that make life at home more fun. It comes with Android 4.4 platform, 4GB internal memory, Built-in Wi-Fi, Screen Mirroring, MHL, Personalized Home Screen, Quad Core Processor, which gives faster web browsing, smoother interaction and allows switching between content faster than ever before. Another exciting feature in Onida Live Genius is the WEB CRUISER. Web Cruiser is a full size keyboard and a mouse all rolled into one, slim and stylish remote control.

Hence this year too we took the technology of Artificial Intelligence to the next level of ACs and introduced Onida Regalio - Smart Wi-Fi AC with Inverter technology. This AC can be completely controlled from your Smart Phone via Wifi from anywhere across the globe. Its Smart Sleep Manager is specially designed so that user can set temperature as per his/her requirement for 8 hours and enjoy an undisturbed peaceful sleep. It also has a Hot & Cold unique feature wherein, an orange light is emitted during heating mode and blue while it is in cooling mode.

The elegant Regalio comes with a V-Shape streamline design, with super large frameless acrylic mirror, which manifests a noble character of reliability and durability. It has a unique Smart light sensor system which will adjust lighting according to the ambient light and maintain optimal brightness all along. Its unique air deflector swing will mesmerize the end user to feel as if they were in a forest.

Our entire range of Air conditioners - Inverter and regular Split air conditioners that are packed with stunning features will cater to the various needs of the Indian consumer.

I would like to conclude by a quote of Andy Rooney, "Everyone wants to live on top of the mountain, but all the happiness and growth occurs while you're climbing it."

Irrespective of the product or the market strategy, we at Onida strongly believe and will ensure that we always think in a manner keeping the Indian consumers core need in mind. Thus providing them with products, that not only make life easier for them but that also give Pride of Ownership. Our crucial step towards digitization at ONIDA has brought robust growth for the company in its future operations.

I am grateful to all stake-holders-customers, employees, suppliers, partners and investors for their continuing support to 'ONIDA.'

Gulu. L. Mirchandani

Chairman & Managing Director

MANGING DIRECTOR'S QUOTE

Every aspect of our business is about to change – we are prepared.

With the demographic break-up of the population of India, buying and selling paradigms are changing drastically. Young India needs products that are not only utilitarian and improve the quality of life but also are an extension of their individual persona. This year the per capita income jumped Rs.95,000/- & the Indian economy will continue to grow at more than 7 per cent per annum. The 7th pay commission stimulus, points to a steady rise in consumption of electronic goods and the consumer durable companies will get maximum benefit. Our Company will also benefit from E-Commerce trade and ease of doing business through smart phones. With our products already listed with the major e-commerce companies our sales through this channel is increasing significantly.

While most E-Commerce sales growth will happen in the urban areas we are also increasing our touch points to the consumers in rural areas. Urban/Rural India spends 8.06% and 6.68% of their durable budget share on devices such as TV, air coolers, refrigerators, fans and geysers respectively. Household durables have become a key element of expenditure and second in line are automobiles and electronic items. Complementing this is the propensity to spend aided by gradual increase in disposable income as consumers distort between luxury and necessity. CRTs today have become a passé as the generation looks forward to buying a LED or perhaps even on OLED TV. Online retailers such as Flipkart, Amazon, Paytm, etc., have been literally devouring customers with their ease of purchase, choice and discounts.

In terms of technology, the penetration is being felt even by the tier 2 and tier 3 cities right down to the rural markets. The Indian consumer is not limited to the urban population alone. Currently about 33% of the overall sales in the industry are attributed to the rural markets. With such a tremendous untapped potential, the opportunity to grow further is huge. The overall growth expectation in terms of percentage for the current year stands at:

TV: 12 -15%

AC: 12%

Washing machine: 10%

Consumer demands are evolving and manufacturers are innovating to introduce 'Smart Range' of devices with cutting edge specs. As responsible corporate, we are undertaking initiatives like 'Make in India' and 'Digital India' – directed towards growth and investment. These initiatives lead to job creation and it will also ensure skilled labor entering the job market. Looking to the future, we will invest in our biggest strength – our consumers.

We are at a point now where a number of disruptive technologies (Artificial intelligence, Robotics, Internet of things (IoT)) are becoming popular. But the problem is how to improve service levels, reduce costs, reduce working capital and optimize capex investment. The challenge for us is how to connect these disruptive technologies to our operations to create a truly digital supply chain. We need to stay relevant in a world where yesterday's new invention is already obsolete today. This is a generation where a product is replaced rather than repaired. We are constantly looking at developing products that will fit in seamlessly with the consumer's lifestyle. Research and Development plays a crucial role for increasing growth. For developing new products the R&D team is engaged in new product research and development, existing product updates, meeting regulatory requirements, quality checks and innovations. Regular updates of our existing products are also done by the R&D to ensure that the products upgrades are done whenever appropriate. Year after year, to enhance our organization's R&D capabilities we demonstrate the strategic importance of R&D to our business through increase in talent and technology.

Goods and Service Tax (GST), the biggest indirect tax reform in recent times is touted to bring together the entire Indian market. Further, as MRP based valuation is expected to be scraped under the GST regime, tax incidence would be on actual sale value and not on maximum retail price of goods. This will lead to lower cost and improved sales.

Our focus currently is on giving the consumer the benefit of our after sales service network. We are building a new algorithm to reduce turnaround time so that we are able to service all our products not only in the urban areas but also in the rural areas. We have planned for a dramatic increase in customer satisfaction index through our after sales network.

We have identified skill sets needed to succeed in the future. We have also understood and know the value of human interaction externally and internally for solving problems together, and building better relationships. In the deepest possible sense we have what it takes to make Onida one of the best companies to work with and that's what makes everyone feel proud.

Vijay Mansukhani

Managing Director



MIRC ELECTRONICS LIMITED

ARTIFICIAL INTELLIGENCE. ADVANCED COOLING.



SMART REGALIO AC

Taking Artificial Intelligence to the next level, this summer ONIDA has stormed the market with Onida Regalio - Smart Wi-Fi AC with Inverter technology which caters to the taste of evolving Indian consumers.

The Air Conditioner is based on the IOT – INTERNET OF THINGS technology and can be completely controlled from the owner's Smart Phone through Wi-Fi. It gives user the flexibility to control the AC as per his needs from wherever he is, across the globe.

This sensational combination of Excellent Aesthetics combined with Smart Technology comes with a Hot & Cold mode, a unique feature wherein, an orange light is emitted during heating mode and blue while it is in cooling mode. The elegant Regalio comes with a V-Shape streamline design, with super large frameless acrylic mirror, which manifests a noble character of reliability and durability. It has a unique Smart light sensor system which will adjust lighting according to the ambient light and maintain optimal brightness all along. Its unique air deflector swing will mesmerize the end user to feel as if they were in a forest.

The below features truly defines the artificial Intelligence and automation from Digitization in ONIDA-REGALIO:

A. SMART PHONE CONTROLLED

Consumer can Switch ON or OFF the AC, set the room temperature, get an indication if their AC is switched ON or OFF at home, from anywhere in the world through their Smart Phone.

B. SMART SLEEP MANAGER

It is specially designed so that user can set temperature as per his requirement for 8 hours and enjoy an undisturbed peaceful sleep. This ensures that the consumer does not have to get up in the middle of the night to Switch-On or Switch it Off.

C. SELF DIAGNOSTIC MANAGER

Now you can anytime do a check up of your AC on your own. In the App user can regularly check the health of their AC, in case of any problem it will show the abnormality level. This even helps the service centre to know the exact problem and give the best and timely solution to the customers in the shortest of time.

D. POWERFUL COOLING

With its powerful compressor, multi-fold evaporator, hydrophilic aluminium coils, super quality internal threaded copper pipes and gold fins, it has all the ingredients to provide powerful energy efficient cooling.

ONIDA-REGALIO is an AC which can send shivers down the spine of summer, even at a scorching heat of 52°C, increasing your social status because of its space age aesthetics which is cherry on the cake.

ARTIFICIAL INTELLIGENCE. ADVANCED VIEWING.



SMART LED TV

From Big Screen Entertainment experience to a Smart Digital Screen - Introducing
ONIDA – LIVE GENIUS-SMART LED TV.

Onida Live Genius - INCREDIBLY SMARTER - SIMPLER - FASTER

Take your big screen entertainment to the next level, with the Onida Live Genius - Smart LED TV. This Smart LED TV is designed to cater to your latest need of technology and match your lifestyle with Smart Apps that make life at home more fun and full of great experiences.

It's loaded with Android 4.4 platform, Quad Core Processor, which gives faster web browsing, smoother interaction and allows switching between content faster than ever before.

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

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

We are launching in 40" & 50" in the initial phase and other sizes will be introduced in the near future.

ONIDA's Live Genius uses Artificial intelligence to provide advanced viewing experience which is to the next level of entertainment.



ARTIFICIAL INTELLIGENCE. ADVANCED WASHING.

*Just Like
Hand Wash*
Fully Automatic



SPLENDOR SPLASH 65

The Splendor Splash 65 is a fully automatic top load washing machine with a capacity of 6.5 kg. This machine is designed to last for years as it has an anti-rust fiber body. This is in sharp contrast to the traditional fully automatic washing machines having a metallic body which are easily prone to rust. It has a wide range of 10 wash programs that take care of different washing needs. It also has 3 special programs to save water, for silent wash and a child lock that ensures safety of your children. It's Fuzzy logic smartly senses the washing mode and the digital display shows the actual time for the complete wash allowing you to plan accordingly. Its advanced eco-friendly air dry feature helps to dry your laundry much quicker.

Its interiors are a combination of beauty and technology. The inner tub is made of classy looking stainless steel and comes with a powerful motor of 370W. Hence, ONIDA's Splendor Splash 65 is a perfect combination of Artificial Intelligence & Advanced Washing that serves all your laundry needs and gives your clothes the care of a hand wash.

ARTIFICIAL INTELLIGENCE. ADVANCED COOKING.

MICROWAVE

Smart Chef

ONIDA



Onida has changed the definition of conventional oven cooking in India by its new Smart Chef, an ultimate innovation in microwave category. It is true that most of the Indians use Microwave Oven only as a heating device rather than as a full time cooking oven. But Smart Chef will change that culture. To cook a perfect meal, it doesn't just require ingredients, but the correct amount of ingredients to be added and this oven takes care of this. ONIDA's Smart Chef is the only oven that weighs ingredients and then automatically cooks it to perfection. It also helps you to keep a strict check on the calories you consume with its built-in calorie meter, which empowers you to stay healthy.

This Microwave oven is all about effortless cooking, with its wide range of 66 types of auto cook menus including South Indian, Bengali, Maharashtrian, Gujarati, Thai, Chinese and the list goes on, Smart Chef just knows how to cook it to perfection. All you have to do is add the ingredients and let Smart Chef do the work for you.

Smart Chef is a classic example of artificial intelligence & advanced cooking which makes your cooking process easy and healthy.

Go ahead and impress everyone with SMART CHEF.



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3 YEAR HIGHLIGHTS

(₹ in Crores)

	2015-16	2014-15	2013-14
Balance Sheet			
I. Equity and Liabilities			
Shareholders Funds			
Share capital	19.64	19.64	14.19
Reserves and Surplus	120.22	147.24	124.77
Money received against share warrant	5.69	-	-
	145.55	166.88	138.96
Non-current Liabilities			
Long-term borrowings	7.59	-	-
Deferred tax liabilities (Net)	-	-	-
Other Long term liabilities	-	-	-
Long-term provisions	2.60	1.60	-
	10.19	1.60	-
Current Liabilities			
Short-term borrowings	189.63	211.62	267.55
Trade payables	203.96	252.18	210.78
Other current liabilities	39.65	38.68	48.14
Short-term provisions	2.89	3.07	4.03
	436.13	505.55	530.50
Total Equity and Liabilities	591.87	674.03	669.46
II. Assets			
Non-current Assets			
Fixed assets			
Tangible assets	114.69	126.49	151.45
Intangible assets	0.08	0.10	0.12
Capital work-in-progress	-	-	-
	114.77	126.59	151.57
Non-current investments	26.26	26.25	26.25
Loans and advances	40.67	34.74	37.68
Other non-current assets	0.56	0.11	0.46
Current Assets			
Current investments	-	-	0.19
Inventories	240.91	282.76	234.00
Trade receivables	132.09	125.42	124.63
Cash and bank balances	15.48	18.79	25.47
Loans and advances	15.66	31.76	34.03
Other current assets	5.47	27.61	35.18
	409.61	486.34	453.50
Total Assets	591.87	674.03	669.46
Profit and loss statement			
Sales	816.36	1124.06	1371.49
Excise	44.38	53.44	75.65
Net Sales	771.98	1070.62	1295.84
Other Income	3.26	0.92	1.07
Total Income	775.24	1071.54	1296.91
Material Consumed	279.05	371.28	498.66
Purchase of Tranded Goods	284.42	449.89	535.37
(Increase) / Decrease in inventories of Finished Goods, Work-in-progress and Traded Goods	13.60	(31.18)	17.60
Personnel Expenses	71.04	73.28	81.89
Loss on Insurance Claim	-	6.23	-
Freight and Forwarding Expenses	27.95	43.24	49.01
Advertising Expenses	17.72	27.19	17.36
Other Expenses	78.93	90.55	104.54
Total Cost	772.71	1030.48	1304.43
Profit Before Depreciation, Interest, exceptional items and Tax	2.53	41.06	(7.52)
Interest	28.79	32.92	38.13
Profit Before Depreciation, exceptional items and Tax	(26.26)	8.14	(45.65)
Depreciation	11.63	14.15	14.32
Profit Before, exceptional items and Tax	(37.89)	(6.01)	(59.97)
Exceptional Items	4.70	9.46	-
Profit Before Tax	(33.19)	3.45	(59.97)
Tax	(6.18)	2.64	-
Profit after Tax	(27.01)	0.81	(59.97)
Equity Dividend Paid	-	-	-
Year End Price (₹)	10.17	9.58	4.86
Market Capitalisation (₹ in Cr.)	199.57	187.99	68.89

Dear Members,

Your Directors are pleased to present the Thirty Fifth Annual Report along with the audited Financial Statements of the Company for the financial year ended March 31, 2016.

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

Results of Operations:

(` in Crores)

Particulars	Financial year ended March 31, 2016	Financial year ended March 31, 2015
Gross Turnover	811.00	1120.56
Gross Profit (before interest, depreciation, tax and writing off of preliminary expense)	7.23	50.51
Interest	28.79	32.92
Depreciation	11.63	14.15
Net Profit/(Loss) before tax	(33.19)	3.44
Current Tax	(6.18)	0.45
Deferred Tax Liability/(Asset)	-	2.19
Profit/(Loss) After Tax	(27.01)	0.81
Balance in Profit & Loss A/c carried forward from the last year	12.99	16.74

Financial Performance:

During the year under review, your Company has made gross turnover of ` 811.00 crores as against ` 1120.56 crores for the previous year. The Company has made a loss of ` 27.01 crores.

The standalone and consolidated financial statements are prepared in accordance with Indian GAAP for the financial year ended March 31, 2016 and forms part of this Annual Report.

Dividend and Transfer to General Reserves:

Considering the cash requirement for business growth and debt servicing, your Directors regret and do not propose dividend for the year ended March 31, 2016. There is no appropriation of any amount to General Reserves during the year under review

Preferential Issue of Warrant:

On July 10, 2015, the Company had issued 1 (One) warrant to Bennett Coleman & Co. Ltd. (hereinafter referred to as the BCCL/Warrant holder) being Person other than Promoter and / or Promoter Group exercisable for equity shares aggregating to

` 22,75,00,000/- (Amount paid up on the warrant by BCCL is 25% of the value of warrant i.e. ` 5,68,75,000/-) with such warrant carrying an option / entitlement to the warrant holder to subscribe to equity shares of the face value of Re. 1/- each for cash at a minimum price of ` 14.66/- each (including premium of ` 13.66/- each) per share, as arrived in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as on the Relevant Date i.e. May 27, 2015 or such higher price per share equal to the average of the weekly high and low of the closing prices of the equity share of the Company as quoted on the National Stock Exchange of India Ltd. during the 26 (twenty six) weeks preceding the last date of 17 (seventeenth) month from the date of allotment of warrant i.e. July 10, 2015 after making adjustment for any bonus issue/split / consolidation.

Consolidated Financial Statements:

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

Abridged Financial Statements:

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

Subsidiary Company:

Your Company is having a subsidiary company i.e. Akasaka Electronics Limited. It has become Wholly Owned Subsidiary company (WOS) during the financial year under review. The Board of Directors in their meeting held on February 13, 2016 approved the Scheme of Amalgamation of WOS with the Company, which is subject to the approval of the members and creditors of the Company, approval by the Stock Exchanges, Hon'ble High Court of Bombay and any other statutory authorities.

During the year under review, Akasaka Electronics Limited made revenues of ` 19.32 lakhs as compared to ` 6.58 crores in the previous year. Akasaka Electronics Limited has earned a profit after tax of ` 7.68 crores as compared to loss of ` 5.42 crores in the previous year.

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

The Policy for determining material subsidiaries as approved may be accessed on the Company's website link at <http://www.onida.com/policies>. The copies of the audited financial statements of

WOS can be sought by any member of the Company by making a written request addressed to the Company Secretary of the Company at the registered office of the Company.

A statement containing the salient features of the financial statement of WOS in the prescribed format AOC-1 is appended as Annexure-A to the Board Report.

Board of Directors:

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

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

*Mr. Kaval Mirchandani was appointed as an Additional Director w.e.f. May 26, 2016 at the Board Meeting held on May 26, 2016. The Board has appointed Mr. Kaval Mirchandani as Whole Time Director w.e.f. May 26, 2016 in its Board meeting held on May 26, 2016 for a period of three (3) years with effect from May 26, 2016 subject to approval of the members of the Company at the ensuing Annual General Meeting.

Mr. Kaval Mirchandani, son of Mr. Gulu Mirchandani has been associated with the Company since the year 2005 in the Management Cadre and was promoted as a Vice-President-Corporate Strategy during the financial year 2010-2011. In view of his experience and expertise, the Board is of the opinion that the Company shall be benefited from his able guidance.

The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of the Directors) Rules, 2014 amended from time to time, that he/she meets the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013, Clause 49 of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and the New Listing Agreement read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is applicable w.e.f. December 01, 2015.

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

Mr. Shyamsunder Dhoot, Whole Time Director, was re-appointed by the Board of Directors of the Company in its Board meeting held on February 13, 2016 as Whole Time Director for a further period of three (3) years with effect from February 16, 2016 subject to approval of the members of the Company at the ensuing Annual General Meeting.

Mr. Gulu L. Mirchandani, Chairman & Managing Director, was re-appointed by the Board of Directors of the Company in its Board meeting held on May 26, 2016 as Chairman & Managing Director for a further period of three (3) years with effect from December 01, 2016 subject to approval of the members of the Company at the ensuing Annual General Meeting.

The Company has received notice as required under Section 160 of the Companies Act, 2013 proposing candidature of Mr. Gulu Mirchandani as Chairman & Managing Director, Mr. Shyamsunder Dhoot and Mr. Kaval Mirchandani as Whole Time Directors along with necessary deposit.

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

Directors' Responsibility Statement:

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

- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with the requirements set out under Schedule III to the Companies Act, 2013, have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit and loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance:

Your Company believes in adopting best Corporate Governance practices. The Company has also implemented several best Corporate Governance practices as prevalent globally. The report on Corporate Governance as stipulated under the New Listing Agreement read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report.

The requisite certificate from Mr. Nilesh Shah, Practicing Company Secretary, confirming compliance with the conditions of the Corporate Governance as stipulated under the Clause 49 of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and the New Listing Agreement read with Regulation 34 (3) and Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is applicable w.e.f. December 01, 2015 is annexed to this Board Report.

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

Management Discussion And Analysis:

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

Contracts And Arrangements With Related Parties:

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

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

Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company having net worth of ` 500 crores or more or turnover of ` 1000 crores or more or net profit of ` 5 crores or more during any financial year shall ensure that it spends, in every

financial year, at least 2 (Two) percent of the average net profits made during three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The aforesaid requirement will not be applicable to the Company for the financial year 2015-2016 as the Company does not fulfill any of the criteria mentioned in Section 135 (1) of the Companies Act, 2013.

Risk Management:

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

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

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

Internal Financial Controls:

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

Extract of Annual Return:

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

Key Managerial Personnel:

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

DIRECTORS' REPORT

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

* Mr. Kaval Mirchandani was appointed as an Additional and Whole Time Director (Key Managerial Personnel) of the Company w.e.f. May 26, 2016 by the Board of Directors in its meeting held on May 26, 2016.

**During the year under review, Mr. Aashay Khandwala, Head-Corporate Affairs, Legal & Company Secretary of the Company has resigned w.e.f. May 15, 2015 and Mr. Lalit Chendvankar was appointed as Head- Corporate Affairs, Legal & Company Secretary in his place w.e.f. August 13, 2015.

***During the year under review, Mr. Muthu Elango, Chief Financial Officer of the Company has resigned w.e.f. October 24, 2015 and Mr. Subrat Nayak was appointed as Chief Financial Officer in his place w.e.f. April 22, 2016.

Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and as per the Clause 49 of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and the New Listing Agreement read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is applicable w.e.f. December 01, 2015, the Company has devised a policy for performance evaluation of Independent Directors, Board of Directors, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors. A structured questionnaire was prepared after taking into consideration of the various aspects such as performance of specific duties, obligations, Board's functioning, composition of the Board and its Committees, culture and governance.

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

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

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

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

Public Deposits:

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

Statutory Auditors:

The members of the Company at the Thirty third Annual General Meeting of the Company held on September 3, 2014, has appointed M/s. S R B C & CO. LLP, Chartered Accountants, (Firm Registration No. 324982E/E300003 with the Institute of Chartered Accountants of India) as Statutory Auditors of the Company for the term of 4 (four) years to hold the office till the conclusion of the thirty seventh Annual General Meeting of the Company. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the statutory auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. S R B C & CO. LLP, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the members of the Company. The Audit Committee and the Board of Directors have recommended the ratification of the appointment of the Statutory Auditors.

Auditors Report:

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

Cost Auditors:

Pursuant to the provisions of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 amended from time to time, the Board of Directors of the Company, on the recommendation of Audit Committee, has appointed Mr. Suresh D. Shenoy, Cost Accountant (Firm Registration No. 102173 with the Institute of Cost Accountants of India) as the Cost Auditor of the Company for the financial year 2016-2017. The remuneration of Cost Auditor needs to

be approved by the members of the Company. The Board recommends passing of the resolution on remuneration of the Cost Auditor.

Secretarial Auditors:

M/s. Ragini Chokshi & Co., Practicing Company Secretaries (Firm Registration No. 92897 with the Institute of Company Secretaries of India), was appointed to conduct the secretarial audit of the Company for the financial year 2015-2016, as required under Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Personnel) Rules, 2014 amended from time to time. The secretarial audit report for financial year ended March 31, 2016 is annexed herewith marked as Annexure - D to this Board Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Disclosures:

Audit Committee:

The Audit Committee comprises of Mr. Carlton Pereira, Chairman, Mr. Rafique Malik and Ms. Radhika Piramal as other members. All the members of the Audit Committee are Independent Directors.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of Mr. Rafique Malik, Chairman, Mr. Carlton Pereira and Ms. Radhika Piramal as members. All the members of the Nomination and Remuneration Committee are Independent Directors.

Stakeholders Relationship Committee:

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

Corporate Social Responsibility (CSR) Committee:

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

Whistle Blower Policy / Vigil Mechanism:

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

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

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

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

Code of Conduct for Prevention of Insider Trading:

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

Listing Agreement:

The Securities and Exchange Board of India on September 2, 2015, has notified the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015 are effective from December 01, 2015. The Company has entered into the new Listing Agreement with BSE Limited and National Stock Exchange of India Limited on November 19, 2015.

Meetings of the Board:

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

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

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

Significant and Material order passed by the Regulatory or Courts:

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

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

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

Listing Fees:

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

Information under Clause 5A of Erstwhile Listing Agreement and Regulation 34 (3) read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Pursuant to the Clause 5A of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and the New Listing Agreement read with Regulation 34 (3) along with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is applicable w.e.f. December 01, 2015, the details of the shares lying with the Company in Unclaimed Suspense Account as on March 31, 2016 is as under:

Sr. No.	Description	No. of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the beginning of the financial year	4680	102335
2	Number of shareholders who approached issuer for transfer of shares from unclaimed suspense account during the financial year	2	26
3	Number of shareholders to whom shares were transferred from unclaimed suspense account during the financial year	2	26
4	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the end of the financial year	4678	102309

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 2007-2008 (Final) which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

The shareholders who have not claimed dividend for the financial year 2008-2009, which is due for transfer to IEPF on expiry of seven years on September 18, 2016 are requested to write to the Registrar & Share Transfer Agent of the Company for claiming their unpaid/ unclaimed dividend.

Particulars of Employees and Related Disclosures:

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

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ` 60 lakh or more, or employed for part of the year and in receipt of ` 5 lakh or more per month, under Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for the inspection at the registered office of the Company.

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

Internal Control System:

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

Research and Development:

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

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

DIRECTORS' REPORT

This team conducts research in the areas of:

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

Conservation of Energy, Technological Absorption, Foreign Exchange Earnings and Outgo:

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

Environment:

The Ministry of Environment, Forest and Climate Change has notified the E-Waste Management Rules, 2016 in supersession of the E-Waste (Management & Handling) Rules, 2011. The E-Waste Management Rules, 2016 bring all the producers under Extended Producers Responsibility (EPR) along with targets. The Company ensures the compliance of E-Waste Management Rules, 2016. The Company collects the end of life products and handover to the authorized recyclers.

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.

The Manufacturing Plant situated at Wada, Maharashtra has more than 10 acres of Green Cover with more than 1500 plants and trees. There are more than 50 different types of plants and trees.

General:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on

these items during the year under review:

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

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

Acknowledgement:

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

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 26, 2016

Gulu L. Mirchandani
Chairman and Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Annexure-A

Form No. AOC-1

(pursuant to the first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in `)

Sl. No	Particulars	Details
1.	Name of the subsidiary	Akasaka Electronics Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Share capital	8,15,74,800
5.	Reserves & surplus	9,89,31,820
6.	Total assets	25,39,35,604
7.	Total Liabilities	25,39,35,604
8.	Investments	Nil
9.	Turnover	16,57,275
10.	Profit before taxation	10,18,43,759
11.	Provision for taxation	2,50,00,000
12.	Profit after taxation	7,68,43,759
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

- Names of subsidiaries which are yet to commence operations. - Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year. - Not Applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not Applicable

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

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

per Jayesh Gandhi
Partner
Membership No. 037924

Subrat Nayak
Chief Financial Officer

Gulu L. Mirchandani
Chairman & Managing Director

Place : Mumbai
Date : May 26, 2016

Lalit Chendvankar
Head Corporate Affairs,
Legal & Company Secretary

Vijay J. Mansukhani
Managing Director

MIRC

MIRC ELECTRONICS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Annexure-B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2016

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

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Display Devices	3661	40.42
2	Airconditioners	3552	35.76

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	NAME OF THE COMPANY	ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Akasaka Electronics Limited	C-107, MIDC, TTC Industrial Area, Pawane, Navi Mumbai - 400705.	U64200MH2002PLC136009	Subsidiary	100.00%	Section 2 (87)(ii) of the Companies Act, 2013

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	54,330,820	0	54,330,820	27.69	54,330,820	0	54,330,820	27.69	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	27,700,901	0	27,700,901	14.12	27,700,901	0	27,700,901	14.12	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other-(Family Trust)	40,160,917	0	40,160,917	20.47	40,160,917	0	40,160,917	20.47	0.00



MIRC ELECTRONICS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (A) (1)	122,192,638	0	122,192,638	62.27	122,192,638	0	122,192,638	62.27	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	122,192,638	0	122,192,638	62.27	122,192,638	0	122,192,638	62.27	0.00

B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	700	2,000	2,700	0.00	700	2,000	2,700	0.00	0.00
b) Banks / FI	985	223	1,208	0.00	985	223	1,208	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	800,000	0	800,000	0.41	800,000	0	800,000	0.41	0.00
g) FIs/FFIs/FPIs	6,690,822	16,500	6,707,322	3.42	3,404,541	16,500	3,421,041	1.74	-1.67
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	7,492,507	18,723	7,511,230	3.83	4,206,226	18,723	4,224,949	2.15	-1.68
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	10,253,181	37,449	10,290,630	5.24	12,123,543	35,410	12,158,953	6.20	0.95
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	35,655,025	5,008,708	40,663,733	20.72	33,841,077	4,935,992	38,777,069	19.76	-0.96
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	13,991,341	0	13,991,341	7.13	13,512,816	0	13,512,816	6.89	-0.24
c) Others (specify)									
Clearing Members	909,637	0	909,637	0.46	2,562,029	0	2,562,029	1.31	0.84
Non-resident Indians	674,049	8	674,057	0.34	436,288	8	436,296	0.22	-0.12
Trusts	110	0	110	0.00	610	0	610	0.00	0.00
Hindu Undivided family	0	826	826	0.00	2,368,016	826	2,368,842	1.21	1.21
Sub-total (B)(2):-	61,483,343	5,046,991	66,530,334	33.90	64,844,379	4,972,236	69,816,615	35.58	1.68
Total Public Shareholding (B)=(B)(1)+(B)(2)	68,975,850	5,065,714	74,041,564	37.73	69,050,605	4,990,959	74,041,564	37.73	0.00

C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	191,168,488	5,065,714	196,234,202	100.00	191,243,243	4,990,959	196,234,202	100.00	0.00

ANNEXURE TO THE DIRECTORS' REPORT

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Gulita Securities Limited	27,227,372	13.87	0.00	27,227,372	13.87	13.87	0.00
2	Adino Electronics Limited	473,529	0.24	0.00	473,529	0.24	0.00	0.00
3	Mr. Gulu L. Mirchandani	20,640,250	10.52	0.00	20,640,250	10.52	0.00	0.00
4	Mr. G L Mirchandani J/w Mrs. Gita G Mirchandani	1,343,515	0.68	0.00	1,343,515	0.68	0.00	0.00
5	Mrs. Gita Gulu Mirchandani	7,879,650	4.02	0.00	7,879,650	4.02	0.57	0.00
6	Mr. Kaval G Mirchandani	12,240,628	6.24	0.00	12,240,628	6.24	0.00	0.00
7	Mr. Kaval G. Mirchandani J/w Mr. Gulu L. Mirchandani	19,271	0.01	0.00	19,271	0.01	0.00	0.00
8	Mr. Sasha G. Mirchandani	12,206,959	6.22	0.00	12,206,959	6.22	0.00	0.00
9	Mr. Sasha G. Mirchandani J/w Mr. Gulu L. Mirchandani	523	0.00	0.00	523	0.00	0.00	0.00
10	Mr. Vijay Mansukhani	24	0.00	0.00	24	0.00	0.00	0.00
11	IIFL Investment Adviser & Trustee Services Ltd. (Formerly IIFL Trustee Services Ltd.) :- Trustee for Tamarind Family Private Trust	40,160,917	20.47	0.00	40,160,917	20.47	7.22	0.00
Total		122,192,638	62.27	0.00	122,192,638	62.27	21.67	0.00

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	No Changes During the year			
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc):				
	At the End of the year				

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Adonis Electronics Pvt Ltd				
	At the beginning of the year	6,345,849	3.23	6,345,849	3.23
	Transaction during the year:				
	Transfer on 30 Oct 2015	(828,000)	-0.42	5,517,849	2.81
	Transfer on 06 Nov 2015	104,545	0.05	5,622,394	2.87
	Transfer on 20 Nov 2015	(39,560)	-0.02	5,582,834	2.84
	Transfer on 27 Nov 2015	39,560	0.02	5,622,394	2.87
	Transfer on 11 Dec 2015	(165,265)	-0.08	5,457,129	2.78
	Transfer on 25 Dec 2015	(500,000)	-0.25	4,957,129	2.53
	Transfer on 31 Dec 2015	400,000	0.20	5,357,129	2.73
	Transfer on 05 Feb 2016	(4,646)	0.00	5,352,483	2.73
	At the End of the year			5,352,483	2.73

ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Hypnos Fund Limited				
	At the beginning of the year	6,492,322	3.31	6,492,322	3.31
	Transaction during the year:				
	Transfer on 14 Aug 2015	(250,000)	-0.13	6,242,322	3.18
	Transfer on 21 Aug 2015	(65,250)	-0.03	6,177,072	3.15
	Transfer on 25 Sep 2015	(68,915)	-0.04	6,108,157	3.11
	Transfer on 30 Sep 2015	(60,000)	-0.03	6,048,157	3.08
	Transfer on 09 Oct 2015	(231,550)	-0.12	5,816,607	2.96
	Transfer on 16 Oct 2015	(314,574)	-0.16	5,502,033	2.80
	Transfer on 23 Oct 2015	(305,000)	-0.16	5,197,033	2.65
	Transfer on 30 Oct 2015	(242,501)	-0.12	4,954,532	2.52
	Transfer on 06 Nov 2015	(155,667)	-0.08	4,798,865	2.45
	Transfer on 13 Nov 2015	(100,000)	-0.05	4,698,865	2.39
	Transfer on 18 Dec 2015	(200,000)	-0.10	4,498,865	2.29
	Transfer on 25 Dec 2015	(194,324)	-0.10	4,304,541	2.19
	Transfer on 31 Dec 2015	(500,000)	-0.25	3,804,541	1.94
	Transfer on 01 Jan 2016	(100,000)	-0.05	3,704,541	1.89
	Transfer on 08 Jan 2016	(300,000)	-0.15	3,404,541	1.73
	At the End of the year			3,404,541	1.73
3	Ventura Securities Limited				
	At the beginning of the year	17,996	0.01	17,996	0.01
	Transaction during the year:				
	Transfer on 03 Apr 2015	(10,000)	-0.01	7,996	0.00
	Transfer on 10 Apr 2015	(2,400)	0.00	5,596	0.00
	Transfer on 17 Apr 2015	(2,700)	0.00	2,896	0.00
	Transfer on 24 Apr 2015	3,700	0.00	6,596	0.00
	Transfer on 01 May 2015	(2,260)	0.00	4,336	0.00
	Transfer on 08 May 2015	805	0.00	5,141	0.00
	Transfer on 15 May 2015	2,248,616	1.15	2,253,757	1.15
	Transfer on 22 May 2015	(240,171)	-0.12	2,013,586	1.03
	Transfer on 29 May 2015	490	0.00	2,014,076	1.03
	Transfer on 05 Jun 2015	700	0.00	2,014,776	1.03
	Transfer on 12 Jun 2015	30	0.00	2,014,806	1.03
	Transfer on 19 Jun 2015	(1,255)	0.00	2,013,551	1.03
	Transfer on 26 Jun 2015	4,015	0.00	2,017,566	1.03
	Transfer on 30 Jun 2015	(4,995)	0.00	2,012,571	1.03
	Transfer on 03 Jul 2015	(34,095)	-0.02	1,978,476	1.01
	Transfer on 10 Jul 2015	60,930	0.03	2,039,406	1.04
	Transfer on 17 Jul 2015	(74,374)	-0.04	1,965,032	1.00
	Transfer on 24 Jul 2015	5,645	0.00	1,970,677	1.00
	Transfer on 31 Jul 2015	(1,751)	0.00	1,968,926	1.00
	Transfer on 07 Aug 2015	10,254	0.01	1,979,180	1.01
	Transfer on 14 Aug 2015	433,496	0.22	2,412,676	1.23
	Transfer on 21 Aug 2015	8,458	0.00	2,421,134	1.23
	Transfer on 28 Aug 2015	(4,854)	0.00	2,416,280	1.23
	Transfer on 04 Sep 2015	(21,260)	-0.01	2,395,020	1.22
	Transfer on 11 Sep 2015	(1,905,774)	-0.97	489,246	0.25
	Transfer on 18 Sep 2015	14,898	0.01	504,144	0.26
	Transfer on 25 Sep 2015	(13,843)	-0.01	490,301	0.25
	Transfer on 30 Sep 2015	2,395	0.00	492,696	0.25
	Transfer on 09 Oct 2015	(1,100)	0.00	491,596	0.25
	Transfer on 16 Oct 2015	1,358	0.00	492,954	0.25

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Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer on 23 Oct 2015	(1,245)	0.00	491,709	0.25
	Transfer on 30 Oct 2015	(2,341)	0.00	489,368	0.25
	Transfer on 06 Nov 2015	13,449	0.01	502,817	0.26
	Transfer on 13 Nov 2015	(8,669)	0.00	494,148	0.25
	Transfer on 20 Nov 2015	(500)	0.00	493,648	0.25
	Transfer on 27 Nov 2015	(935)	0.00	492,713	0.25
	Transfer on 04 Dec 2015	(3,060)	0.00	489,653	0.25
	Transfer on 11 Dec 2015	(1,272)	0.00	488,381	0.25
	Transfer on 18 Dec 2015	572,688	0.29	1,061,069	0.54
	Transfer on 25 Dec 2015	54,927	0.03	1,115,996	0.57
	Transfer on 31 Dec 2015	40,147	0.02	1,156,143	0.59
	Transfer on 01 Jan 2016	(350,349)	-0.18	805,794	0.41
	Transfer on 08 Jan 2016	(205,869)	-0.10	599,925	0.31
	Transfer on 15 Jan 2016	11,877	0.01	611,802	0.31
	Transfer on 22 Jan 2016	(4,610)	0.00	607,192	0.31
	Transfer on 29 Jan 2016	2,042,460	1.04	2,649,652	1.35
	Transfer on 05 Feb 2016	(12,432)	-0.01	2,637,220	1.34
	Transfer on 12 Feb 2016	605	0.00	2,637,825	1.34
	Transfer on 19 Feb 2016	(659,341)	-0.34	1,978,484	1.01
	Transfer on 26 Feb 2016	(1,242)	0.00	1,977,242	1.01
	Transfer on 04 Mar 2016	679	0.00	1,977,921	1.01
	Transfer on 11 Mar 2016	72,732	0.04	2,050,653	1.05
	Transfer on 18 Mar 2016	312	0.00	2,050,965	1.05
	Transfer on 25 Mar 2016	16,436	0.01	2,067,401	1.05
	Transfer on 31 Mar 2016	(16,910)	-0.01	2,050,491	1.04
	At the End of the year			2,050,491	1.04
4	Mr. Vijay Kishanlal Kedia				
	At the beginning of the year	0	0.00	0	0.00
	Transaction during the year:				
	Transfer on 14 Aug 2015	300,000	0.15	300,000	0.15
	Transfer on 04 Mar 2016	1,237,628	0.63	1,537,628	0.78
	At the End of the year			1,537,628	0.78
5	Mr. Shashank S Khade				
	At the beginning of the year	1,134,205	0.58	1,134,205	0.58
	Transaction during the year:				
	Transfer on 25 Sep 2015	1,134,205	0.58	2,268,410	1.16
	Transfer on 30 Sep 2015	(1,134,205)	-0.58	1,134,205	0.58
	At the End of the year			1,134,205	0.58
6	Mr. Vivek Chand Burman				
	At the beginning of the year	1,200,000	0.61	1,200,000	0.61
	Transaction during the year:-				
	Transfer on 07 Aug 2015	(200,000)	-0.10	1,000,000	0.51
	Transfer on 25 Sep 2015	1000000	0.51	2,000,000	1.02
	Transfer on 30 Sep 2015	(1,000,000)	-0.51	1,000,000	0.51
	At the End of the year			1,000,000	0.51
7	General Insurance Corporation of India				
	At the beginning of the year	800,000	0.41	800,000	0.41
	Transaction during the year:	0	0.00	0	0.00
	At the End of the year			800,000	0.41

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Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Mr. Mohammed Fayazuddin				
	At the beginning of the year	756,833	0.39	756,833	0.39
	Transaction during the year:				
	Transfer on 25 Sep 2015	756,833	0.39	1,513,666	0.77
	Transfer on 30 Sep 2015	(756,833)	-0.39	756,833	0.39
	At the End of the year			756,833	0.39
9	Mr. Anshul Saigal				
	At the beginning of the year	600,924	0.31	600,924	0.31
	Transaction during the year:				
	Transfer on 25 Sep 2015	600,924	0.31	1,201,848	0.61
	Transfer on 30 Sep 2015	(600,924)	-0.31	600,924	0.31
	At the End of the year			600,924	0.31
10	Mr. Vasumatiben Punamchand Turakhia				
	At the beginning of the year	593,184	0.30	593,184	0.30
	Transaction during the year:				
	Transfer on 25 Sep 2015	593,184	0.30	1,186,368	0.60
	Transfer on 30 Sep 2015	(593,184)	-0.30	593,184	0.30
	At the End of the year			593,184	0.30

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Gulu L. Mirchandani - Chairman & Managing Director				
	At the beginning of the year	21,983,765	11.20	21,983,765	11.20
	Transaction during the year:	0	0.00	0	0.00
	At the End of the year			21,983,765	11.20
2	Mr. Vijay J. Mansukhani - Managing Director				
	At the beginning of the year	24	0.00	24	0.00
	Transaction during the year:	0	0.00	0	0.00
	At the End of the year			24	0.00
3	Mr. G. Sundar - Chief Executive Officer				
	At the beginning of the year	413,000	0.21	413,000	0.21
	Transaction during the year:	0	0.00	0	0.00
	At the End of the year			413,000	0.21
4	Mr. Aashay Khandwala - (Resigned as Company Secretary on 15.05.2015)				
	At the beginning of the year	0	0.00	0	0.00
	Transaction during the year:	0	0.00	0	0.00
	At the End of the year			0	0.00
5	Mr. Lalit Chendvankar - (Appointed as Company Secretary on 13.08.2015)				
	At the beginning of the year	0	0.00	0	0.00
	Transaction during the year:	0	0.00	0	0.00
	At the End of the year			0	0.00

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Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	For Each of the Directors and KMP				
	Mr. Muthu Elango - (Resigned as Chief Financial Officer w.e.f. 24.10.2015)				
	At the beginning of the year	0	0.00	0	0.00
	Transaction during the year:	0	0.00	0	0.00
	At the End of the year			0	0.00

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

V. INDEBTEDNESS

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

(Amount in `)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,116,143,000	0	0	2,116,143,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	6,168,000	0	0	6,168,000
Total (i+ii+iii)	2,122,311,000	0	0	2,122,311,000
Change in Indebtedness during the financial year				
• Addition	150,000,000	0	0	150,000,000
• Reduction	272,426,000	0	0	272,426,000
Net Change	(122,426,000)	0	0	(122,426,000)
Indebtedness at the end of the financial year				
i) Principal Amount	1,994,431,000			1,994,431,000
ii) Interest due but not paid	0			0
iii) Interest accrued but not due	5,454,000			5,454,000
Total (i+ii+iii)	1,999,885,000	0	0	1,999,885,000

Note: Reduction figures include net reduction of Buyers credit and Cash credit.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in `)

Sr. No.	Particulars of Remuneration	Name of MD/WT/Manager			Total Amount
		Mr. Gulu Mirchandani (Chairman & Managing Director)	Mr. Vijay Mansukhani (Managing Director)	Mr. Shyamsunder Dhoot (Whole Time Director)	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	8,228,000	11,228,000	3,047,028	22,503,028
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	3,024,000	24,000	305,400	3,353,400
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0
5	Others- Provident Fund	979,200	979,200	104,083	2,062,483
	Total (A)	12,231,200	12,231,200	3,456,511	27,918,911
	Ceiling as per the Act	12,000,000	12,000,000	12,000,000	36,000,000

ANNEXURE TO THE DIRECTORS' REPORT

B. Remuneration to other directors:

(Amount in `)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amounts
	Independent Directors	Mr. Rafique Malik (Independent Director)	Mr. Carlton Pereira (Independent Director)	Ms. Radhika Piramal (Independent Director)	
	• Fee for attending board / committee meetings	240,000	200,000	70,000	510,000
	• Commission	-	-	-	-
	• Others	-	-	-	-
	Conveyance	7,500	5,500	2,000	15,000
	Total (1)	247,500	205,500	72,000	525,000
	Other Non-Executive Directors				
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	247,500	205,500	72,000	525,000
	Total Managerial Remuneration				28,443,911
	Overall Ceiling as per the Act (per Board Meeting)	100,000	100,000	100,000	300,000

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

(Amount in `)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. G. Sundar (Chief Executive Officer)	* Mr. Aashay Khandwala (Company Secretary)	** Mr. Lalit Chendvankar (Company Secretary)	*** Mr. Muthu Elango (Chief Financial Officer)	
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	18,519,732	522,735	1,579,297	3,697,896	24,319,660
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	39,600	37,913	299,619	364,747	741,879
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
	- as % of profit	0	0	0	0	0
	- others, specify...	0	0	0	0	0
5	Others - Provident Fund	624,612	26,710	54,813	144,233	850,368
	Total	19,183,944	587,358	1,933,729	4,206,876	25,911,907

* Mr. Aashay Khandwala has resigned as Company Secretary of the Company with effect from May 15, 2015.

** Mr. Lalit Chendvankar has been appointed as Company Secretary of the Company with effect from August 13, 2015.

*** Mr. Muthu Elango has resigned as Chief Financial Officer of the Company with effect from October 24, 2015.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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ANNEXURE-C-I

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

1. OBJECTIVES :

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

2. APPLICABILITY:

- (i) This Remuneration Policy shall apply to all existing and future appointment agreements with Managing and Whole Time Director, KMPs and SMPs and also with the Non-Executive Directors.
- (ii) The Remuneration Policy shall be subject to overall guidance of the Board of Directors.
- (iii) Any change or amendment in the Act or the Listing Agreement or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) will prevail over this policy and will be applicable in so far from the date of its notification or date specified therein.

3. DEFINITIONS:

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

ii) Independent Director

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

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

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its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;

- (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
- (iv) is a Chief Executive or Director, by whatever name called, of any non profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
- (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- (vi) who is less than 21 years of age.
- (f) who possesses such other qualifications as may be prescribed.

iii) Key Managerial Personnel means

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

(iv) Non-Executive Director shall mean

Director not in full time employment of the Company.

v) Nomination and Remuneration Committee

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

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

vii) Senior Management

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

viii) Whole-Time Director

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

2.0 REMUNERATION POLICY:

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

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

3.0 REMUNERATION TO MANAGING DIRECTOR / WHOLE TIME DIRECTOR:

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



ANNEXURE TO THE DIRECTORS' REPORT

- (g) The total remuneration to MD and WTD shall be in accordance with the provisions of the Companies Act 2013, and rules as amended from time to time.
- (h) The Company shall enter into contract of service and for remuneration.
- (i) If any Directors draws or receives directly or indirectly by way of remuneration any sums in excess of the limits prescribed by the Act or without prior sanction of the Central Government where it is required he/she shall refund such sums to the Company and until such sums are refunded held in trust for the Company.

3.1 REMUNERATION TO NON EXECUTIVE DIRECTORS (NED)

a) Non Independent

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

b) Independent Directors (ID)

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

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

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

benefits, health care, insurance and hospitalization benefits, telephone reimbursement, etc.

- (iii) Remuneration shall be evaluated annually and annual increase shall be decided considering the performance of the individual / and also of the Company. Industry practices / trends Companies, which are similar in size and complexity to the Company. Benchmark information shall be obtained from recognized compensation service consultancies shall also be given due consideration.
- (iv) Remuneration can be reset at any time keeping with the meritorious performance or for special work assignment or recognition. Benchmark information shall be obtained from recognized compensation service consultancies and shall also be given due consideration.
- (v) The remuneration to be paid to KMP/SMP shall be recommended by the NRC considering relevant qualification and experience of the individual as well as the prevailing market condition.
- (vi) The NRC may consider to grant Stock Options to KMP and SMPs pursuant to a Stock Option Plan adopted by the Company, if any.

4.0 DIRECTOR AND OFFICERS LIABILITY INSURANCE:

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

5.0. DISCLOSURES:

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

- (a) In the Board's Report, such particulars as are prescribed under the Companies Act, 2013 and rules made there under; and
- (b) In the Corporate Governance Report, the particulars as prescribed in Clause 49 of the Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6.0. DISSEMINATION:

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

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-C-II

CRITERIA FOR APPOINTMENT & EVALUATION OF EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS

Purpose of this Policy

- a) Board consists of members with the range of skills and qualities to meet its primary responsibility for promoting the success of the Company in a way which ensures that the interests of shareholders and stakeholders. Performance evaluation of Directors annually will help to know the effectiveness of the Board so as to enable the board to discharge their functions and duties effectively.
- b) To ensure compliance of the applicable provisions of the Companies Act, 2013 and Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock Exchanges as amended from time to time.
 - i) As per section 178 of the Companies Act 2013 it is necessary to have an evaluation of the performance of each director.
 - ii) As per Clause 49(5) of the Listing Agreement mandates that there has to be Evaluation criteria for performance evaluation of Independent Directors and shall be done by entire Board.
- c) To adopt the best practices to manage and to give direction to the Company and achieve good Corporate Governance.

Process for reviews

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

Criteria and Evaluation of Executive Directors, Independent Directors.

I. Executive Directors**A. Criteria for Appointment**

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

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

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

Evaluation

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

II Independent Directors**A. Criteria for Appointment**

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

ANNEXURE TO THE DIRECTORS' REPORT

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

appointment of Independent Directors are as follows:

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

Evaluation

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

III Non Executive and Non Independent Directors

Evaluation

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

IV Board of Directors.

Evaluation

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

SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

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

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

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

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTOR

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



ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-D

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

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

For the Period April 01, 2015 to March 31, 2016

To,

The Members

MIRC Electronics Limited
Onida House, G-1, MIDC,
Mahakali Caves Road,
Andheri (East), Mumbai - 400093

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

Based on our verification of **MIRC Electronics Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period **1st April, 2015 to 31st March, 2016** ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period 1st April, 2015 to 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(N. A.)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. Presently SEBI (Prohibition of Insider Trading) Regulations, 2015
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Presently SEBI (Share based employees Benefits) Regulation 2014. - **(N. A.)**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **(N. A.)**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993 regarding the Companies Act and dealing with client - **(N. A.)**.
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **(N. A.)**.
- h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- **(N. A.)**.

(vi) We have relied on the certificates obtained by the Company from the Management Committee/Function Heads and based on the report received, there has been due compliance of all laws, orders, regulations and other legal requirements of the central, state and other Government and Legal Authorities concerning the business and affairs of the Company.

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

1. Factories Act, 1948
2. MIDC and other local municipal Authorities & Act framed thereunder
3. Legal Metrology Act, 2009

ANNEXURE TO THE DIRECTORS' REPORT

4. Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices (Amendment) Act, 1997
5. Negotiable Instruments Act, 1881
6. Industrial Disputes Act, 1947
7. Employee State Insurance Act
8. Employees Provident Fund and Miscellaneous Provisions Act, 1952.
9. Environment (Protection) Act, 1986
10. Water (Prevention and Control of Pollution) Act, 1981
11. Air (Prevention and Control of Pollution) Act, 1974
12. Hazardous Waste (Management and Handling) Rules, 1989
13. Minimum Wages Act, 1948
14. Payment of Bonus Act, 1965.
15. Payment of Gratuity Act, 1972.
16. Industrial Employment (Standing Orders) Act, 1946.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India. **Complied since the Secretarial Standard I and II have come into effect from 1st July, 2015 hence applicable to the Company during the audit period under review.**
- b) Listing Agreement with Stock Exchanges and **The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015.**

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

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

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

For Ragini Chokshi & Co.

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

Place : Mumbai
Date : May 26, 2016

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-E

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

[PURSUANT TO SECTION 197 SUB-SECTION 12 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

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

Sr. No.	Requirements	Disclosure		
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year;	A	Mr. Gulu L. Mirchandani Chairman and Managing Director	35:1
		B	Mr. Vijay J. Mansukhani Managing Director	35:1
		C	Mr. Shyamsunder Dhoot Whole Time Director	10:1
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	A	Mr. Gulu L. Mirchandani Chairman and Managing Director	Decrease of 3.57%
		B	Mr. Vijay J. Mansukhani Managing Director	Increase of 10.64%
		C	Mr. Shyamsunder Dhoot Whole Time Director	No Increase
		D	Mr. G. Sundar Chief Executive Officer	No Increase
		E	Mr. Muthu Elango Chief Financial Officer (Resigned w.e.f. 24.10.2015)	Increase of 8.21%
		F	Mr. Aashay Khandwala Company Secretary (Resigned w.e.f. 15.05.2015)	No Increase
		G	Mr. Lalit Chendvankar Company Secretary (Appointed w.e.f. 13.08.2015)	Decrease of 21.65%
3	The percentage increase in the median remuneration of employees in the financial year;	The median remuneration of the employees in the financial year was increased by 6%.		
4	The number of permanent employees on the rolls of the Company;	There were 1022 employees as on March 31, 2016.		
5	The explanation on the relationship between average increase in remuneration and Company performance;	There has been no increase in the remuneration of the employees of the Company during the financial year.		
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	During financial year 2015-2016, there being a loss, Key Managerial Personnel were paid minimum remuneration as applicable to the Directors and same remuneration for others as last year.		

ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	Requirements	Disclosure																								
7	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;	The Market capitalization of the Company has increased from ` 187.99 crores as of March 31, 2015 to ` 199.57 crores as of March 31, 2016. Over the same period, the price to earnings ratio moved from 191.60 to (7.39). The stock price of the equity shares of the Company as at March 31, 2016 has increased by 69.50 % to ` 10.17 over the last public offering, i.e. Rights Issue in the month of October 2014 at the price of ` 6 per share.																								
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There has been no increase in the remuneration of the managerial personnel and employees of the Company during the financial year except some realignment in the individual remuneration of Director.																								
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;	The comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company is as under: <table> <tr> <th>Sr. No.</th><th>Key Managerial Personnel</th><th>% of Net Profit for financial year 2015-2016</th></tr> <tr> <td>A</td><td>Mr. Gulu L. Mirchandani Chairman and Managing Director</td><td>N. A. due to loss</td></tr> <tr> <td>B</td><td>Mr. Vijay J. Mansukhani Managing Director</td><td>N. A. due to loss</td></tr> <tr> <td>C</td><td>Mr. Shyamsunder Dhoot Whole Time Director</td><td>N. A. due to loss</td></tr> <tr> <td>D</td><td>Mr. G. Sundar Chief Executive Officer</td><td>N. A. due to loss</td></tr> <tr> <td>E</td><td>Mr. Muthu Elango Chief Financial Officer (Resigned w.e.f. 24.10.2015)</td><td>N. A. due to loss</td></tr> <tr> <td>F</td><td>Mr. Aashay Khandwala Company Secretary (Resigned w.e.f. 15.05.2015)</td><td>N. A. due to loss</td></tr> <tr> <td>G</td><td>Mr. Lalit Chendvankar Company Secretary (Appointed w.e.f. 13.08.2015)</td><td>N. A. due to loss</td></tr> </table>	Sr. No.	Key Managerial Personnel	% of Net Profit for financial year 2015-2016	A	Mr. Gulu L. Mirchandani Chairman and Managing Director	N. A. due to loss	B	Mr. Vijay J. Mansukhani Managing Director	N. A. due to loss	C	Mr. Shyamsunder Dhoot Whole Time Director	N. A. due to loss	D	Mr. G. Sundar Chief Executive Officer	N. A. due to loss	E	Mr. Muthu Elango Chief Financial Officer (Resigned w.e.f. 24.10.2015)	N. A. due to loss	F	Mr. Aashay Khandwala Company Secretary (Resigned w.e.f. 15.05.2015)	N. A. due to loss	G	Mr. Lalit Chendvankar Company Secretary (Appointed w.e.f. 13.08.2015)	N. A. due to loss
Sr. No.	Key Managerial Personnel	% of Net Profit for financial year 2015-2016																								
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G	Mr. Lalit Chendvankar Company Secretary (Appointed w.e.f. 13.08.2015)	N. A. due to loss																								
10	The key parameters for any variable component of remuneration availed by the directors;	There were no variable components in the remuneration of Directors.																								
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Mr. G. Sundar, Chief Executive Officer of the Company who is not a director but receives remuneration in excess of the highest paid director during the year. (Ratio:- 0.64:1)																								
12	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, it is confirmed.																								

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-F

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION
AND FOREIGN EXCHANGE EARNINGS AND OUTGO[PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES
(ACCOUNTS) RULES, 2014]

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year ended March 31, 2016 is given here below and forms part of Board Report.

A. CONSERVATION OF ENERGY**i) Steps taken on conservation of energy and for utilising alternate sources of energy;**

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

- a) For plant situated at Wada, Maharashtra:-
 - Provision of introducing Solar Panels on roof top for a potential 500KW solar power plant for self use under solar incentives and green energy.
 - Initiated wind energy investment proposals from various manufacturers.
 - Working on major objectives of Eliminate/Reduce, Reuse, Recover, Recycle & Compliance towards Environment Protection.
 - Awareness and energy saving done 25th March during Earth Hour for the climate change initiative.
 - Used LED lights in few locations as an initiative to green energy. Further there is boiler furnace oil savings by use of an in house developed Heat Exchanger and Solar System for feed water.
 - Introduced energy saving products range in air conditioners with inverter technology. Also using environment friendly refrigerant gas R410A in Air-conditioner units.
 - Conventional Light signages converted to LED signages, in pan India.
 - Implemented low cost or no investment energy saving improvements and regularly checking its sustainability.

- b) For plants situated at Roorkee, Uttarakhand:-
 - Reduced working load from 2MVA to 650 KVA.
 - Replaced Bulbs, Tube lights & Halogen lamps with Smart LED lights which consume less energy.
 - Modified old construction and installed Poly carbonate transparent sheet for Natural light.
 - Installation of Roof top ventilators for proper Natural cooling without use of energy.
 - Number of Windows increased to enable Natural Light & Air thereby saving energy.
 - Sensor are fitted on the conveyor to stop while running Idle to save energy.
 - Power Factor has been improved up to 0.99 to save the energy.

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

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

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

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

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

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

ANNEXURE TO THE DIRECTORS' REPORT

savings by using in house developed Heat Exchanger and Solar System for feed water resulted in increase in the Steam/Furnace oil ratio and resulted in saving.

- The production team under the able guidance of expert engineers from the research and development centre of the Company continuously monitor and devise various means to conserve energy and identify methods for the optimum use of energy without affecting productivity. This is ensured through the adoption of the latest techniques of production which helps in better productivity levels, timely maintenance and upgradation of machines and equipments to ensure that energy consumption is at the minimal level possible. Further on-the-job training to production team members is also given in order to conserve energy.

iv) Capital investment on energy conservation equipment;

There were no capital investments made by the Company on energy conservation equipment during financial year 2015-2016.

B. TECHNOLOGY ABSORPTION:-

i. The efforts made towards technology absorption.

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

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

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

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

Flat panel TVs:

The Company introduced more than 30 models of Flat panel starting from 19" to 50". The TVs were introduced in two categories Basic and Smart TV in three ranges low, mid, and high to meet expectations of our different customers. The Company took a radical approach to introduce the Smart TV on Android platform and with web cruiser remote as the default remote, giving customer high level user experience. The Company also introduced audio range TV in 32" this year, which the Company will expand to higher specification and big screen size in next financial year. Range of TVs were also introduced for Dubai market. During the year under review, the Company has introduced new TV platform, giving new features like MHL, additional saving in terms of raw material, manufacturing and improved reliability. Also in addition TVs were also developed for special channels like modern trade and e-marketing.

Washing Machines:

The customer behaviour study was undertaken to find usage pattern and their pain points. Many users do not prefer cumbersome operation selection of various parameters. The Company has developed feature like "One Touch Operation" to simplify the operation of Top load Automatic machines. New variants with smart looks, vibrant colours and body graphics were added. Smart cost reduction graphic ideas were developed to achieve fresh look to washing machine.

Air Conditioners:

During the year under review, all models introduced by the Company have environmental friendly green gas R 410a using 100% copper coils. New range of models using "Inverter" technology were introduced. These models reduces power consumption up to 40%. These models also operate in Wide voltage supply condition mitigating need for extra Stabiliser. Onida I Genius series, WiFi enabled -"Innovative application of Internet of Things (IOT)" expanded its range and is available in many more models. With this embedded technology, cloud connectivity and smart phone application, one can control and monitor air conditioner from anywhere. Very High End, REGALIO series with stunning Lifestyle Design and State of the Art features was also launched. These models have both cooling and heating mode to make it an all weather air conditioner. These models have unique features like, openable air intake with compact looks when closed, Natural Wind flow and very silent operation. It has mood light depending on cooling or heating mode. At night time it automatically reduces mood light, display and melody sound and puts off completely when room is dark.

ANNEXURE TO THE DIRECTORS' REPORT

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

The Company has not imported any technology. However, the management of the Company believes that information technology can be extensively used in all spheres of its activities to improve productivity and efficiency levels. The Company has already implemented SAP, a customized ERP module, at all its branches and manufacturing facilities.

iv. Expenditure on research and development.

(₹ in lacs)

	Particulars of expenditures	Financial year 2015-2016	Financial year 2014-2015
A	Capital	Nil	Nil
B	Recurring	390.97	455.00
C	Total	390.97	455.00
D	Total Expenditure as a % of total Turnover	0.48	0.40

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:-

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

(₹ in lacs)

	Particulars	Financial year 2015-2016	Financial year 2014-2015
A	Foreign exchange earnings	1,739.50	911.05
B	Foreign exchange outgo	41,340.90	62,542.24

MANAGEMENT DISCUSSION AND ANALYSIS

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

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

MIRC Electronics Limited ("MIRC" or 'the Company') is one of the few electronics and consumer durables Company present in a globally competitive Indian market.

The Indian market for the consumer electronics and appliances is valued at US\$ 9.70 billion in financial year 2015-2016 and is expected to grow to US\$ 20.60 billion by the financial year 2020-2021 to become the fifth largest in the world by the financial year 2025-2026. On the sidelines of the extremely vibrant atmosphere created by the various projects initiated by the Government, the consumer electronics and appliances is growing at healthy pace. The programmes such as Make in India, Digital India or Swachh Bharat, the industry has started to align itself with the broad agenda of the Government. The Make in India programme launched in September 2014, has already attracted ` 110,000 crores (US\$ 17 billion) worth of proposals for manufacturing electronics in the country within the first year.

Last year, below normal monsoon and a consequent dip in sentiment in the rural market hit the sales of consumer durables during the festival seasons. The industry saw a sales growth of 10% during the seasons.

Earlier last year, the budget announced many changes to put together a positive and progressive financial plan. While the Make in India initiative is leading to growth and investment opportunities leading to job creation, the steps outlined in the budget did definitely put India on the journey towards becoming a global manufacturing hub by financial year 2021-2022. Also, simplification in the tax regime helped in creating an investor- friendly environment. Implementation of the uniform goods and services tax (GST) from 1st April is an encouraging step and will create a conducive economic environment. It will also bring down the total incidence of taxes by eliminating cascading effect of taxes of goods and services. In line with the Make in India vision, the reduction of custom duty on certain inputs, raw materials, intermediates and components complements the road map of realizing the need of improving the business environment leading to a transparent tax system. The exemption in Special Additional Duty (SAD) to address the problem of Central Value-Added Tax (Cenvat), credit accumulation will encourage the multinationals to manufacture in India. There is a focus on facilitating the ease of doing business in India with reduction in corporate tax from 30% to 25% planned over the next four years starting next fiscal year.

The recent extension of the modified special incentive packaged scheme (M-SIPS) by five years will act as a catalyst and its broadened scope which covers 15 new product categories will trigger significant growth of the consumer electronics and appliances sector such as washing machines, refrigerators and air conditioners. It is a step further to Make in India more investor friendly, helping in achieving Make in India agenda and enabling gradual growth of the requisite eco system.

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

LED TVs:

The TV industry comprising of broadcast and distribution grew at a CAGR of 10% over 2010-15 and currently stands at ` 60,000 crores. Subscription revenues which form two-thirds of the industry (currently ` 41,000 crores) grew at a CAGR of 10% while advertising revenues locked at 9% CAGR. TVs share of the advertising pie has remained almost flat moving from 41.90% to 40.20% between the year 2010 and 2015. Three drivers can propel TV industry growth in the future growing consumption, increasing advertising spends, digitization and disruptive content.

The Indian TV market in 2015 is estimated at 8.5 million FPD sets and 6.5 million CRT television sets. Online retailers as Snapdeal and Flipkart have yet to corner and appreciable percentage of the manufacturer's pie. The financial year 2016-2017 is expected to be the year, when OLED, UHD and smart TVs drive the market. The lack of 4K content will be less of a challenge with 4K transmission expansion and Netflix gaining ground in India. HDR will be an additional trigger. For now, HDR has been saved for high-end televisions. The feature is, at this point, a luxury item and like 4K sets require compatible content in order to create the improved picture experience.

In financial year 2015-2016, 54 per cent of TVs sold in developed western markets had Smart functionality, 15.7 per cent were 50-inch and above and 17.9 per cent were 4K Ultra HD. A similar trend is being noticed in Indian markets.

Air Conditioners:

The size of the Indian Air Conditioner market in financial year 2015-16 was around US\$ 1.7 billion. Current penetration of ACs stands at 5.6 per cent. According to a recently published Tech Sci Research Report "India Air Conditioners Market Forecast & Opportunities, 2020", the country's air conditioners market is projected to grow at a CAGR of over 10-12% during 2015-20. The Indian air conditioning market is divided into two major segments: Commercial Air Conditioners (VRF, Chillers & Others) and Room Air Conditioners (Split and Window air conditioners), among

MANAGEMENT DISCUSSION AND ANALYSIS

which, residential air conditioners segment witnessed a higher revenue share in financial year 2015-2016. Within the residential segment Inverter and 5 star air-conditioners witnessed the highest growth on account of increasing consumer awareness, reducing price gap with the entry level models. This domination of room air conditioners segment is expected to continue over the next five years. Increase in summer temperatures, significant increase in discretionary income and easy financing schemes have led to shortened product replacement cycles and evolving life styles where consumer durables, such as ACs are perceived as utility items rather than luxury possessions. Recent innovations like wifi air conditioners has added various utility features including a messaging feature through which it can receive recommendations and control settings even when the user is away from home.

Washing Machines:

Improved living standards have made Washing Machine an essential appliance in modern homes. According to GfK report, this market size in year 2015 was US\$ 1 billion. Further due to increasing participation of women in workforce, enhanced disposable incomes and urbanization, this is further set to grow at a CAGR of 8-9%.

According to India Washing Machine Market Overview, the washing machine market is segmented in two categories viz. semi automatic and fully automatic. Both the categories have grown significantly; fully and semi automatic sub category is growing at the CAGR of 24.07% and 14.58% respectively. Fully automatic market is further divided into front load and top load washing machine out of which top load washing machine currently dominates the market and will continue to increase their share due to low prices. Front load washing machine market is also expected to grow due to more energy efficient and advanced features.

Connected Washing Machine is the most recent innovation to bring the consumer in sync with the adoption of a smart home. With the advent of Internet of Things (IoT), washing machines are wifi-enabled and can seamlessly communicate with versatile apps on a smartphone.

Microwave Ovens:

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

2. OPPORTUNITIES AND THREATS

Opportunities

- a) India would rise from the twelfth to the fifth largest position in the consumer durables market in the world by 2025;
- b) The demands for flat TVs, Washing Machines and Air Conditioners is on a rise with reduced penetration of products vis-à-vis global levels, rising disposable income and urbanization of consumers;
- c) Market for white goods and televisions has been growing 14% p.a. and is expected to accelerated to close to 17% in the coming years;
- d) There has been rise in import from low-cost regions such as China and South East Asia due to various free trade agreements and availability of products at a lower cost as compared to cost incurred in local manufacturing;
- e) To meet rising the local demand and export demand to neighbouring regions and Middle East Asia, companies are planning to expand their local manufacturing in India and make the country an export hub;
- f) Major Indian and global consumer durable companies have announced investments of around US\$ 1.4 billion over the coming years in India; and
- g) The 'Make in India' policy is the first of its kind for the manufacturing sector as it addresses areas of regulation, infrastructure, skill development, technology, availability of finance, exit mechanism and other pertinent factors related to the growth of the sector.

Threats

- a) The sector faces intense competition from multinational players due to homogeneity in products, low switching costs, a big spend on advertisement and brand display;
- b) Bargaining power of customers is very high. Use of internet to get all the information enables customers to be powerful. Thus, buyer's switching cost is very less;
- c) Bargaining power of supplier is very low due to low product differentiation;
- d) Inverted duty structure due to FTAs makes Indian manufacturing uncompetitive for white goods such as washing machines and air conditioners;
- e) Increase in excise duty;
- f) Insufficient and under developed local supplier base; and
- g) High cost of capital and other manufacturing costs due to frequently revised energy efficiency requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

3. RISKS & CONCERNS

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

4. PRODUCT-WISE PERFORMANCE

Television: The Company is phasing out the CTV business because of non - availability of picture tube in market. During the year under review, the Company has focused on the large scale value added products and hence, even though the turnover of this segment is down as compared to previous

year but the Company has been able to maintain its gross margin ratio.

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

Air Conditioner: During the year under review, the turnover of this segment is marginally down by 15%.

Washing Machine: During the year under review, despite the turnover of this segment is down by 11% as compared to previous year, the Company was able to hold its gross margin.

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

5. OUTLOOK

The overall economic situation improved in the year 2015, with GDP estimated to grow by more than 7% during the year. Increased incomes and lower fuel prices led to higher disposable incomes for middle-class Indians, which in turn supported growth of consumer electronics. The poor economic scenario in the previous couple of years resulted in deferred sales of expensive consumer electronics, which added to sales growth in the year 2015. Although this phenomenon positively impacted most categories within consumer electronics, it was more visible in computer - business, in-car entertainment, home audio, and cinema and imaging devices.

The monsoon in the year 2015 resulted in lower demand for large consumer electronics such as computers and televisions from rural India, as agriculture is the main source of income in villages and small towns. The increased demand from urban India, however, which primarily depends on manufacturing and service industries, made up for lower sales in rural areas. Increased sales through internet retailing also supported growth of consumer electronics, especially in urban India.

The Make-in-India campaign and other benefits such as M-SIPS announced for manufacturers by the Prime Minister of India in the year 2014 and 2015 will start showing results from the year 2016 onwards. Multi National companies and investors are positive about the policies that will increase domestic production in India. Local production in the country will help companies to reach consumers faster and at a lesser cost. In an effort to promote advanced products, older categories such as analogue TVs, feature phones and desktops will decline in popularity over the forecast period.

Although electronics and appliance specialist retailers continued to be the main channel for sales of consumer

MANAGEMENT DISCUSSION AND ANALYSIS

electronics, recording an 80% volume share in the year 2015, internet retailing grew by 25% in volume terms to capture a 13% volume share during the same year. Leading e-commerce companies such as Flipkart, Amazon and Snapdeal offered a range of discounts that attracted price-sensitive consumers. Witnessing the growth of internet retailing, companies also took an interest in selling their products online.

Global corporations view India as a vital market for the future. India has a young demographic and a middle class with rising disposable income. If the country can sustain its current pace of growth for some time and that is likely, then the average household incomes will triple over the next 20 years and India will become the fifth largest consumer economy in the world by 2025, as per a study by the McKinsey Global Institute (MGI).

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

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

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

a) Risk Management Policy

This policy sets out Company's risk oversee, management of material business risks and internal control. The purpose of this policy is to encourage an

appropriate level of risk tolerance throughout the Company; establish procedures to analyze risks within agreed parameters across the Company; establish appropriate risk delegations and corresponding risk management framework across the Company and ensure the Company has a risk management framework that can noticeably respond the risk profile of the Company.

b) Whistle Blower Policy

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

c) Policy on Related Party Transactions

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

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial year 2015-2016 was a year of challenges and uncertainties for businesses across various segments of industry with the financial crisis, volatile prices, sharp movement in currencies, crashing stock markets and severe liquidity crisis. Your Company too was not insulated from these challenges as the business had its impact on overall margins. The exchange rate fluctuation led to a fair degree of strain on the Company's operating margins and profit as well. During the financial year 2015-2016, the turnover of the Company stood at ` 811 Crores with a net loss of ` 27.01 Crores.

The Company could however improve the performance in key product category like Air Conditioner, Color Television and Washing Machine. Better product mix helped improve margins in these categories and helped turnaround the Company.

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

Human Capital is the backbone of the business at MIRC. The human resource approach is focused on creating a performance-driven environment in the Company, where employees are motivated to realize their potential.



MANAGEMENT DISCUSSION AND ANALYSIS

The Company provides a culture of continuous learning, innovation across the organisation by judiciously leveraging cutting-edge learning and development practices with coaching, mentoring and on-the-job training.

Human Capital here takes a proactive role in ensuring all employees are engaged and aligned to top management's directive and business goals, also through the element of Fun at work. The Company also creates a work environment that connects and keeps the employees motivated.

The management believes in responding to the grievances of employees to foster a positive and healthy relationship between the management and employees of the Company.

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

MIRC has 1022 employees on its payroll as on March 31, 2016.

9. MATERIAL FINANCIAL & COMMERCIAL TRANSACTIONS INVOLVING SENIOR MANAGEMENT

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

Cautionary Statement

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

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events. Readers are cautioned not to place undue reliance on the forward looking statements.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 26, 2016

Gulu L. Mirchandani
Chairman and Managing Director

CORPORATE GOVERNANCE REPORT

The Securities and Exchange Board of India (**SEBI**) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as “**SEBI (LODR) Regulations, 2015**”) on September 02, 2015 replacing the erstwhile Listing Agreement (w.e.f. December 01, 2015) and is aimed to consolidate and streamline the provisions of erstwhile Listing Agreement for different segments of capital markets viz. equity, debentures, debt instruments, etc.

The Corporate Governance Report, as applicable for the year ended March 31, 2016 is set out below for the information of shareholders, investors and other stakeholders of MIRC Electronics Limited (hereinafter referred to as “**Company**”).

I. Company's philosophy on code of Corporate Governance

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

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

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

II. Board of Directors

A] Composition

The Board of Directors of the Company has an optimum combination of executive and non executive directors with one woman director and not less than fifty percent of the Board comprising of non executive directors. As at March 31, 2016, the Board of Directors of the Company comprises of six Directors, out of which two directors are Promoters cum Executive Directors, one Non-Promoter Executive Director and three are Non-Executive Independent Directors. Ms. Radhika Piramal is woman director appointed on the Board of the Company. The Chairman is a Promoter & Executive Director. Accordingly, 50% of the Board comprises of Independent Directors.

During the financial year 2015-2016, five meetings of the Board of Directors were held. These five meetings were held on April 24, 2015, May 07, 2015, August 13, 2015, November 10, 2015 and February 13, 2016. The maximum time gap between any two board meetings was less than 120 days. The constitution of the Board of Directors of the Company, the details of meetings attended by the Directors of the Company and the information with regard to their membership of Committees are as under:

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

* Independent & Non- Executive Director.

** Independent & Non- Executive Women Director.

CORPORATE GOVERNANCE REPORT

Dates on which Board Meetings were Held	Total Strength of the Board	No. of Directors Present
April 24, 2015	6	6
May 07, 2015	6	5
August 13, 2015	6	6
November 10, 2015	6	5
February 13, 2016	6	5

Notes:

1. As detailed above, none of the Directors is a member of more than 10 Board level Committees of Public Companies in which they are Directors nor as Chairman of more than five such committees.
2. Only directorship in public limited Companies (listed or unlisted) has been considered.
3. Membership/ Chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies have been considered.

B] Information placed before the Board of Directors

The Company Secretary prepares the Agenda in consultation with the Chairman of the Board of Directors and the Chairman of the various committees. The information as specified to be provided under Part – A of Schedule II of Regulation 17 (7) of the SEBI (LODR) Regulations, 2015 is made available to the Board. The Agenda for the Meetings of the Board and its Committees, together with the appropriate supporting documents and papers are circulated well in advance of the meetings to enable the Board and the Committees to deliberate and take informed decisions.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly / half yearly unaudited financial statements and the audited annual financial statements, annual operating plans and budgets, minutes of meetings of audit committee and other committees of the Board, minutes of the wholly owned subsidiary company, quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material. It monitors overall operating performance and reviews such other items which require special attention of the Board of Directors of the Company. It directs and guides the activities of the management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The agenda for the meeting of the Board of Directors covers items set out in Clause 49 of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and the New Listing Agreement read with Schedule V to the SEBI (LODR) Regulations, 2015 which is applicable w.e.f. December 01, 2015 to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board of Directors to take informed decisions.

C] Code of Conduct

The Board has laid down a Code of Conduct for all Board members and Senior Management of the Company and it is uploaded on the website of the Company i.e. www.onida.com. 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 Chief Executive Officer of the Company as required under Clause 49 of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and the New Listing Agreement read with Regulation 17(5), 26(3), 34(3) and Clause D of Schedule V to the SEBI (LODR) Regulations, 2015 which is applicable w.e.f. December 01, 2015 is annexed herewith.

D] Independent Directors

The Independent Directors were appointed for a period of 5 years from September 3, 2014 by the shareholders at the thirty third Annual General Meeting of the Company. The Company has issued a formal letter of appointment containing their duties, terms and conditions of appointment. The same is also disclosed on the website of the Company i.e. www.onida.com. The Independent Directors have confirmed about their independence and eligibility as required under Section 149(7) of the Companies Act, 2013.

CORPORATE GOVERNANCE REPORT

E] Role of Independent Directors

The Independent Directors plays an important role in deliberations at the Board and committee meetings and bring to the Company their expertise in the field of finance, management and public policy. The Independent Directors satisfy the criteria of independence as defined in Clause 49 of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and the New Listing Agreement read with the SEBI (LODR) Regulations, 2015 which is applicable w.e.f. December 01, 2015 and the Companies Act, 2013. They perform the duties as stipulated in the Companies Act, 2013.

The Independent Directors had a separate meeting on February 13, 2016 without the attendance of non independent directors and members of the management of the Company and reviewed the following:

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

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

Committees of the Board

The Board has established various committees such as Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee as per the requirement of Clause 49 of erstwhile Listing Agreement which was applicable up to November 30, 2015 and New Listing Agreement read with SEBI (LODR) Regulations, 2015 which is applicable w.e.f. December 01, 2015. The minutes of the aforesaid Committee meetings are circulated and discussed in the meetings of the Board of Directors of the Company.

III Audit Committee

A] Constitution

The composition, role and powers of the Audit Committee meet the requirements of Clause 49 of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and New Listing Agreement read with Part C of Schedule II with reference to the Regulation 18 of the SEBI (LODR) Regulations, 2015 which is applicable w.e.f. December 01, 2015 and Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

As at March 31, 2016, the Audit Committee comprised of following Independent Directors:

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

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

Mr. Carlton Pereira, Independent & Non Executive Director of the Company and Chairman of the Audit Committee is a Chartered Accountant by profession. All the members of Audit Committee are Independent Non-Executive Directors of the Company. All the members of the Audit Committee are financially literate and possess accounting and financial management expertise. Mr. Carlton Pereira, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on August 21, 2015 to reply to the queries raised by the members of the Company.

B] Meetings of Audit Committee

During the financial year 2015-2016, four meetings of the members of the Audit Committee were held. These meetings were

CORPORATE GOVERNANCE REPORT

held on May 07, 2015, August 13, 2015, November 10, 2015 and February 13, 2016. 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 Audit Committee meetings as and when necessary. The attendance of each member of the Audit Committee in the above meetings is given hereunder:-

Name of member	Audit Committee Meetings	
	(Financial Year 2015-2016) Held during tenure	Attended
Mr. Carlton Pereira (Chairman) I & NED*	4	4
Mr. Rafique Malik (Member) I & NED*	4	4
Ms. Radhika Piramal (Member) I & NEWD**	4	1

* Independent & Non-Executive Director

** Independent & Non-Executive Women Director

Dates on which Audit Committee Meetings were held	Total Strength of the Committee	No of Members Present
May 07, 2015	3	2
August 13, 2015	3	3
November 10, 2015	3	2
February 13, 2016	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 outside legal or other professional advice.
4. To secure the attendance of outsiders with relevant expertise, if it considers necessary.

D] Role / Terms of Reference of Audit Committee

The role of the Audit Committee includes the following:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;

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

E] Review of information by Audit Committee

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

1. Management discussion and analysis of the financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters/letters on internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;

CORPORATE GOVERNANCE REPORT

5. The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
6. Statement of deviations:
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (LODR) Regulations, 2015.
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (LODR) Regulations, 2015.

IV. Nomination and Remuneration Committee**A] Constitution:**

The composition, role and powers of the Nomination and Remuneration Committee meet the requirements of Clause 49 of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and New Listing Agreement read with Part D of Schedule II with reference to Regulation 19 of the SEBI (LODR) Regulations, 2015 which is applicable w.e.f. December 01, 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

As at March 31, 2016, the Nomination and Remuneration Committee consist of the following members:

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

B] Meetings of Nomination and Remuneration Committee

During the financial year 2015-2016, two meeting of the members of the Nomination and Remuneration Committee were held. These meetings were held on August 13, 2015 and February 13, 2016. The attendance of each member of the Nomination and Remuneration Committee in the above meetings is given below:

Name of member	Nomination and Remuneration Committee meetings (Financial Year 2015-2016)	
	Held during tenure	Attended
Mr. Rafique Malik, I & NED* (Chairman)	2	2
Mr. Carlton Pereira, I & NED* (Member)	2	2
Ms. Radhika Piramal, I & NEWD** (Member)	2	1

* Independent & Non- Executive Director

** Independent & Non- Executive Women Director

Dates on which Nomination and Remuneration Committee Meetings were Held	Total Strength of the Committee	No of Members Present
August 13, 2015	3	3
February 13, 2016	3	2

C] Powers of Nomination and Remuneration Committee

The Nomination and Remuneration Committee is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of the Directors, Key Managerial Personnel and other Senior Management Employees and to deal with all elements of the remuneration package of all the directors including but not restricted to the following:

- To review, assess and recommend the appointment and remuneration of executive directors.
- To review the remuneration packages payable to executive directors periodically and recommend suitable revision/

CORPORATE GOVERNANCE REPORT

increments, whenever required to the Board of Directors of the Company.

- To recommend the commission payable to the non-executive director(s) in accordance with and upto the limits laid down under the Companies Act, 2013.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.
- To recommend to the Board the appointment and removal of the director and shall carry out evaluation of every director performance.
- To formulate criteria for determining qualifications, positive attributes and independence of the director.
- To recommend to the Board a 'policy' relating to the remuneration of directors, key managerial personnel and other employees.
- To devise a policy on Board diversity;
- To carry out such other functions as delegated by the Board from time to time.

Remuneration Policy

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

The Remuneration Policy ensures that:

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

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

1. Financial position of the Company.
2. Remuneration or commission drawn by him from any other company.
3. Professional qualifications and experience of the individual concerned.
4. Industry's pay standards and pay structure data studies undertaken by consultancies.
5. Attract and retaining talent and motivation for KMP/SMP.
6. Special consideration for attracting top notch hi flier in case of KMP/SMP.
7. Past performance, past remuneration and special accreditation or meritorious performance.
8. Bring a balance between the interest of the Company and the shareholders.
9. Attendance at the Board meetings.
10. Active participation in the meetings.
11. Understanding the critical issues affecting the Company.
12. Prompts Board discussion on strategic issues.

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13. Brings relevant experience to the Board and uses it effectively.
14. Understands and evaluate the risk environment of the organization.
15. Conducts himself/herself in a manner that is ethical and consistent with the laws of the land.
16. Maintains confidentiality wherever required.
17. Communicates in an open and constructive manner.
18. Seeks satisfaction and accomplishment through serving on the Board.

i) Remuneration to Executive Directors

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

The Nomination and Remuneration Committee and Board of Directors of the Company in their meeting held on March 26, 2015 partially modified the remuneration of Mr. Gulu L. Mirchandani, Chairman & Managing Director of the Company in conformity with the provisions of Schedule V to the Companies Act, 2013 for the balance period from April 01, 2015 to November 30, 2016 and was approved by the members at the Annual General Meeting of the Company held on August 21, 2015.

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

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

Mr. Shyamsunder Dhoot, was appointed as Whole Time Director of the Company by the Board of Directors of the Company on February 16, 2013 for a period of three (3) years with effect from February 16, 2013 to February 15, 2016 and approved by the members at the Annual General Meeting of the Company held on July 31, 2013.

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

ii) Non-executive Directors' Compensation and disclosures

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

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

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

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Stakeholders Relationship Committee and other Committees of the Board.

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

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

The details of remuneration paid/ payable to the Directors for the financial year 2015-2016 are as follows:

(Amount in `)

Sr. No.	Director	Relation with the Company	Inter-se Relation	Remuneration for Financial Year 2015-2016					
				Sitting fees	Salary allowance & perquisites	Commission	Provident Fund & Super-annuation/ Gratuity	Performance Linked Incentives	Total
1	Mr. Gulu L. Mirchandani	Promoter [CMD]	Brother in law of sr. no.2	Nil	1,12,52,000	Nil	9,79,200	Nil	1,22,31,200
2	Mr. Vijay J. Mansukhani	Promoter [MD]	Brother in Law of sr. no.1	Nil	1,12,52,000	Nil	9,79,200	Nil	1,22,31,200
3	Mr. Shyamsunder Dhoot	Non Promoter [WTD]	NA	Nil	33,52,428	Nil	1,04,083	Nil	34,56,511
4	Mr. Rafique Malik	I & NED*	NA	2,40,000	N.A.	Nil	N.A.	Nil	2,40,000
5	Mr. Carlton Pereira	I & NED*	NA	2,00,000	N.A.	Nil	N.A.	Nil	2,00,000
6	Ms. Radhika Piramal	I & NEWD**	NA	70,000	N.A.	Nil	N.A.	Nil	70,000

* Independent & Non Executive Director

** Independent & Non- Executive Women Director

Note:

- The remuneration paid to Mr. Gulu L. Mirchandani, Chairman and Managing Director, Mr. Vijay J. Mansukhani, Managing Director and Mr. Shyamsunder Dhoot, Whole Time Director of the Company are within the limit prescribed under Schedule V to the Companies Act, 2013.
- The Company has not granted any stock options to any directors.

V Stakeholders Relationship Committee

A] Constitution

The composition, role and powers of the Stakeholders Relationship Committee meet the requirements of Clause 49 of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and New Listing Agreement read with Part D of Schedule II with reference to Regulation 20 of the SEBI (LODR) Regulations, 2015 which is applicable w.e.f. December 01, 2015 and Section 178 (5) of the Companies Act, 2013.

As at March 31, 2016, the Stakeholders Relationship Committee consists of the following members:

- Mr. Rafique Malik, Chairman
- Mr. Gulu L. Mirchandani, and
- Mr. Vijay J. Mansukhani

Mr. Lalit Chendvankar, Head - Corporate Affairs, Legal and Company Secretary has been nominated as the Compliance Officer of the Company.

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B] Meetings of Stakeholders Relationship Committee

During the financial year 2015-2016, four meetings of the members of Stakeholders Relationship Committee were held. These meetings were held on May 07, 2015, August 13, 2015, November 10, 2015 and February 13, 2016. The attendance of each member of the Stakeholder Relationship Committee in the above meetings is given below:

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

* Independent & Non-Executive Director

Dates on which Stakeholders Relationship Committee Meetings were held	Total Strength of the Committee	Number of Members Present
May 07, 2015	3	3
August 13, 2015	3	3
November 10, 2015	3	3
February 13, 2016	3	3

Status Report of investor queries and complaints for the period from April 01, 2015 to March 31, 2016 is given below:

Sr. No.	Particulars	No. of Complaints
1	Investor complaints pending at the beginning of the year	Nil
2	Investor complaints received during the year	33
3	Investor complaints disposed of during the year	33
4	Investor complaints remaining unresolved at the end of the year	Nil

C] Powers of Stakeholders Relationship Committee

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

VI. General Body Meetings

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

Financial Year	Location	Type of meeting	Date	Time	No. of Special Resolutions passed at AGM/EGM
2014-2015	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai -400 018	Annual General Meeting	August 21, 2015	03.00 p.m.	2
2013-2014	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai -400 018	Annual General Meeting	September 03, 2014	03.00 p.m.	Nil

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

Postal Ballot

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

The Board of Directors of the Company had appointed Mr. Nilesh G. Shah, Practising Company Secretary (FCS No. 4554, C.P. No. 2631 with the Institute of Company Secretaries of India), as the scrutinizer to conduct the Postal Ballot process. The results of the postal ballot were declared on June 26, 2015. Details of the voting pattern were as under:

Brief Particulars of the Special Resolution	No. of total, valid, invalid votes received by the Scrutinizer			No. of shares & % of total votes cast in favour of the Resolution		No. of shares & % of total votes cast against the Resolution	
	Total No. of votes received	Total No. of valid votes	Total No. of invalid votes	No. of shares	% of total votes	No. of shares	% of total votes
Preferential issue of Warrant under Section 42, 62 (1) (c) of the Companies Act, 2013.	103	95	8	12,90,19,003	99.99	16,993	0.01

The Company proposes to conduct the process of Postal Ballot for obtaining approval of members of the Company for Scheme of Amalgamation of Akasaka Electronics Limited (Wholly Owned Subsidiary) with the Company. The Company is awaiting approval from Stock Exchanges and SEBI in respect of Scheme of Amalgamation submitted by the Company.

VII. Disclosures**A] Materially significant related party transactions**

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

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

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

B] Subsidiary

The Company is having only one wholly owned subsidiary viz. Akasaka Electronics Limited which is not a 'material non-listed Indian subsidiary'. The Clause 49 of the erstwhile Listing Agreement was applicable up to November 30, 2015 and the New Listing Agreement read the SEBI (LODR) Regulations, 2015 which is applicable w.e.f. December 01, 2015, defines a 'material

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non-listed Indian subsidiary' as an unlisted subsidiary incorporated in India, whose income or net-worth [i.e. paid-up capital and free reserves] exceeds 20 percent of the consolidated income or net-worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

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

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

The Company formulated the policies on Material subsidiaries and Related Party Transactions. The same is uploaded on the website of the Company i.e. www.onida.com.

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] Vigil Mechanism/ Whistle Blower Policy

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

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

E] Risk Management Committee

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

F] Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the annual report and includes discussion on various matters specified under Clause 49[VIII][D] of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and the New Listing Agreement read with Regulation 34 (2) (e) and Part B of Schedule V to the SEBI (LODR) Regulations, 2015 which is applicable w.e.f. December 01, 2015.

G] Details of Director seeking appointment/reappointment as required under Clause 49[VIII] [E] of the erstwhile Listing Agreement and Regulation 36 (3) of SEBI (LODR) Regulations, 2015

As required under Clause 49 [VIII] [E] of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and New Listing Agreement read with Regulation 36 (3) of SEBI (LODR) Regulations, 2015 which is applicable w.e.f. December 01, 2015, particulars of Director seeking appointment/reappointment are given in the explanatory statements annexed to the Notice of the Annual General Meeting of the Company.

H] Insider Trading Code

The Company has adopted the new Code of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information (UPSI) of the Company w.e.f. August 13, 2015 and revoked the erstwhile MIRC Employee (Dealing in Securities & Prevention of Insider Trading) Rules, 2002. This new code is applicable to all directors and designated employees of the Company. This code ensures prevention and dealing in shares of the Company by persons having access to unpublished price sensitive information. The Company monitors the transactions of insiders/designated employees in terms of the aforesaid rules periodically.

The Code of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information (UPSI) are disclosed by the Company



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on its website www.onida.com and the link is <http://www.onida.com/policies>.

I] CEO/ CFO certification

The certificate in terms of Regulation 17 (8) read with Part B of Schedule II to the SEBI (LODR) Regulations, 2015 for the financial year ended March 31, 2016 was placed before the Board of Directors of the Company in their meeting held on May 26, 2016 and is annexed to this Report.

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

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

K] Compliance with SEBI (LODR) Regulations, 2015

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

VIII. Means of communication

The Company has furnished quarterly financial results along with notes on a regular basis as per the format prescribed in Clause 41 of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and New Listing Agreement read with the Regulation 33 of the SEBI (LODR) Regulations, 2015 which is applicable w.e.f. December 01, 2015, within prescribed time to the stock exchanges in respect of first three quarters in financial year 2015-2016. In respect of last quarter of financial year 2015-2016, the Company shall furnish audited financial results within 60 days from the end of financial year and accordingly, the meeting of the Board of Directors of the Company for considering the results of last quarter and for the full financial year was held on May 26, 2016.

The quarterly financial results of the Company were published within 48 hours of conclusion of the meeting of the Board of Directors of the Company in English Newspaper viz. "Financial Express" and "Mumbai Lakshdeep", a newspaper published in the language of the region where the registered office of the Company is situated. The audited annual results for financial year 2015-2016 were published in "Financial Express" and 'Mumbai Lakshdeep'. The Company informs the Stock Exchanges where its shares are listed, about the meeting of the Board of Directors of the Company atleast seven days in advance as specified under the Clause 41(III)(a) of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and New Listing Agreement read with Regulation 29 (2) of the SEBI (LODR) Regulations, 2015, which is applicable w.e.f. December 01, 2015 and also issues an advertisement in at least one national newspaper and one in regional language newspaper about the meetings of the Board of Directors of the Company.

In terms of Regulation 46 of the SEBI (LODR) Regulations, 2015, the Company is maintaining its functional website i.e. www.onida.com, containing the basic information about the Company e.g. details of business, financial information, shareholding pattern, compliance with corporate governance, contact information of designated employees who are responsible for assisting and handling the investors grievance, details of the agreements entered into with the media companies and/ or their associates, terms and conditions of appointment of independent directors, composition of various committees of board of directors, code of conduct of board of directors and senior management personnel and various policies of the Company etc. The same information is updated on the website viz. www.onida.com within the prescribed time limit.

IX. General Shareholders Information

AGM date, time and venue	Wednesday, September 28, 2016 at 3.00 p.m. Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018
Financial year	1 st April – 31 st March
Book Closure	Thursday, September 22, 2016 to Wednesday, September 28, 2016 (Both days inclusive)
Dividend payment date: [if declared]	Not Applicable
Listing on Stock Exchange	BSE Limited and National Stock Exchange of India Limited. Listing fees for the financial year 2016-2017 have been paid for both the stock exchanges.

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Stock code at BSE	500279
Stock symbol at NSE	MIRCELECTR
ISIN of the Company	INE831A01028
Website	www.onida.com
Email ID	investors@onida.com
Corporate Identification No. (CIN)	L32300MH1981PLC023637

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 Government of India. No claim would lie against the IEPF or the Company after the said transfer.

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

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

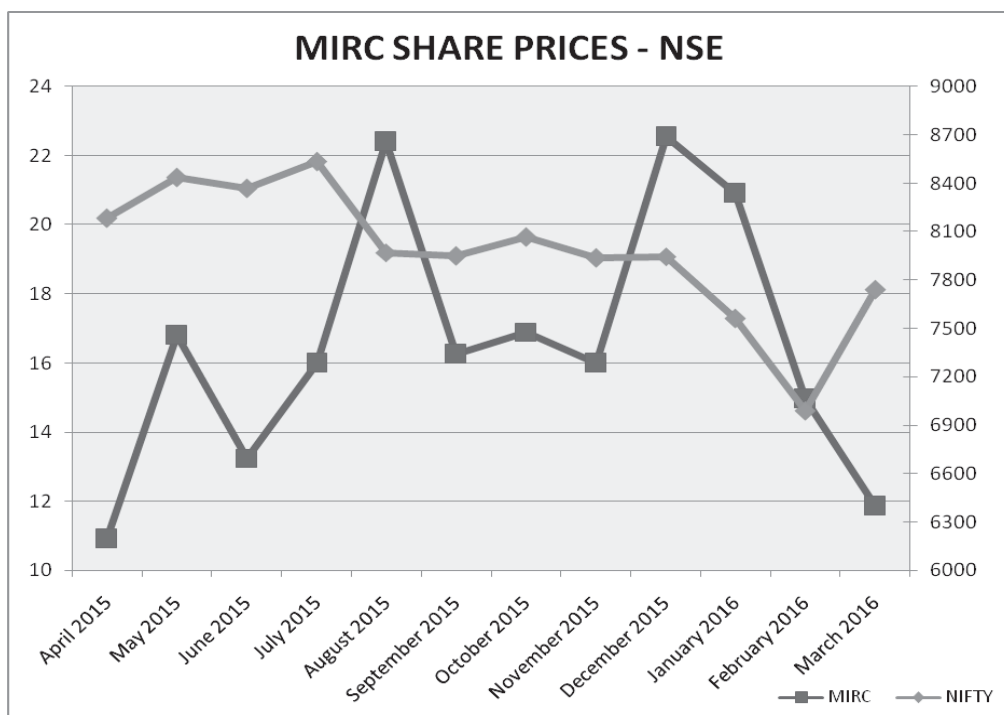
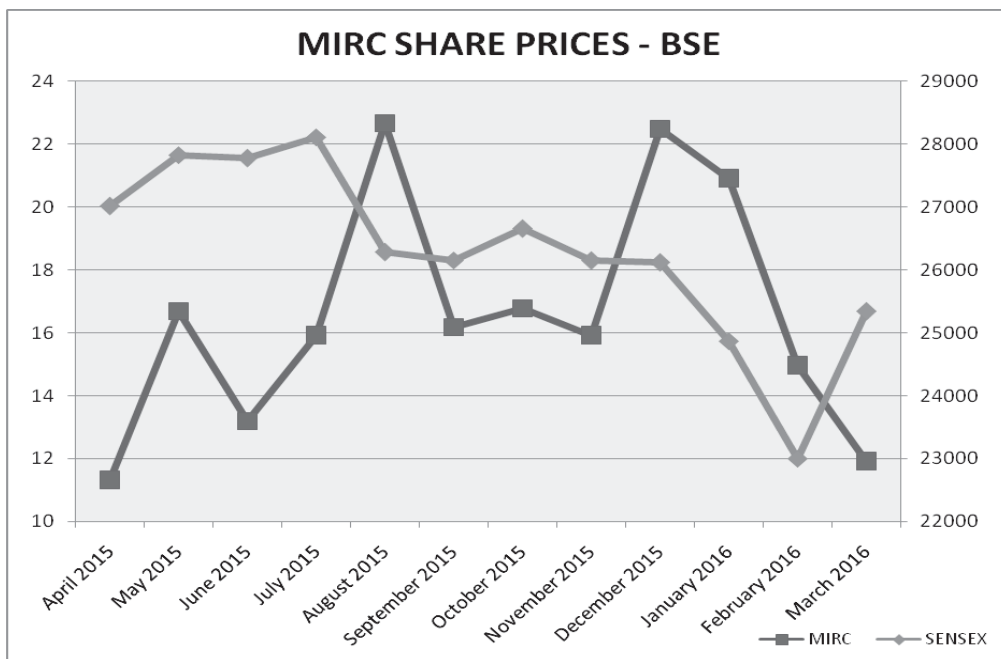
Market Price Data: (Financial Year 2015-2016)

Month	STOCK EXCHANGE					
	BSE Ltd.			National Stock Exchange of India Ltd.		
	Share Price		Sensex	Share Price		Nifty
	High (₹)	Low (₹)	Close	High (₹)	Low (₹)	Close
April 2015	11.30	9.11	27011.31	10.90	9.10	8181.50
May 2015	16.70	8.82	27828.44	16.80	8.80	8433.65
June 2015	13.20	10.73	27780.83	13.25	10.60	8368.50
July 2015	15.90	12.45	28114.56	16.00	12.40	8532.85
August 2015	22.68	11.30	26283.09	22.40	11.05	7971.30
September 2015	16.19	12.00	26154.83	16.25	12.00	7948.90
October 2015	16.79	13.65	26656.83	16.90	13.65	8065.80
November 2015	15.90	12.20	26145.67	16.00	12.10	7935.25
December 2015	22.50	13.15	26117.54	22.55	13.15	7946.35
January 2016	20.90	13.00	24870.69	20.90	13.05	7563.55
February 2016	14.95	8.06	23002.00	14.95	8.00	6987.05
March 2016	11.90	8.81	25341.86	11.85	8.75	7738.40

CORPORATE GOVERNANCE REPORT

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

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



CORPORATE GOVERNANCE REPORT

Registrar and 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 registers the share transfers in physical form within 15 days from the receipt of the duly 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 (NSDL) and Central Depository Services (India) Limited (CDSL).

Shareholding distribution schedule as on March 31, 2016

Equity shares held	Shareholders	%	Shares	%
1-500	48,238	78.15	51,40,188	2.62
501-1000	5,689	9.22	51,46,955	2.62
1001-2000	4,741	7.68	86,07,891	4.39
2001-3000	980	1.59	25,95,607	1.32
3001-4000	432	0.70	16,16,068	0.82
4001-5000	416	0.67	19,99,715	1.02
5001-10000	600	0.97	46,10,496	2.35
10001 and above	630	1.02	16,65,17,282	84.86
Total	61,726	100.00	19,62,34,202	100.00

Shareholding pattern as on March 31, 2016

Category		Number of Shares	Percentage of Holding
A	Promoter's Holding		
1	Indian Promoter	12,21,92,638	62.27
2	Foreign Promoter	0	0.00
	Sub Total (A)	12,21,92,638	62.27
B	Non Promoter's Holding		
	Institutional Investors		
1	Mutual Fund	1,700	0.00
2	Foreign Portfolio Investor	34,04,541	1.73
3	Financial Institutions / Banks	1,208	0.00
4	Insurance Companies	8,00,000	0.41
5	Any Other (Specify)		
	Foreign Financial Institution	16,500	0.01
	UTI	1,000	0.00
	Total (Institutional Investors)	42,24,949	2.15
	Non Institutional Investors		
1	Individuals	5,22,89,885	26.65
2	Trusts	610	0.00
3	Foreign Nationals	1000	0.00
4	Hindu Undivided Family	23,68,842	1.21
5	Non Resident Indians	4,35,296	0.22

CORPORATE GOVERNANCE REPORT

	Category	Number of Shares	Percentage of Holding
6	Clearing Member	25,62,029	1.30
7	Bodies Corporate	1,21,58,953	6.20
	Total (Non-Institutional Investors)	6,98,16,615	35.58
	Sub Total (B)	7,40,41,564	37.73
	Grand Total (A + B)	19,62,34,202	100.00

Dematerialisation of shares and liquidity

As at March 31, 2016, 97.46% (19,12,43,243 shares) of paid up share capital were held in dematerialised form with NSDL and CDSL, while 2.54% (49,90,959 shares) were held in physical form. All Promoters shareholdings are in dematerialised form.

Outstanding GDRs / ADRs/ Warrants

The Company had issued 1 (One) Warrant to Bennett Coleman & Co. Ltd. (BCCL) on July 10, 2015 convertible into equity shares aggregating to ` 22,75,00,000/- (Amount paid up on the warrant by BCCL is 25% of the value of warrant i.e. ` 5,68,75,000/-). The warrant holder carry option / entitlement to subscribe to equity shares of the Company having face value of ` 1/- each for cash at a minimum price of ` 14.66/- each (including premium of ` 13.66/- each) per share, as arrived in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as on the Relevant Date i.e. May 27, 2015 or such higher price per share equal to the average of the weekly high and low of the closing prices of the equity share of the Company as quoted on the National Stock Exchange of India Ltd. during the 26 (twenty six) weeks preceding the last date of 17 (seventeenth) month from the date of allotment of warrant i.e. July 10, 2015 after making adjustment for any bonus issue / split / consolidation.

Except above, there are no outstanding GDRs / ADRs or any other convertible instruments as on March 31, 2016 which likely to have an impact on the equity share capital of the Company.

Plant Locations**1. Wada**

Village Kudus
Bhiwandi Wada Road
Taluka Wada
Palghar – 421 312
Maharashtra

3. Roorkee – Plant II

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

2. Roorkee – Plant I

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

Address for correspondence

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 26, 2016

Gulu L. Mirchandani
Chairman and Managing Director

MIRC

MIRC ELECTRONICS LIMITED

CORPORATE GOVERNANCE REPORT

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

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

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee that:
 - (i) there are no significant changes in internal control over financial reporting during the year;
 - (ii) there have been no significant changes in accounting policies during the year which are required to be disclosed in the notes to the financial statements; and
 - (iii) there have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For MIRC Electronics Limited

Place: Mumbai
Date: May 26, 2016

G. Sundar
Chief Executive Officer

Subrat Nayak
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

COMPLIANCE OF CODE OF CONDUCT OF THE COMPANY

As provided under Clause 49 of the erstwhile Listing Agreement which was applicable up to November 30, 2015 and the New Listing Agreement read with Regulation 17 (5), 26 (3), 34 (3) and Clause D of Schedule V of the SEBI (LODR) Regulations, 2015 which is applicable w.e.f. December 01, 2015, I, G. Sundar, Chief Executive Officer hereby confirm that all Board Members and Senior Management Personnel have affirmed the compliance with the Code of Conduct of MIRC Electronics Limited for the year ended March 31, 2016.

For MIRC Electronics Limited

Place: Mumbai

Date: May 26, 2016

G. Sundar

Chief Executive Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
MIRC ELECTRONICS LIMITED
Mumbai

We have examined the compliance of conditions of Corporate Governance by MIRC ELECTRONICS LIMITED (the 'Company'), for the financial year ended on March 31, 2016, as stipulated in clause 49 of the erstwhile Listing Agreement and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulation) to the extent applicable.

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

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

Based on the representation received from the Company, no investor grievance is pending for a period exceeding one month as on March 31, 2016 against the Company and the Registrar and Share Transfer Agent have reported to the Stakeholders' Relationship Committee on the status of the grievances.

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

For Nilesh Shah & Associates
Company Secretaries

Place: Mumbai
Date: May 26, 2016

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

INDEPENDENT AUDITOR'S REPORT

To the Members of MIRC Electronics Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of MIRC Electronics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the

financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its loss, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

INDEPENDENT AUDITOR'S REPORT

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: 26 May 2016

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

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

Re: MIRC Electronics Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted unsecured loans to two companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants and loans are not prejudicial to the company's interest.
- (a) In respect of loans granted to companies covered in the register maintained under section 189 of the Companies Act, 2013, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (c) There is no amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the products manufactured and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax duty of custom, duty of excise, value added tax, cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Nature of Dues	Forum	Year*	Amount in lakhs
Income Tax	ITAT	2010-2012	297.57
	CIT(A)	2013-2014	82.71
	High Court	2001-2008	1,624.40
Service Tax	CESTAT	2005-2010, 2015	1,082.77
Excise Duty	Commissioner (Appeals)	2013	0.30
	Commissioner of Central Excise	1998, 2000	2.02
	HIGH COURT	1999	10.00
	CESTAT	2000, 2001-2005, 2007-2012	102.42
Customs Duty	CESTAT	2013	174.18
	Commissioner of Customs	2013, 2014	50.88
	Commissioner of Customs (Appeals)	2016	0.10
	Deputy Commissioner of Customs	2015, 2016	88.74
	Supreme Court	2013	1,406.94
Sales Tax (Centre and state)	Additional Commissioner (Appeals)	2011	0.87
	Appellate Authority	2012	16.37
	Assessing Authority	2010, 2011, 2012, 2013	614.28
	Assistant Commissioner	2012, 2013, 2014, 2015	237.20
	Board of Madhya Pradesh Commercial Taxes, Bhopal	1998	9.72

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

Nature of Dues	Forum	Year*	Amount in lakhs
Sales Tax (Centre and state)	Commissioner	1993-1994, 1996-1999, 2001-2004, 2007-2009	129.28
	Deputy Commissioner (Appeals)	2001, 2009	410.20
	Deputy excise and taxation Commissioner	2010	0.14
	Deputy Commissioner	1998, 2000-2001, 2004-2006, 2008-2013	33.31
	Excise & Taxation officer	2009, 2013	4.09
	High Court	2003-2005, 2011	225.49
	Joint Commissioner	2002, 2004, 2006, 2009, 2011, 2014, 2016	4.06
	Joint Commissioner (Appeals)	2006, 2007, 2010	3,337.68
	Revisional Board	2006-2011	474.57
	Sr. Joint Commissioner	2013	9.99
	Supreme Court	2008, 2010-2011	892.66
	Tribunal	2003-2004, 2006-2008	221.05

* Years represent AY for Income tax and financial year for other dues, (both years inclusive)

- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has delayed in repayment of dues to bank during the year to the extent of Rs 9,029,801/- (the delay in such repayments being for less than 4 days in each individual case) and no such dues were in arrears as on the balance sheet date.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management and on an overall examination of the balance sheet, we report that monies raised by way of term loans were applied for the purposes for which those were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.

- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: 26 May 2016

MIRC

MIRC ELECTRONICS LIMITED

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of MIRC Electronics Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: 26 May 2016

MIRC

MIRC ELECTRONICS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

	Notes	31st March, 2016 in lacs	31st March, 2015 in lacs
Equity and Liabilities			
Shareholder's Funds			
Share capital	2	1,964.20	1,964.20
Reserves and surplus	3	12,022.43	14,723.72
Money received against share warrant	42	568.75	-
		14,555.38	16,687.92
Non-current Liabilities			
Long-term borrowings	4	759.25	-
Deferred tax liabilities (Net)	5	-	-
Long-term provisions	8	259.57	160.49
		1,018.82	160.49
Current Liabilities			
Short-term borrowings	6	18,962.84	21,161.43
Trade payables	7	20,396.06	25,218.23
Other current liabilities	7	3,964.35	3,867.79
Short-term provisions	8	289.24	307.38
		43,612.49	50,554.83
TOTAL		59,186.69	67,403.24
Assets			
Non-current Assets			
Fixed assets			
Tangible assets	9	11,469.24	12,649.02
Intangible assets	9	7.83	9.89
		11,477.07	12,658.91
Non-current investments	10	2,625.80	2,624.92
Long-term loans and advances	11	4,066.99	3,474.12
Other non-current assets	12	56.20	11.43
		6,748.99	6,110.47
Current Assets			
Inventories	13	24,090.88	28,276.09
Trade receivables	14	13,208.94	12,542.21
Cash and bank balances	15	1,547.74	1,878.53
Short-term loans and advances	11	1,565.89	3,175.83
Other current assets	16	547.18	2,761.20
		40,960.63	48,633.86
TOTAL		59,186.69	67,403.24
Summary of significant accounting policies	1		

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

As per our report of even date

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

ICAI Firm Regn. No. 324982E/E300003

Chartered Accountants

per Jayesh Gandhi

Partner

Membership No. 037924

Place : Mumbai

Date : 26th May, 2016

For and on behalf of the Board of Directors of

MIRC Electronics Limited

Subrat Nayak

Chief Financial Officer

Lalit Chendvankar

Head Corporate Affairs,
Legal and Company Secretary

G. L. Mirchandani

Chairman and Managing Director

V. J. Mansukhani

Managing Director

MIRC

MIRC ELECTRONICS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Notes	2015-16 ` in lacs	2014-15 ` in lacs
Income			
Revenue from operations (gross)	17	81,635.64	112,405.84
Less: Excise Duty		4,437.54	5,344.15
Revenue from operations (net)		77,198.10	107,061.69
Other Income	18	325.98	92.78
Total Revenue		77,524.08	107,154.47
Expenses			
Cost of raw materials and components consumed	19	27,905.93	37,128.00
Purchases of Traded Goods	20	28,442.00	44,989.09
(Increase) / Decrease in inventories of Finished Goods, Work-in-progress and Traded Goods	21	1,359.55	(3,118.03)
Employee benefit expense	22	7,104.33	7,328.27
Finance Costs	23	2,878.87	3,292.49
Depreciation and amortisation expense	24	1,162.87	1,414.50
Loss on Insurance Claim	26	-	623.00
Other Expenses	25	12,459.57	16,097.56
Total Expenses		81,313.12	107,754.88
Profit / (Loss) before exceptional items and tax		(3,789.04)	(600.41)
Exceptional items	41	469.70	944.87
Profit / (Loss) after exceptional items and before tax		(3,319.34)	344.46
Tax Expense			
Current Tax		(618.05)	45.00
Deferred Tax		-	218.86
Total tax expense		(618.05)	263.86
Profit / (Loss) for the year		(2,701.29)	80.60
Summary of significant accounting policies	1		
Earnings per Equity Shares [Nominal Value of share ` 1 each (31 March, 2015: ` 1 each)]			
- Basic and Diluted (`)	36	(1.38)	0.05

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

As per our report of even date

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

ICAI Firm Regn. No. 324982E/E300003

Chartered Accountants

per Jayesh Gandhi

Partner

Membership No. 037924

Place : Mumbai

Date : 26th May, 2016

For and on behalf of the Board of Directors of

MIRC Electronics Limited

Subrat Nayak

Chief Financial Officer

Lalit Chendvankar

Head Corporate Affairs,
Legal and Company Secretary

G. L. Mirchandani

Chairman and Managing Director

V. J. Mansukhani

Managing Director

MIRC

MIRC ELECTRONICS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March, 2016	31st March, 2015
	` in lacs	` in lacs
Cash flow from operating activities		
Profit / (Loss) before tax	(3,319.34)	344.46
Adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation / amortization	1,162.87	1,414.50
Loss on insurance claim	-	623.00
Profit on sale of fixed assets (Exceptional item Refer Note 41)	(469.70)	(944.87)
Unrealized foreign exchange loss / (Gain)	(285.50)	27.82
Profit on sale of current investments	-	(12.81)
Provision for doubtful debts	25.38	157.94
Liabilities written back	(152.56)	-
Interest expense	2,878.87	3,292.49
Interest income	(53.45)	(25.55)
Interest on Income Tax Refund	(262.54)	-
Dividend income	-	(0.42)
Operating profit before working capital changes	(475.97)	4,876.56
Movements in working capital :		
Increase / (decrease) in trade payables	(4,580.97)	4,084.73
Increase / (decrease) in provisions	80.94	65.09
Increase / (decrease) in other current liabilities	60.28	(976.47)
Decrease / (increase) in trade receivables	(696.53)	(236.23)
Decrease / (increase) in inventories	4,185.21	(4,875.67)
Decrease / (increase) in loans and advances	240.55	1,096.70
Decrease / (increase) in other current assets	2,349.23	134.60
Cash generated from /(used in) operations	1,162.73	4,169.31
Direct taxes (paid), net of refunds	753.45	203.33
Net cash flow from / (used in) operating activities (A)	1,916.18	4,372.64
Cash flows from investing activities		
Purchase of fixed assets, including capital advances	(33.90)	(37.04)
Proceeds from sale of fixed assets	1,348.93	566.68
Redemption / (Purchase) of margin money deposits (having original maturity of more than three months)	(52.21)	0.23
Proceeds from sale of current investments	-	31.45
Purchase of non current Investments	(0.88)	(0.07)
Interest received	8.24	24.49
Interest on Income Tax Refund	262.54	-
Dividends received	-	0.42
Net cash flow from / (used in) investing activities (B)	1,532.72	586.16

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March, 2016	31st March, 2015
	` in lacs	` in lacs
Cash flows from financing activities		
Proceeds from issue of Equity shares	-	3,166.78
Loan given to wholly owned Subsidiary Company	(448.38)	-
Loan repaid by wholly owned Subsidiary Company	264.50	-
Proceeds from money received against share warrants	568.75	-
Proceeds of long term borrowings	1,500.00	-
Repayment of long term borrowings	(518.53)	(6,787.67)
Proceeds from short term borrowings	-	1,220.99
Repayment of short term borrowings	(2,149.86)	-
Interest paid	(2,976.01)	(3,245.82)
Unpaid Dividend deposited in Investor Education and Protection Fund	(27.60)	(15.85)
Net cash flow from / (used in) in financing activities (C)	(3,787.13)	(5,661.57)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(338.23)	(702.76)
Cash and cash equivalents at the beginning of the year	1,827.29	2,530.05
Cash and cash equivalents at the end of the year	1,489.06	1,827.29
Components of cash and cash equivalents		
Cash in hand	9.41	6.22
With banks		
- on Current account	34.47	25.66
- Unclaimed Dividend Accounts	57.89	85.49
Cheques, drafts on hand	1,387.29	1,709.92
Total cash and cash equivalents	1,489.06	1,827.29

Notes:

- Unclaimed Dividend Accounts of ` 57.89 lacs (Previous Year: ` 85.49 lacs) is not available for use as they represent corresponding unpaid dividend liability.
- Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) - 3 "Cash Flow Statements" as notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of Companies (Accounts) Rules 2014.

As per our report of even date
For **SRBC & CO LLP**
ICAI Firm Regn. No. 324982E/E300003
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : 26th May, 2016

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

Subrat Nayak
Chief Financial Officer

Lalit Chendvankar
Head Corporate Affairs,
Legal and Company Secretary

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

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MIRC ELECTRONICS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Basis of Preparation

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

1 Summary of significant accounting policies

1.1 Use of Estimates

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

1.2 Tangible Fixed Assets

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

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

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

1.3 Depreciation on Tangible Fixed Assets

Leasehold land is amortised on a straight line basis over the period of lease. Depreciation on tangible fixed assets is calculated on a straight line basis using the useful life of tangible fixed assets as specified in Schedule II of the Companies Act, 2013.

1.4 Intangible assets

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

1.7 Investments

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

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

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

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

1.8 Inventories

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

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

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

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

1.9 Revenue Recognition

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

Sale of Goods

Revenue from sale of goods is recognized when all significant risks and rewards of ownership of the goods have been transferred to the buyer, usually on dispatch of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Interest

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

Dividends

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

Export incentives

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

1.10 Foreign Currency Transactions

Initial Recognition

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

Conversion

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

Derivative Instruments & Hedge Accounting

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

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

1.11 Retirement and other employee benefits

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

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

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

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

1.12 Income Taxes

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

1.13 Earnings per Share

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

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

1.14 Provisions

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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.

1.15Contingent 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.

1.16Cash 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.

1.17Insurance claims

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

1.18Borrowing 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.

1.19Operating cycle

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

NOTE 2 - SHARE CAPITAL

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Authorised :		
36,80,20,000 Equity Shares of ` 1 each	3,680.20	3,680.20
(Previous year 36,80,20,000 Equity Shares of ` 1 each)		
10,000 8% Cumulative Redeemable Preference Shares of ` 100 each	10.00	10.00
(Previous year 10,000 8% Cumulative Redeemable Preference Shares of ` 100 each)		
10,00,000 11% Non-Cumulative Redeemable Preference Shares of ` 100 each	1,000.00	1,000.00
(Previous year 10,00,000 11% Non-Cumulative Redeemable Preference Shares of ` 100 each)		
Issued, Subscribed and Paid Up :		
19,62,34,202 Equity Shares of ` 1 each fully paid up	1,962.34	1,962.34
(Previous year 19,62,34,202 Equity Shares of ` 1 each fully paid up)		
Add : 2,48,000 Forfeited Equity Shares of ` 1 each partly paid up	1.86	1.86
(Previous year 2,48,000 Forfeited Equity Shares of ` 1 each partly paid up)		
	<u>1,964.20</u>	<u>1,964.20</u>
	1,964.20	1,964.20

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

	31st March, 2016		31st March, 2015	
	No. in Lacs	₹ in Lacs	No. in Lacs	₹ in Lacs
Fully paid up shares				
At the beginning of the year	1,962.34	1,962.34	1,417.52	1,417.52
Issued during the year on account of Rights issue (Refer note 29)	-	-	544.82	544.82
At the end of the year	1,962.34	1,962.34	1,962.34	1,962.34
Forfeited Equity shares				
At the beginning of the year	2.48	1.86	2.48	1.86
At the end of the year	2.48	1.86	2.48	1.86

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

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

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

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

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

	31st March, 2016		31st March, 2015	
	No. in Lacs	% holding in the class	No. in Lacs	% holding in the class
Mr. Gulu L. Mirchandani	219.84	11.20	219.84	11.20
IIFL Investment Adviser & Trustee Services Limited (Formerly IIFL Trustee Services Limited) (Beneficial owner Mr.Vijay J. Mansukhani)	401.61	20.47	401.61	20.47
Mr. Kaval G. Mirchandani	122.60	6.25	122.60	6.25
Mr. Sasha G. Mirchandani	122.07	6.22	122.07	6.22
Gulita Securities Limited	272.27	13.87	272.27	13.87

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 3 - RESERVES AND SURPLUS

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Capital Reserve	7.07	7.07
Capital Redemption Reserve	1,891.51	1,891.51
Securities Premium Account		
Balance as per last Balance Sheet	2,623.35	1.39
Add : Premium on issue of rights issue	-	2,724.13
Less: Amounts utilised towards rights issue expenses	-	(102.17)
	2,623.35	2,623.35
General Reserve	8,902.96	8,902.96
Surplus / (deficit) in the statement of profit and loss		
Balance as per last Balance Sheet	1,298.83	1,673.94
Less : Adjustment to written down value of assets fully depreciated pursuant to Schedule II of the Companies Act, 2013, net of tax - Refer Note 1.3	-	(455.71)
Add : Profit / (Loss) for the year	(2,701.29)	80.60
Net surplus / (deficit)	(1,402.46)	1,298.83
	12,022.43	14,723.72

NOTE 4 - LONG-TERM BORROWINGS

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Term loan		
Loan from banks (secured)	981.47	-
Less:- Disclosed under Other current liabilities	(222.22)	-
	759.25	-
The above amount includes		
Secured borrowings	981.47	-

Security

Secured by exclusive charge by way of equitable mortgage on the commercial property situated at Onida House. Rate of interest 11% per annum.

Repayment terms

Monthly in equal installments of ` 18.52 lacs payable over a period of five years

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 5 - DEFERRED TAX LIABILITIES (NET)

	31st March, 2016	31st March, 2015
	` in lacs	` in lacs
Deferred Tax Liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	1,646.27	1,601.83
Gross deferred tax liability	1,646.27	1,601.83
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	192.29	141.81
Provision for doubtful debts and advances	389.29	380.86
Carry forward of Income Tax Loss and unabsorbed depreciation	1,064.69	1,079.16
Gross deferred tax asset	1,646.27	1,601.83
Net deferred liability	-	-

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

NOTE 6- SHORT-TERM BORROWINGS

	31st March, 2016	31st March, 2015
	` in lacs	` in lacs
Cash Credit Facility from banks (Secured)	13,191.56	14,796.02
Buyers Credit (Secured)	5,771.28	6,365.41
	18,962.84	21,161.43

The above amount includes

Secured borrowings 18,962.84 21,161.43

Cash Credit Facility and Buyers credit from banks is secured by pari passu charge in favour of the bankers by mortgage / hypothecation of Company's immovable and movable properties at Wada and Onida House and immovable properties at Vasai. The interest on cash credit ranges from 12.15% to 15.25% (Previous year 13.05% to 15.87%) .The interest on Buyers credit is libor plus spread.

NOTE 7 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	31st March, 2016	31st March, 2015
	` in lacs	` in lacs
Acceptances	4,792.30	6,867.19
Trade payables	15,603.76	18,351.04
Total Trade payables	20,396.06	25,218.23

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March, 2016	31st March, 2015
	` in lacs	` in lacs
Other current liabilities		
Current maturities of long-term borrowings (Refer Note 4)	222.22	-
Interest accrued but not due on borrowings	54.54	61.68
Unclaimed dividends	57.89	85.49
Advances from Customers	111.75	174.54
Others payables		
Dealer Deposits	113.48	109.82
Employees Benefit	1,168.35	1,154.37
Statutory Dues	2,065.31	2,227.94
Creditors for Capital items	2.06	0.70
Liability for expenses	9.20	9.20
Others	159.55	44.05
	<u>3,517.95</u>	<u>3,546.08</u>
Total Other current liabilities	<u>3,964.35</u>	<u>3,867.79</u>
	<u>24,360.41</u>	<u>29,086.02</u>

NOTE 8 - PROVISIONS

	Long Term ` in lacs		Short Term ` in lacs	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Provision for employees benefit				
Provision for gratuity	259.57	160.49	137.72	77.75
Provision for leave benefits	-	-	151.52	229.63
	<u>259.57</u>	<u>160.49</u>	<u>289.24</u>	<u>307.38</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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, 2014	760.22	1,776.68	10,423.92	24,074.59	781.28	541.45	375.34	157.08	665.43	87.61	40.25	39,683.85
Additions	-	-	8.11	22.60	0.01	7.72	-	-	-	-	-	38.44
Disposals	174.32	-	422.14	45.75	25.82	11.32	53.07	-	-	0.12	-	732.54
As at 31st March, 2015	585.90	1,776.68	10,009.89	24,051.44	755.47	537.85	322.27	157.08	665.43	87.49	40.25	38,989.75
Additions	-	-	-	24.57	0.01	10.68	-	-	-	-	-	35.26
Disposals	54.31	-	17.09	29.94	5.64	5.46	17.16	-	2.38	0.19	-	132.17
As at 31st March, 2016	531.59	1,776.68	9,992.80	24,046.07	749.84	543.07	305.11	157.08	663.05	87.30	40.25	38,892.84
Depreciation												
As at 1st April, 2014	138.96	-	3,753.22	18,843.08	621.97	289.56	207.69	100.99	480.26	73.19	30.20	24,539.12
Charge for the year	9.00	-	372.78	897.78	25.89	47.16	29.45	1.10	27.15	2.18	0.28	1,412.77
Adjustments (refer note below)	-	-	316.96	208.76	23.41	111.35	-	0.02	3.30	2.91	7.86	674.57
Disposals	20.46	-	138.05	44.61	24.30	7.77	50.42	-	-	0.12	-	285.73
As at 31st March, 2015	127.50	-	4,304.91	19,905.01	646.97	440.30	186.72	102.11	510.71	78.16	38.34	26,340.73
Charge for the year	7.05	-	293.08	752.79	18.56	37.43	29.45	1.10	19.09	2.12	0.14	1,160.81
Disposals	7.17	-	6.16	30.89	6.46	8.41	16.29	-	2.37	0.19	-	77.94
As at 31st March, 2016	127.38	-	4,591.83	20,626.91	659.07	469.32	199.88	103.21	527.43	80.09	38.48	27,423.60
Net Block												
As at 31st March, 2015	458.40	1,776.68	5,704.98	4,146.43	108.50	97.55	135.55	54.97	154.72	9.33	1.91	12,649.02
As at 31st March, 2016	404.21	1,776.68	5,400.97	3,419.16	90.77	73.75	105.23	53.87	135.62	7.21	1.77	11,469.24

INTANGIBLE ASSETS

	R&D Software	TOTAL
Cost		
As at 1st April, 2014	66.92	66.92
Additions	-	-
Disposals	-	-
As at 31st March, 2015	66.92	66.92
Additions	-	-
Disposals	-	-
As at 31st March, 2016	66.92	66.92
Depreciation		
As at 1st April, 2014	55.30	55.30
Charge for the year	1.73	1.73
Disposals	-	-
As at 31st March, 2015	57.03	57.03
Charge for the year	2.06	2.06
Disposals	-	-
As at 31st March, 2016	59.09	59.09
Net Block		
As at 31st March, 2015	9.89	9.89
As at 31st March, 2016	7.83	7.83

Note :

Effective April 1, 2014, the Company had provided depreciation on straight line (SL) basis, based on the useful life of tangible assets as specified in Schedule II to the Companies Act, 2013. Accordingly, the carrying amount, net of residual value, as on that date had been depreciated over the revised remaining useful life of the assets. As a result, the charge for depreciation is higher by ` 158.84 lacs for the year ended 31st March 2015. Further carrying amount of ` 674.57 lacs (deferred tax ` 218.86 lacs, net of deferred tax ` 455.71 lacs) in respect of assets whose useful life was already exhausted as on April 01, 2014 had been adjusted to opening balance of surplus in the statement of profit and loss in the previous financial year.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 10 -NON-CURRENT INVESTMENTS

	No. of Shares	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Non Trade investments (valued at cost unless stated otherwise)			
Unquoted Equity Instruments			
Investment in fully owned subsidiary			
Akasaka Electronics Limited (Face value `10)	8,157,480	2,625.80	2,624.92
	(PY.8,148,720)		
Investment In Others			
Kongarar Textiles Limited (Face value `10)	2,600	1.17	1.17
Less: Provision for diminution in the value of Investments	(PY.2,600)	1.17	1.17
		-	-
Onida Finance Limited (Face value `10)	468,400	139.60	139.60
Less: Provision for diminution in the value of Investments	(PY.468,400)	139.60	139.60
		-	-
		2,625.80	2,624.92
Aggregate amount of Unquoted Investments at Cost		2,766.57	2,765.69
Less: Provision for diminution in the value of Investments		140.77	140.77
		2,625.80	2,624.92

NOTE 11- LOANS AND ADVANCES

	Long Term ` in lacs		Short Term ` in lacs	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Security Deposits, unsecured, considered good	2,788.40	3,184.43	-	-
Loans and advances to related parties, unsecured, considered good				
Subsidiary Company	-	-	183.88	-
Entity in which Directors have significant influence	125.00	125.00	-	-
Other Loans and Advances, Unsecured, considered good				
Advance Income-tax (Net of Provisions)	28.61	164.01	-	-
Balance with Excise and Customs, etc	-	-	736.13	295.21
Receivable on account of sale of fixed assets (Refer note 41)	-	-	-	825.00
Prepaid Expenses	55.71	0.68	177.82	202.84
Advance paid to Vendors	1,069.27	-	88.14	1,505.32
Other Receivables	-	-	379.92	347.46
	4,066.99	3,474.12	1,565.89	3,175.83

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 12 - OTHER NON-CURRENT ASSETS

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Unsecured, considered good unless stated otherwise		
Margin Money Deposits	56.20	11.43
	<u>56.20</u>	<u>11.43</u>

NOTE 13 - INVENTORIES

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Raw materials and components [includes Goods in transit ` 797.95 lacs (31st March, 2015 ` 2,519.91 lacs)]	6,548.50	9,368.94
Stores and Spares	250.23	255.45
Work-in-Progress	839.28	1,325.01
Finished Goods	4,662.20	3,630.16
Traded Goods [includes Goods in transit ` 4,990.21 lacs (31st March, 2015 ` 5,976.44 lacs)]	11,790.67	13,696.53
	<u>24,090.88</u>	<u>28,276.09</u>

NOTE 14 - TRADE RECEIVABLES

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured - considered good	2,115.32	663.98
- considered doubtful	1,177.41	1,152.03
	<u>3,292.73</u>	<u>1,816.01</u>
Less : Provision for Doubtful Debts	1,177.41	1,152.03
	<u>2,115.32</u>	<u>663.98</u>
Other receivables		
Secured	61.37	180.86
Unsecured	11,032.25	11,697.37
	<u>11,093.62</u>	<u>11,878.23</u>
	<u>13,208.94</u>	<u>12,542.21</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 15 - CASH AND BANK BALANCES

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Cash and cash equivalents		
Balance with Banks		
On Current Account	34.47	25.66
Unclaimed Dividend Accounts	57.89	85.49
	92.36	111.15
Cash in hand	9.41	6.22
Cheques, drafts on hand	1,387.29	1,709.92
	1,489.06	1,827.29
Other bank balances		
Margin Money Deposits	58.68	51.24
	1,547.74	1,878.53

NOTE 16 - OTHER CURRENT ASSETS

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Deferred Premium on Forward Contract	74.00	0.93
Unsecured, considered good unless stated otherwise		
Insurance claims receivable (Refer note 26)	331.19	2,753.49
Interest accrued	141.99	6.78
	547.18	2,761.20

NOTE 17 - REVENUE FROM OPERATIONS

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Revenue from operations		
Sale of Products		
Finished Goods	43,059.84	56,120.15
Traded Goods	38,039.73	55,935.65
	81,099.57	112,055.80
Other operating revenue		
Refund of Custom Duty	312.27	-
Sale of Scrap	64.97	72.89
Export Incentives	4.49	29.19
Liabilities written back	152.56	242.78
Others	1.78	5.18
	536.07	350.04
Revenue from operations (gross)	81,635.64	112,405.84
Less : Excise duty #	4,437.54	5,344.15
Revenue from operations (Net)	77,198.10	107,061.69

Excise duty on sales amounting to ` 4,437.54 lacs [previous year ` 5,344.15 lacs] has been reduced from sales in the Statement of Profit and Loss and excise duty on increase / (decrease) in stock amounting to ` 112.85 lacs [previous year ` 61.72 lacs] has been considered as (income) / expense in note 25 of financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Details of Products sold	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Finished Goods Sold		
Display Devices	36,769.04	49,961.55
Washing Machines	4,702.61	4,776.87
Others	1,588.19	1,381.73
	<u>43,059.84</u>	<u>56,120.15</u>
Traded Goods Sold		
Airconditioners	28,626.09	35,480.78
Display Devices	666.40	6,020.05
Washing Machines	2,224.23	3,013.18
Mobile	3,343.82	5,447.23
Others	3,179.19	5,974.41
	<u>38,039.73</u>	<u>55,935.65</u>
	<u>81,099.57</u>	<u>112,055.80</u>

NOTE 18 - OTHER INCOME

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Dividend Income	-	0.42
Interest Income on :		
Inter Corporate Deposit	18.80	18.75
Others	34.65	6.80
Interest on Income Tax Refund	262.54	-
Profit on sale of current investments	-	12.81
Others	9.99	-
	<u>325.98</u>	<u>92.78</u>

NOTE 19 - COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Inventory at the beginning of the year	9,368.94	7,598.63
Add : Purchases	<u>25,085.49</u>	<u>38,898.31</u>
	34,454.43	46,496.94
Less : Inventory at the end of the year	<u>6,548.50</u>	<u>9,368.94</u>
	<u>27,905.93</u>	<u>37,128.00</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Details of raw material and components consumed

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Colour Picture Tube and LCD / LED panels	16,979.43	20,509.46
Components and Parts for Display Devices	4,127.51	6,322.87
Components and Parts for Air Conditioners	470.69	252.28
Components and Parts for Washing Machine	2,221.57	3,090.82
Others	4,106.73	6,952.57
	27,905.93	37,128.00

NOTE 20 - PURCHASES OF TRADED GOODS

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Display Devices	822.45	6,586.32
Washing Machines	2,268.52	2,110.98
Air Conditioners	20,943.83	29,621.78
Microwave Ovens	1,378.88	1,195.02
Mobiles	2,656.31	4,609.36
Others	372.01	865.63
	28,442.00	44,989.09

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

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Inventory at the beginning of the year		
Finished Goods	3,630.16	2,854.18
Work in Progress	1,325.01	1,380.92
Traded Goods	13,696.53	11,298.57
	18,651.70	15,533.67
Less : Inventory at the end of the year		
Finished Goods	4,662.20	3,630.16
Work in Progress	839.28	1,325.01
Traded Goods	11,790.67	13,696.53
	17,292.15	18,651.70
	1,359.55	(3,118.03)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Details of Inventory

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Finished Goods		
Display Devices	3,950.03	2,751.25
Washing Machine	303.14	147.28
Others	409.03	731.63
	<u>4,662.20</u>	<u>3,630.16</u>
Work in Progress		
Display Devices	725.64	1,207.04
Washing Machine	71.70	79.62
Others	41.94	38.35
	<u>839.28</u>	<u>1,325.01</u>
Traded Goods		
Air Conditioners	8,642.15	10,032.93
Display Devices	223.24	405.41
DVD HTS and Induction cooker	238.09	294.63
Micro wave	367.93	404.80
Mobile	1,601.45	1,745.88
Washing Machine	523.66	556.75
Others	194.15	256.13
	<u>11,790.67</u>	<u>13,696.53</u>
	<u>17,292.15</u>	<u>18,651.70</u>

NOTE 22 - EMPLOYEE BENEFIT EXPENSE

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Salaries, Wages and Bonus	6,060.63	6,217.91
Contribution to Provident Fund and Other Funds	253.35	242.77
Gratuity expense	155.06	83.54
Staff Welfare Expenses	635.29	784.05
	<u>7,104.33</u>	<u>7,328.27</u>

NOTE 23 - FINANCE COST

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Interest Expense	1,998.96	1,882.01
Other Borrowing costs	879.91	1,410.48
	<u>2,878.87</u>	<u>3,292.49</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 24 - DEPRECIATION AND AMORTISATION EXPENSE

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Depreciation of tangible assets	1,160.81	1,412.77
Amortisation of intangible assets	2.06	1.73
	1,162.87	1,414.50

NOTE 25 - OTHER EXPENSES

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Power and Fuel	350.26	639.12
Rent	638.69	717.19
Rates and Taxes	165.44	180.55
Repairs to		
Plant and Machinery	87.83	99.66
Building	10.89	7.06
Others	457.84	487.41
	556.56	594.13
Insurance Charges	61.83	130.02
Freight and Forwarding Charges	2,794.76	4,323.69
Advertisement and sales promotion	1,772.24	2,719.45
Special rebates and incentives	1,265.65	1,311.56
Service Charges	1,140.35	2,006.85
Travelling and Conveyance	481.61	533.44
Provision for Doubtful Debts and advances	25.38	157.94
Research and Development Expenses	366.46	422.55
Increase / (decrease) of excise duty on inventory	112.85	61.72
Exchange loss	1,026.53	699.95
Miscellaneous Expenses	1,700.96	1,599.40
	12,459.57	16,097.56

Miscellaneous expenses includes:-

Note i) Remuneration to Auditors:

Payment to Auditor	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
As auditor (exclusive of Service tax)		
Audit fees	26.00	22.90
Tax audit fees	4.00	4.00
Other services	1.25	7.55
Reimbursement of expenses	1.77	1.40
	33.02	35.85

Note ii)

In the previous year, an amount of ` 6.05 lacs pertaining to expenses incurred for rights issue of equity shares has been set off against securities premium and has not been debited to the statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- 26)** There was a fire accident in February, 2012 at Roorkee Plant of the Company. The Company had made a claim of ` 4995.50 lacs in respect of loss and damages covered by the insurance policy. Against the total claim, on account payment of ` 1632.45 lacs had been realised from the Insurance company in the previous year. Based on the communication received from surveyors appointed by the Insurance company, management had reassessed the recoverability of claim and consequently a further loss of ` 623.00 lacs was charged to the statement of Profit and Loss during the previous year ended 31st March, 2015. During the current year, the Company has received an amount of ` 2474.70 lacs from the Insurance Company as full and final settlement against insurance claim receivable of ` 2740.05 lacs (included under Other current asset - Refer note 16). The Company has gone for arbitration for the balance amount along with interest and other claims.

27) Contingent Liabilities and Commitments :

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Contingent Liabilities		
a) Guarantees given by Bank against which ` 11.08 lacs (previous year ` Nil) has been deposited as margin money	260.89	760.93
b) Guarantees given to bank on behalf of subsidiary company - Akasaka Electronics Limited	-	1,669.00
c) Income tax demands in respect of which appeals have been filed	623.02	323.42
d) Excise Duty, Service Tax and Custom Duty in respect of which appeals have been filed	2,861.30	2,496.25
e) Claims made against the Company not acknowledged as debts	9,438.75	11,007.64

28) Employee Benefits :

a) Defined contribution plans

The Company has recognised an expense of ` 223.14 Lacs ( previous year ` 221.41 Lacs) towards defined contribution plans, in respect of Provident Fund.

b) Defined benefit plans

Gratuity

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

c) Principal actuarial assumptions :

Particulars	Gratuity	
	31st March 2016	31st March 2015
Discount rate	7.79%	7.95%
Rate of Return on Plan Assets	7.79%	7.95%
Salary Escalation	4.00%	4.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

d) Reconciliation of Benefit Obligation :

` in lacs

Particulars	Gratuity	
	31st March 2016	31st March 2015
Liability at the beginning of the year	1,039.73	945.30
Interest cost	82.61	87.44
Current Service Cost	54.34	49.23
Benefit Paid	(155.72)	(52.82)
Actuarial (Gain) / Loss on Obligations	73.18	10.58
Liability at the end of the year	1,094.14	1,039.73
Fair Value of Plan Assets at the end of the year	696.85	801.49
Liability at the end of the year recognised and disclosed under the head "Provisions for Employees Benefit" (Refer Note 8)	397.29	238.24
- Long term provision	259.57	160.49
- Short term provision *	137.72	77.75

* Of the Total Provision, the Company expects to pay an amount of ` 137.72 lacs to the fund in the year 2016-17

e) Reconciliation of Fair value of Plan Assets :

` in lacs

Particulars	Gratuity	
	31st March 2016	31st March 2015
Fair Value of Plan Assets at the beginning of the year	801.49	775.07
Expected Return on Plan Assets	63.72	71.69
Contributions	-	11.16
Benefit Paid	(155.72)	(52.82)
Actuarial Gain / (Loss) on Plan Asset	(12.64)	(3.61)
Fair Value of Plan Assets at the end of the year*	696.85	801.49

* All the assets are categorised as Insurer Managed Funds

f) Return on Plan Assets :

` in lacs

Particulars	Gratuity	
	2015-16	2014-15
Expected Return on Plan Assets	63.72	71.69
Actuarial Gain / (Loss) on Plan Assets	(12.64)	(3.61)
Actual Return on Plan Assets	51.08	68.08

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

` in lacs

Particulars	Gratuity	
	2015-16	2014-15
Current Service Cost	54.34	49.23
Interest Cost	82.61	87.44
Expected Return on Plan Assets	(63.72)	(71.69)
Net Actuarial (Gain) / Loss recognised	85.82	14.19
Expenses recognised in Profit and Loss Statement	159.05	79.17

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

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

` in lacs

Particulars	Gratuity				
	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	1,094.14	1039.73	945.30	937.78	853.00
Plan assets	696.85	801.49	775.07	798.14	784.36
Surplus / (deficit)	(397.29)	(238.24)	(170.23)	(139.64)	(68.64)
Experience adjustment on plan liabilities (gain) / loss	25.70	(50.22)	(32.51)	(23.72)	(22.05)
Experience adjustment on plan assets (loss) / gain	(12.64)	(3.61)	0.83	1.94	5.04

- 29)** The Company during the previous year allotted 5,44,82,524 equity shares at a premium of ` 5 per share. Consequently, the paid up share capital increased from ` 1,417.52 lacs to ` 1,962.34 lacs and Securities Premium increased by ` 2,621.96 lacs (net of rights Issue expenses) in previous year.

Pursuant to stipulation imposed by the financial institutions the promoters provided an unsecured loan of ` 3,200.00 lacs to the Company in FY 2013-14. The Company during the previous year issued equity shares of ` 2,646.05 lacs against the unsecured loan and refunded the balance amount to the promoters.

30) Imported and Indigenous Material Consumed :

` in lacs

Sr. No.	Particulars	2015-16	%	2014-15	%
a)	Imported	22,414.12	80.32	29,249.46	78.78
b)	Indigenous	5,491.81	19.68	7,878.54	21.22
	Total	27,905.93	100.00	37,128.00	100.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

		` in lacs	
Sr. No.	Particulars	2015-16	2014-15
a)	Raw Materials and Spare parts (Including in-transit)	19,636.84	28,836.20
b)	Finished Goods - Stock in Trade (Including in-transit)	20,879.43	32,951.17

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

		` in lacs	
Particulars		2015-16	2014-15
Exports (at FOB Value)		1,739.50	911.05

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

		` in lacs	
Sr. No.	Particulars	2015-16	2014-15
a)	Royalty	12.46	11.53
b)	Finance cost	150.12	129.02
c)	Personnel expenses	188.81	223.41
d)	Freight and Forwarding	79.80	23.61
e)	Travelling and conveyance	35.94	34.84
f)	Professional Fees	170.59	174.24
g)	Others	186.91	158.22
	Total	824.63	754.87

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

35) Foreign Currency exposure :

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

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

		` in Lacs		
Sr. No.	Particulars	Currency	Amount in foreign currency	Amount in Indian Rupees
a)	Amount payable on account of import of goods and buyers credit	USD	126.16	8,357.91
	(Previous year)	USD	(150.13)	(9,384.01)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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	194.79	12,904.40
		JPY	7.64	4.51
		RMB	282.16	2,888.80
	(Previous year)	USD	(246.53)	(15,409.56)
		JPY	(66.86)	(34.85)
		RMB	(161.14)	(1,624.25)
b)	Amount receivable on account of export of goods	USD	4.17	276.13
	(Previous year)	USD	(3.09)	(193.30)

The forward contracts and foreign currency exposures have been converted into Indian Rupees , at the spot rates , as at 31st March 2016 to facilitate reading purposes only.

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

Particulars	2015-16	2014-15
Profit / (Loss) after Tax (` in lacs)	(2,701.29)	80.60
Net Profit / (Loss) after tax attributable to Equity shareholders (` in lacs)	(2,701.29)	80.60
Weighted average number of Equity Shares outstanding	196,234,202	170,957,120
Basic / Diluted Earnings Per Share (`)	(1.38)	0.05

37) Research and development expenses consist of personnel expenses of `286.11 Lacs (previous year `325.16 Lacs) and other expenses of `80.35 Lacs (previous year `97.39 Lacs). Depreciation on Research and Development assets is `24.51 Lacs (previous year `32.45 Lacs) shown under Fixed Assets.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

39) Related party Disclosure :

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

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

1. Subsidiary	Akasaka Electronics Ltd.
2. Key Management Personnel	Mr. G.L. Mirchandani - Chairman & Managing Director Mr. V.J. Mansukhani - Managing Director Mr. S. K. Dhoot - Whole - time Director Mr. G. Sundar - Chief Executive Officer Mr. Aashay S. Khandwala - Head Corporate Affairs, Legal and Company Secretary (Joined wef. 26th March, 2014 - Resigned wef. 15th April, 2015) Mr. Lalit Chandvekar - Head Corporate Affairs, Legal and Company Secretary (Joined wef. 13th August, 2015) Mr. Predeep Gupta - Chief Financial Officer (Joined wef. 17th September, 2012 - Resigned wef. 7th November, 2014) Mr. Muthu Elango - Chief Financial Officer (Joined wef. 8th November, 2014 - Resigned wef. 13th August, 2015) Mr. Subrat Nayak - Head of Finance (Joined wef. 14th March, 2016) - Chief Financial Officer (wef. 22nd April, 2016)
3. Relatives of Key Management Personnel	Mrs. Gita Mirchandani (Wife of Mr.G.L. Mirchandani) Mrs. Marissa Mansukhani (Wife of Mr.V.J.Mansukhani) Mr. Kaval Mirchandani (Son of Mr.G.L. Mirchandani) Mr. Sasha Mirchandani (Son of Mr.G.L. Mirchandani) Mr. Akshay Mansukhani (Son of Mr.V.J. Mansukhani) Ms. Ayesha Mansukhani (Daughter of Mr.V.J. Mansukhani) G.L. Mirchandani (H.U.F.) V.J. Mansukhani (H.U.F.)
4. Enterprise over which any person described in 2 & 3 is having significant influence	Iwai Electronics Pvt. Ltd. Adino Telecom Ltd. Gulita Wealth Advisors Pvt. Ltd. Adino Electronics Ltd. IIFL Investment Adviser & Trustee Services Ltd. (Formerly IIFL Trustee Services Ltd.) Gulita Securities Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

in lacs

Particulars	Subsidiary	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (2) & (3) is having significant influence
	(1)	(2)	(3)	(4)
Transactions during FY 2015-16				
Purchase / (purchase return) of goods, services and spares				
Akasaka Electronics Limited	(6.36)	-	-	-
	(308.15)	-	-	-
Iwai Electronics Pvt.Limited	-	-	-	243.27
	-	-	-	(611.09)
Sale of goods, spares and services				
Iwai Electronics Pvt. Limited	-	-	-	0.59
	-	-	-	(1.92)
Inter Corporate Deposits / Loan received				
V. J. Mansukhani	-	1,000.00	-	-
	-	(1,000.00)	-	-
G. L. Mirchandani	-	-	-	-
	-	(75.00)	-	-
Issue of Equity Shares adjusted against loan taken				
G. L. Mirchandani	-	-	-	-
	-	(1,260.46)	-	-
Gita Mirchandani	-	-	-	-
	-	-	(208.10)	-
Kaval Mirchandani	-	-	-	-
	-	-	(282.79)	-
Sasha Mirchandani	-	-	-	-
	-	-	(281.92)	-
IIFL Investment Adviser & Trustee Services Limited	-	-	-	-
	-	-	-	(580.36)
Gulita Securities Limited	-	-	-	-
	-	-	-	(24.65)
Adino Electronics Limited	-	-	-	-
	-	-	-	(7.77)
Inter Corporate Deposits / Loan given				
Akasaka Electronics Limited	448.38	-	-	-
	-	-	-	-
Inter Corporate Deposits / Loan given repaid				
Akasaka Electronics Limited	264.50	-	-	-
	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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)
Inter Corporate Deposits / Loan received repaid				
V. J. Mansukhani	-	1,000.00	-	-
	-	(1478.58)	-	-
G. L. Mirchandani	-	-	-	-
	-	(150.37)	-	-
Interest received / receivable on				
Inter Corporate Deposits / loans / advances				
Akasaka Electronics Limited	13.91	-	-	-
	-	-	-	-
Adino Telecom Limited	-	-	-	18.75
	-	-	-	(18.75)
Interest paid / payable on				
Inter Corporate Deposits / loans / advances				
V. J. Mansukhani	-	2.96	-	-
	-	(14.72)	-	-
G. L. Mirchandani	-	-	-	-
	-	(2.52)	-	-
Rent paid				
G. L. Mirchandani	-	4.03	-	-
	-	(4.03)	-	-
Gita Mirchandani	-	-	18.90	-
	-	-	(21.79)	-
Marissa Mansukhani	-	-	2.47	-
	-	-	(5.21)	-
Akshay Mansukhani	-	-	0.89	-
	-	-	(0.89)	-
Ayesha Mansukhani	-	-	0.89	-
	-	-	(0.89)	-
G.L. Mirchandani (HUF)	-	-	5.20	-
	-	-	(10.68)	-
V. J. Mansukhani (HUF)	-	-	-	-
	-	-	(2.59)	-
Gulita Wealth Advisors Private Limited	-	-	-	30.00
	-	-	-	(30.00)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

in lacs

Particulars	Subsidiary	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (2) & (3) is having significant influence
	(1)	(2)	(3)	(4)
Refund of rent deposit				
Gita Mirchandani	-	-	488.93	-
	-	-	(5.95)	-
Marissa Mansukhani	-	-	2.23	-
	-	-	(2.97)	-
G.L. Mirchandani (HUF)	-	-	295.26	-
	-	-	(2.97)	-
Remuneration				
G. L. Mirchandani	-	122.31	-	-
	-	(126.84)	-	-
V. J. Mansukhani	-	122.31	-	-
	-	(110.55)	-	-
Kaval Mirchandani	-	-	35.30	-
	-	-	(45.00)	-
S. K. Dhoot	-	34.57	-	-
	-	(34.58)	-	-
G. Sundar	-	191.84	-	-
	-	(197.50)	-	-
Aashay S. Khandwala	-	5.91	-	-
	-	(41.14)	-	-
Lalit Mohan Chendvankar	-	19.34	-	-
	-	-	-	-
Muthu Elango	-	38.39	-	-
	-	(28.78)	-	-
Subrat Nayak	-	2.02	-	-
	-	-	-	-
Predeep Gupta	-	-	-	-
	-	(40.82)	-	-
Closing Balance as at 31st March, 2016				
Receivable				
Akasaka Electronics Limited				
Inter corporate Deposit given	183.88	-	-	-
	-	-	-	-
Interest on Inter corporate Deposit given	13.90	-	-	-
	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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)
Gita Mirchandani Rent Deposit given	- -	- -	136.52 (625.45)	- -
Marissa Mansukhani Rent Deposit given	- -	- -	2.98 (5.21)	- -
Akshay Mansukhani Rent Deposit given	- -	- -	0.89 (0.89)	- -
Ayesha Mansukhani Rent Deposit given	- -	- -	0.89 (0.89)	- -
G. L. Mirchandani (HUF) Rent Deposit given	- -	- -	51.46 (346.72)	- -
V. J. Mansukhani (HUF) Rent Deposit given	- -	- -	2.59 (2.59)	- -
G.L. Mirchandani Rent Deposit given	- -	119.82 (119.82)	- -	- -
Gulita Wealth Advisors Private Limited Rent Deposit	- -	- -	- -	1,000.00 (1000.00)
Adino Telecom Limited Debtors	- -	- -	- -	9.10 (14.87)
Inter corporate deposit given	- -	- -	- -	125.00 (125.00)
Interest Receivable	- -	- -	- -	27.16 (8.41)
Adino Electronics Limited Debtors	- -	- -	- -	5.45 (5.45)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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)
Payable				
Akasaka Electronics Limited				
Creditors payable	- (66.61)	- -	- -	- -
Iwai Electronics Private Limited				
Creditors payable	- -	- -	- -	38.06 (120.03)
Remuneration payable				
G. L. Mirchandani	-	7.64 (8.06)	-	-
V. J. Mansukhani	-	10.14 (8.53)	-	-
Kaval Mirchandani	-	-	2.66 (2.65)	-
S. K. Dhoot	-	2.63 (2.62)	-	-
G. Sundar	-	15.08 (14.98)	-	-
Aashay S. Khandwala	-	- (3.08)	-	-
Lalit Mohan Chendvankar	-	2.55	-	-
Muthu Elango	-	-	-	-
Subrat Nayak	-	(5.53) 2.02	-	-
	-	-	-	-

Note :

i) Figures in brackets are of previous year

40) Provision for Warranty :

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

The movement in provision can be summarised as -

Particulars	` in lacs	
	31st March, 2016	31st March, 2015
At the beginning of the year	68.00	68.00
Provisions :		
- Created	88.62	68.00
- Utilised	68.00	68.00
- Reversed	-	-
Balance as at the end of the year		
- Current	88.62	68.00
- Non current	-	-

- 41) Exceptional items for the current year ended 31st March, 2016 includes profit on sale of land and building at Noida of `466.93 lacs (Previous year profit on sale of Noida and Thane property of `944.93 lacs.) and profit on sale of other miscellaneous assets of `2.77 lacs (Previous year loss on sale of other miscellaneous asset of `0.06 lacs). An amount of `825 lacs was receivable on account of sale of land and building at Noida during the previous year which is disclosed under Loans and advances - refer note no.11. The said amount is received during the year.
- 42) During the year, the Company has allotted 1 (One) Warrant to Bennett Coleman & Co. Ltd. (BCCL) exercisable for equity shares aggregating to `2,275.00 lacs. The company has received an amount of `568.75 lacs being 25% of the value of Warrant from BCCL and has been disclosed as "Money received againsts share warrants" below Reserves and Surplus, with such warrant carrying an option / entitlement to the warrant holder to subscribe to equity shares of the face value of Re. 1/- each for cash at a minimum price of `14.66/- each (including premium of `13.66/- each) per share, as arrived in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as on the Relevant Date i.e. 27th May, 2015 or such higher price per share equal to the average of the weekly high and low of the closing prices of the equity share of the company as quoted on the National Stock Exchange of India Ltd. during the 26 (twenty six) weeks preceding the last date of 17th (seventeenth) month from the date of allotment of warrant i.e. 10th July, 2015 after making adjustment for any bonus issue / split / consolidation.
- 43) The Company has incurred a net loss in its three immediately preceding financial years. Thus in accordance with Section 135 (5) of the Companies Act, 2013, the Company is not required to provide / spend any amount under its Corporate Social Responsibility policy.
- 44) The Board of Directors of the Company have approved a scheme of amalgamation between the Company and its wholly owned subsidiary Akasaka Electronics Limited with effect from 1st April, 2015. The scheme is subject to approval of the High Court and hence no effect of the same is given in the financial statement.
- 45) 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 **SRBC & CO LLP**
ICAI Firm Regn. No. 324982E/E300003
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : 26th May, 2016

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

Subrat Nayak
Chief Financial Officer

Lalit Chendvankar
Head Corporate Affairs,
Legal and Company Secretary

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

MIRC

MIRC ELECTRONICS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS INDEPENDENT AUDITOR'S REPORT

To the Members of MIRC Electronics Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MIRC Electronics Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2016, their consolidated loss, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We and the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

CONSOLIDATED FINANCIAL STATEMENTS INDEPENDENT AUDITOR'S REPORT

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditor who is appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of the directors of the Group's companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group,– Refer Note 27 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary.

Other Matter

- (a) The accompanying consolidated financial statements include total assets of Rs 2363.91 lakhs as at March 31, 2016, and total revenues and net cash outflows of Rs 9.67 lakhs and Rs 294.96 lakhs for the year ended on that date, in respect of subsidiary which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of such other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: 26 May 2016

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MIRC ELECTRONICS LIMITED

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

In conjunction with our audit of the consolidated financial statements of MIRC Electronics Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of MIRC Electronics Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary company, which is company incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditor of such subsidiary.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: 26 May 2016

MIRC

MIRC ELECTRONICS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

	Notes	31st March, 2016 in lacs	31st March, 2015 in lacs
Equity and Liabilities			
Shareholder's Funds			
Share capital	2	1,964.20	1,964.20
Reserves and surplus	3	11,224.04	13,169.27
Money received against share warrant	40	568.75	-
		13,756.99	15,133.47
Minority Interest		-	1.16
Non-current Liabilities			
Long-term borrowings	4	759.25	143.23
Deferred tax liabilities (Net)	5	-	-
Long-term provisions	8	259.57	161.14
		1,018.82	304.37
Current Liabilities			
Short-term borrowings	6	19,057.67	21,443.58
Trade payables	7	20,420.05	25,181.94
Other current liabilities	7	4,132.03	4,087.77
Short-term provisions	8	539.24	401.98
		44,148.99	51,115.27
TOTAL		58,924.80	66,554.27
Assets			
Non-current Assets			
Fixed assets			
Tangible assets	9	12,406.22	13,917.86
Intangible assets	9	7.83	9.89
		12,414.05	13,927.75
Non-current investments	10	-	-
Long-term loans and advances	11	4,147.19	3,582.33
Other non-current assets	12	56.20	11.43
		4,203.38	3,593.77
Current Assets			
Inventories	13	24,151.24	28,465.06
Trade receivables	14	13,246.66	12,707.56
Cash and bank balances	15	1,845.35	1,881.17
Short-term loans and advances	11	2,530.83	3,217.77
Other current assets	16	533.27	2,761.20
		42,307.36	49,032.76
TOTAL		58,924.80	66,554.27
Summary of significant accounting policies	1		

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

As per our report of even date

For **SRBC & CO LLP**

ICAI Firm Regn. No. 324982E/E300003

Chartered Accountants

per Jayesh Gandhi

Partner

Membership No. 037924

Place : Mumbai

Date : 26th May, 2016

For and on behalf of the Board of Directors of

MIRC Electronics Limited

Subrat Nayak

Chief Financial Officer

Lalit Chendvankar

Head Corporate Affairs,
Legal and Company Secretary

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

MIRC

MIRC ELECTRONICS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Notes	2015-16 in lacs	2014-15 in lacs
Income			
Revenue from operations (gross)	17	81,661.32	112,755.62
Less: Excise Duty		4,440.29	5,402.12
Revenue from operations (net)		77,221.03	107,353.50
Other Income	18	312.72	100.01
Total Revenue		77,533.75	107,453.51
Expenses			
Cost of raw materials and components consumed	19	27,944.13	37,147.92
Purchases of Traded Goods	20	28,442.00	44,989.09
(Increase) / Decrease in inventories of Finished Goods, Work-in-progress and Traded Goods	21	1,439.08	(3,089.04)
Employee benefit expense	22	7,112.34	7,672.50
Finance Costs	23	2,960.48	3,390.47
Depreciation and amortisation expense	24	1,245.64	1,533.32
Loss on Insurance Claim	26	-	623.00
Other Expenses	25	12,571.91	16,324.81
Total Expenses		81,715.58	108,592.07
Loss before exceptional items and tax		(4,181.83)	(1,138.56)
Exceptional items	36	1,868.31	944.87
Loss before tax		(2,313.52)	(193.69)
Tax Expense			
Current Tax		(368.05)	45.00
Deferred Tax		-	218.86
Total tax expense		(368.05)	263.86
Loss for the year before minority interest		(1,945.47)	(457.55)
Minority interest		-	(0.58)
Loss for the year		(1,945.47)	(456.97)
Summary of significant accounting policies	1		
Earnings per Equity Shares [Nominal Value of share Re. 1 each (31 March, 2015: Re. 1 each)]			
- Basic and Diluted (₹)	32	(0.99)	(0.27)

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

As per our report of even date

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

ICAI Firm Regn. No. 324982E/E300003

Chartered Accountants

per Jayesh Gandhi

Partner

Membership No. 037924

Place : Mumbai

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Managing Director

MIRC

MIRC ELECTRONICS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March, 2016	31st March, 2015
	in lacs	in lacs
Cash flow from operating activities		
Loss before tax	(2,313.52)	(193.69)
Adjustment to reconcile loss before tax to net cash flows		
Depreciation / amortization	1,245.64	1,533.32
Loss on insurance claim	-	623.00
Profit on sale of fixed assets	(1,868.31)	(944.87)
Profit on sale of current investments	-	(12.81)
Unrealized foreign exchange loss / (Gain)	(285.50)	27.16
Provision for doubtful debts	68.84	169.44
Liabilities written back	(152.56)	-
Interest expense	2,960.48	3,390.47
Interest income	(39.54)	(32.23)
Interest on Income Tax Refund	(262.54)	-
Dividend income	-	(0.42)
Operating profit before working capital changes	(647.01)	4,559.37
Movements in working capital :		
Increase / (decrease) in trade payables	(4,520.48)	3,751.51
Increase / (decrease) in provisions	(14.30)	144.60
Increase / (decrease) in other current liabilities	129.19	(965.34)
Decrease / (increase) in trade receivables	(612.36)	(31.28)
Decrease / (increase) in inventories	4,313.82	(4,683.82)
Decrease / (increase) in loans and advances	279.67	1,166.19
Decrease / (increase) in other current assets	2,349.23	134.60
Cash generated from / (used in) operations	1,277.76	4,075.83
Direct taxes (paid), net of refunds	749.45	201.35
Net cash flow from / (used in) operating activities (A)	2,027.21	4,277.18
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(48.37)	(41.42)
Proceeds from sale of fixed assets	1,882.64	566.68
Payment to minority shareholders	(1.16)	-
Redemption / (purchase) of margin money deposits (having original maturity of more than three months)	(52.22)	239.50
Proceeds from sale of current investments	-	31.45
Interest received	8.24	42.49
Interest on Income Tax Refund received	262.54	-
Dividends received	-	0.42
Net cash flow from / (used) in investing activities (B)	2,051.67	839.12

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March, 2016	31st March, 2015
	₹ in lacs	₹ in lacs
Cash flows from financing activities		
Proceeds from issuance of Equity share capital	-	3,166.78
Proceeds from Money received against share warrant	568.75	-
Proceeds of long term borrowings	1,500.00	-
Repayment of long term borrowings	(781.76)	(120.00)
Proceeds from short term borrowings	-	1,287.63
Repayment of short term borrowings	(2,337.18)	(6,803.61)
Interest paid	(3,044.36)	(3,343.80)
Unpaid Dividend deposited in Investor Education and Protection Fund	(27.60)	(15.85)
Net cash flow from/ (used) in financing activities (C)	(4,122.15)	(5,828.85)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(43.27)	(712.55)
Cash and cash equivalents at the beginning of the year	1,829.25	2,541.80
Cash and cash equivalents at the end of the year	1,785.98	1,829.25
Components of cash and cash equivalents		
Cash in hand	9.50	6.31
With banks		
- on Current account	331.30	27.53
- Unclaimed Dividend Accounts	57.89	85.49
Cheques, drafts on hand	1,387.29	1,709.92
Total cash and cash equivalents	1,785.98	1,829.25

Notes:

- Unclaimed Dividend Accounts of ₹ 57.89 lacs (Previous Year: ₹ 85.49 lacs) is not available for use as they represent corresponding unpaid dividend liability.
- Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) - 3 "Cash Flow Statements" as notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of Companies (Accounts) Rules 2014.

As per our report of even date
For **SRBC & CO LLP**
ICAI Firm Regn. No. 324982E/E300003
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : 26th May, 2016

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

Subrat Nayak
Chief Financial Officer

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G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

MIRC

MIRC ELECTRONICS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Basis of Preparation

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

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

1 Summary of significant accounting policies

1.1 Use of Estimates

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

1.2 Tangible Fixed Assets

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

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

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

1.3 Depreciation on Tangible Fixed Assets

Leasehold land is amortised on a straight line basis over the period of lease. Depreciation on tangible fixed assets is calculated on a straight line basis using the useful life of tangible fixed assets as specified in Schedule II of the Companies Act, 2013.

1.4 Intangible Fixed Assets

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

1.5 Lease

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

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,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost, had no impairment been recognised.

1.7 Investments

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

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

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

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

1.8 Inventories

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

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

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

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

1.9 Revenue Recognition

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

Sale of Goods

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

Interest

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Dividends

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

Export incentives

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

1.10 Foreign Currency Transactions

Initial Recognition

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

Conversion

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

Derivative Instruments & Hedge Accounting

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

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

1.11 Retirement and other employee benefits

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

1.12 Income Taxes

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

1.13 Earnings per Share

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

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

1.14 Provisions

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

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

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1.16 Cash and cash equivalents

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

1.17 Insurance claims

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

1.18 Borrowing costs

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

1.19 Operating cycle

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

1.20 Principles of Consolidation :

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

- 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, 2016.
- 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 Subsidiary	Percentage of Holding as on 31st March, 2016 and 31st March, 2015
Akasaka Electronics Limited	100.00% (Previous Year 99.89%)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 2 SHARE CAPITAL

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Authorised :		
36,80,20,000 Equity Shares of Re.1 each (Previous year 36,80,20,000 Equity Shares of Re.1 each)	3,680.20	3,680.20
10,000 8% Cumulative Redeemable Preference Shares of ` 100 each (Previous year 10,000 8% Cumulative Redeemable Preference Shares of ` 100 each)	10.00	10.00
10,00,000 11% Non-Cumulative Redeemable Preference Shares of ` 100 each (Previous year 10,00,000 11% Non-Cumulative Redeemable Preference Shares of ` 100 each)	1,000.00	1,000.00
Issued, Subscribed and Paid Up :		
19,62,34,202 Equity Shares of Re.1 each fully paid up (Previous year 19,62,34,202 Equity Shares of Re.1 each fully paid up)	1,962.34	1,962.34
Add : 2,48,000 Forfeited Equity Shares of Re.1 each partly paid up (Previous year 2,48,000 Forfeited Equity Shares of Re.1 each partly paid up)	1.86	1.86
	1,964.20	1,964.20
	1,964.20	1,964.20

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

	31st March, 2016		31st March, 2015	
	No. in Lacs	` in lacs	No. in Lacs	` in lacs
Fully paid up shares				
At the beginning of the year	1,962.34	1,962.34	1,417.52	1,417.52
Issued during the year on account of Rights issue (Refer note 29)	-	-	544.82	544.82
At the end of the year	1,962.34	1,962.34	1,962.34	1,962.34
Forfeited Equity shares				
At the beginning of the year	2.48	1.86	2.48	1.86
At the end of the year	2.48	1.86	2.48	1.86

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

Name of the Shareholder	31st March, 2016		31st March, 2015	
	No. in Lacs	% holding in the class	No. in Lacs	% holding in the class
Mr. Gulu L. Mirchandani	219.84	11.20	219.84	11.20
IIFL Investment Adviser & Trustee Services Limited (Formerly IIFL Trustee Services Limited) (Beneficial owner Mr.Vijay J. Mansukhani)	401.61	20.47	401.61	20.47
Mr. Kaval G. Mirchandani	122.60	6.25	122.60	6.25
Mr. Sasha G. Mirchandani	122.07	6.22	122.07	6.22
Gulita Securities Limited	272.27	13.87	272.27	13.87

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, 2016 in lacs	31st March, 2015 in lacs
Capital Redemption Reserve	1,990.74	1,990.74
Capital Reserve		
on Amalgamation	207.55	207.55
on Consolidation	340.97	340.97
on Others	7.07	7.07
Securities Premium Account		
Balance as per last Balance Sheet	2,623.35	1.39
Add : Premium on issue of rights issue	-	2,724.13
Less: Amounts utilised towards rights issue expenses	-	(102.17)
	2,623.35	2,623.35
General Reserve	8,896.85	8,896.85
Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per last Balance Sheet	(897.26)	26.37
Less : Adjustment to written down value of assets fully depreciated pursuant to Schedule II of the Companies Act, 2013, net of tax - Refer Note 1.3	-	(466.66)
Add : (Loss) for the year	(1,945.47)	(456.97)
Net (deficit) in the Statement of Profit and Loss	(2,842.49)	(897.26)
	11,224.04	13,169.27

NOTE 4 LONG-TERM BORROWINGS

	31st March, 2016 in lacs	31st March, 2015 in lacs
Term loan		
Loan from banks (secured)	981.47	263.23
Less:- Disclosed under Other current liabilities	(222.22)	(120.00)
	759.25	143.23
The above amount includes		
Secured borrowings	981.47	263.23

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Security	Repayment terms
Secured by exclusive charge by way of equitable mortgage on the commercial property situated at Onida House. Rate of interest 11% per annum.	Monthly in equal installments of ` 18.52 lacs payable over a period of five years
The long term loan in previous year is taken from SBI by Akasaka Electronics Limited for the purpose of financing the Chiplun Project. The loan is secured by first charge on the Akasaka's immovable property, all plant and machinery, movable and immovable fixed assets, capital work in progress, finished goods, stores and spares, goods in transit and book debts both future and present and is guaranteed by MIRC Electronics Limited. Rate of interest 4.05% above base rate. The loan has been repaid during the year.	The repayment terms are of ` 10 lacs each month starting from Oct, 2013.

NOTE 5**DEFERRED TAX LIABILITIES (NET)**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Deferred Tax Liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	1,889.07	1,833.02
Gross deferred tax liability	1,889.07	1,833.02
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	205.42	146.99
Provision for doubtful debts and advances	411.27	388.82
Carry forward of Income Tax Loss and unabsorbed depreciation	1,272.38	1,297.21
Gross deferred tax asset	1,889.07	1,833.02
Net deferred tax liability	-	-

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

NOTE 6**SHORT-TERM BORROWINGS**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Cash Credit Facility from banks (Secured)	13,191.56	15,078.17
Buyers Credit (Secured)	5,771.28	6,365.41
Interest free loans from Promoters / Directors repayable on demand (Unsecured)	94.83	-
	19,057.67	21,443.58
The above amount includes		
Secured borrowings	18,962.84	21,443.58
Unsecured borrowings	94.83	-

Cash Credit Facility and Buyers credit of Mirc Electronics Limited is secured by pari passu charge in favour of the bankers by mortgage / hypothecation of immovable and movable properties at Wada and Onida House and immovable properties at Vasai. The interest on cash credit ranges from 12.15% to 15.25% (Previous Year - 13.05% to 15.87%). The interest on Buyers credit is libor plus spread.



MIRC ELECTRONICS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

NOTE 7

TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	31st March, 2016	31st March, 2015
	` in lacs	` in lacs
Acceptances	4,792.30	6,867.10
Trade payables	15,627.75	18,314.84
Total Trade payables	20,420.05	25,181.94
Other current liabilities		
Current maturities of long-term borrowings (Refer Note 4)	222.22	120.00
Interest accrued but not due on borrowings	54.54	61.68
Interest accrued and due on borrowings	13.26	-
Unclaimed dividends	57.89	85.49
Advances from Customers	111.75	174.54
Others payables		
Dealer Deposits	113.48	109.82
Employees Benefit	1,190.88	1,180.31
Statutory Dues	2,128.98	2,248.73
Creditors for Capital items	2.06	15.17
Liability for expenses	77.42	47.98
Others	159.55	44.05
	3,672.37	3,646.06
Total Other current liabilities	4,132.03	4,087.77
TOTAL	24,552.08	29,269.71

NOTE 8

PROVISIONS

	Long Term		Short Term	
	` in lacs		` in lacs	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Provision for employees benefit				
Provision for gratuity	259.57	160.49	137.72	172.35
Provision for leave benefits	-	0.65	151.52	229.63
Provision for tax (net of advance tax)	-	-	250.00	-
	259.57	161.14	539.24	401.98

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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 Equipment	TOTAL
Cost											
As at 1st April, 2014	828.60	1,776.68	11,398.53	27,250.00	818.92	568.99	386.05	157.08	665.43	87.61	43,978.14
Additions	-	-	8.11	26.97	0.01	7.72	-	-	-	-	42.81
Disposals	174.32	-	422.14	45.75	25.82	11.32	53.07	-	-	0.12	732.54
As at 31st March, 2015	654.28	1,776.68	10,984.50	27,231.22	793.11	565.39	332.98	157.08	665.43	87.49	43,288.40
Additions	-	-	-	24.57	0.01	10.68	-	-	-	-	35.26
Disposals	64.87	-	277.80	2,880.70	59.83	44.83	27.61	-	2.38	0.19	3,358.21
As at 31st March, 2016	589.41	1,776.68	10,706.70	24,375.09	733.29	531.24	305.37	157.08	663.05	87.30	39,965.45
Depreciation											
As at 1st April, 2014	148.55	-	3,889.39	21,464.65	730.57	305.15	216.23	100.99	480.26	73.18	27,439.17
Charge for the year	9.68	-	402.91	981.47	27.09	50.28	29.45	1.10	27.15	2.18	1,531.59
Adjustments (refer note below)	-	-	316.96	210.65	26.41	116.03	1.38	0.02	3.30	2.91	685.51
Disposals	20.46	-	138.05	44.61	24.30	7.77	50.42	-	-	0.12	285.73
As at 31st March, 2015	137.77	-	4,471.21	22,612.16	759.77	463.69	196.64	102.11	510.71	78.15	29,370.54
Charge for the year	7.73	-	323.21	803.39	18.93	38.42	29.45	1.10	19.09	2.12	1,243.58
Disposals	10.07	-	163.96	2,748.17	59.55	44.37	26.22	-	2.37	0.19	3,054.90
As at 31st March, 2016	135.43	-	4,630.46	20,667.39	719.14	457.74	199.86	103.21	527.43	80.08	27,559.22
Net Block											
As at 31st March, 2015	516.51	1,776.68	6,513.29	4,619.06	33.34	101.70	136.34	54.97	154.72	9.34	13,917.86
As at 31st March, 2016	453.98	1,776.68	6,076.24	3,707.70	14.14	73.50	105.50	53.87	135.62	7.22	12,406.22

INTANGIBLE ASSETS

	R&D Software	TOTAL
Cost		
As at 1st April, 2014	66.92	66.92
Additions	-	-
Disposals	-	-
As at 31st March, 2015	66.92	66.92
Additions	-	-
Disposals	-	-
As at 31st March, 2016	66.92	66.92
Depreciation		
As at 1st April, 2014	55.30	55.30
Charge for the year	1.73	1.73
Disposals	-	-
As at 31st March, 2015	57.03	57.03
Charge for the year	2.06	2.06
Disposals	-	-
As at 31st March, 2016	59.09	59.09
Net Block		
As at 31st March, 2015	9.89	9.89
As at 31st March, 2016	7.83	7.83

Note :

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

Further carrying amount of ₹ 685.52 lacs (deferred tax ₹ 218.86 lacs, net of deferred tax ₹ 466.66 lacs) in respect of assets whose useful life was already exhausted as on April 01, 2014 had been adjusted to opening balance of surplus in the statement of profit and loss in the previous financial year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 10**NON-CURRENT INVESTMENTS**

	No. of Shares	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Non Trade investments (valued at cost unless stated otherwise)			
Unquoted Equity Instruments			
Kongarar Textiles Limited (Face value `10)	2,600	1.17	1.17
Less: Provision for diminution in the value of Investments	(PY.2,600)	1.17	1.17
		-	-
Onida Finance Limited (Face value `10)	468,400	139.60	139.60
Less: Provision for diminution in the value of Investments	(PY.468,400)	139.60	139.60
		-	-
		-	-
Aggregate amount of Unquoted Investments at Cost		140.77	140.77
Less: Provision for diminution in the value of Investments		140.77	140.77
		-	-

NOTE 11**LOANS AND ADVANCES**

	Long Term ` in lacs		Short Term ` in lacs	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Security Deposits, unsecured, considered good	2,815.57	3,239.60	-	-
Loans and advances to related parties, unsecured, considered good				
Entity in which Directors have significant influence	125.00	125.00	-	-
Other Loans and Advances, Unsecured, considered good				
Advance Income-tax (Net of Provisions)	64.71	200.11	4.00	-
Amount paid under protest to tax authorities	15.50	15.50	-	-
Balance with Excise and Customs, etc	-	-	766.75	336.94
Receivable on account of sale of fixed assets (Refer note 36)	-	-	1,113.99	825.00
Prepaid Expenses	55.71	0.69	177.82	202.84
Advance paid to Vendors	1,069.27	-	88.14	1,505.32
Other Receivables	1.43	1.43	380.13	347.67
	4,147.19	3,582.33	2,530.83	3,217.77

NOTE 12**OTHER NON-CURRENT ASSETS**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Unsecured, considered good unless stated otherwise		
Margin Money Deposits	56.20	11.43
	56.20	11.43

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 13**INVENTORIES**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Raw materials and components [includes Goods in transit ` 797.95 lacs (31st March, 2015 ` 2,519.91 lacs)]	6,570.84	9,423.12
Stores and Spares	257.62	280.08
Work-in-Progress	859.12	1,399.20
Finished Goods	4,672.99	3,666.13
Traded Goods [includes Goods in transit ` 4,990.21 lacs (31st March, 2015 ` 5,976.44 lacs)]	11,790.67	13,696.53
	24,151.24	28,465.06

NOTE 14**TRADE RECEIVABLES**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured - considered good	2,153.04	665.57
- considered doubtful	1,243.88	1,175.04
	3,396.92	1,840.61
Less : Provision for Doubtful Debts	1,243.88	1,175.04
	2,153.04	665.57
Other receivables		
Secured	61.37	180.86
Unsecured	11,032.25	11,861.13
	11,093.62	12,041.99
	13,246.66	12,707.56

NOTE 15**CASH AND BANK BALANCES**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Cash and cash equivalent		
Balance with Banks		
- On Current Account	331.30	27.53
- Unclaimed Dividend Accounts	57.89	85.49
	389.19	113.02
Cash in hand	9.50	6.31
Cheques, drafts on hand	1,387.29	1,709.92
	1,785.98	1,829.25
Other bank balances		
Margin Money Deposits	59.37	51.92
	1,845.35	1,881.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 16**OTHER CURRENT ASSETS**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Deferred Premium on Forward Contract	74.00	0.93
Unsecured, considered good unless stated otherwise		
Insurance claims receivable (Refer note 26)	331.19	2,753.49
Interest accrued	128.08	6.78
	533.27	2,761.20

NOTE 17**REVENUE FROM OPERATIONS**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Revenue from operations		
Sale of Products		
Finished Goods	43,085.52	56,454.94
Traded Goods	38,039.73	55,935.65
	<u>81,125.25</u>	<u>112,390.59</u>
Other operating revenue		
Refund of Custom Duty	312.27	-
Sale of Scrap	64.97	72.89
Export Incentives	4.49	29.19
Liabilities written back	152.56	242.78
Others	1.78	20.17
	<u>536.07</u>	<u>365.03</u>
Revenue from operations (gross)	81,661.32	112,755.62
Less : Excise duty #	4,440.29	5,402.12
Revenue from operations (Net)	77,221.03	107,353.50

Excise duty on sales amounting to ` 4440.29 lacs [previous year ` 5,402.12 lacs] has been reduced from sales in the Statement of Profit and Loss and excise duty on increase / (decrease) in stock amounting to ` 112.85 lacs [previous year ` 69.37 lacs] has been considered as (income) / expense in note 25 of financial statements.

Details of Products sold	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Finished Goods Sold		
Display Devices	36,769.04	49,961.55
Washing Machines	4,702.61	4,776.87
Others	1,613.87	1,716.52
	<u>43,085.52</u>	<u>56,454.94</u>
Traded Goods Sold		
Airconditioners	28,626.09	35,480.78
Display Devices	666.40	6,020.05
Washing Machines	2,224.23	3,013.18
Mobile	3,343.82	5,447.23
Others	3,179.19	5,974.41
	<u>38,039.73</u>	<u>55,935.65</u>
	81,125.25	112,390.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 18**OTHER INCOME**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Dividend Income	-	0.42
Interest Income on :		
Inter Corporate Deposit	4.89	18.75
Others	34.65	13.48
Interest on Income Tax Refund	262.54	-
Profit on sale of current investments	-	12.81
Others	10.64	0.55
Liabilities written back	-	54.00
	312.72	100.01

NOTE 19**COST OF RAW MATERIAL AND COMPONENTS CONSUMED**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Inventory at the beginning of the year	9,423.12	7,815.66
Add : Purchases	25,091.85	38,755.38
	34,514.97	46,571.04
Less : Inventory at the end of the year	6,570.84	9,423.12
	27,944.13	37,147.92

Details of raw material and components consumed

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Colour Picture Tube and LCD / LED panels	16,979.43	20,509.46
Components and Parts for Display Devices	4,127.51	6,322.87
Components and Parts for Air Conditioners	470.69	252.28
Components and Parts for Washing Machine	2,221.57	3,090.82
Components and Parts for Printed Circuit Boards	38.20	19.92
Others	4,106.73	6,952.57
	27,944.13	37,147.92

NOTE 20**PURCHASES OF TRADED GOODS**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Display Devices	822.45	6,586.32
Washing Machines	2,268.52	2,110.98
Air Conditioners	20,943.83	29,621.78
Microwave Ovens	1,378.88	1,195.02
Mobiles	2,656.31	4,609.36
Others	372.01	865.63
	28,442.00	44,989.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

	31st March, 2016 in lacs	31st March, 2015 in lacs
Inventory at the beginning of the year		
Finished Goods	3,666.13	2,901.11
Work in Progress	1,399.20	1,473.14
Traded Goods	13,696.53	11,298.57
	18,761.86	15,672.82
Less : Inventory at the end of the year		
Finished Goods	4,672.99	3,666.13
Work in Progress	859.12	1,399.20
Traded Goods	11,790.67	13,696.53
	17,322.78	18,761.86
	1,439.08	(3,089.04)

Details of Inventory

	31st March, 2016 in lacs	31st March, 2015 in lacs
Finished Goods		
Display Devices	3,950.03	2,751.25
Washing Machine	303.14	147.28
Printed circuit boards	10.79	35.97
Others	409.03	731.63
	4,672.99	3,666.13
Work in Progress		
Display Devices	725.64	1,207.04
Washing Machine	71.70	79.62
Printed circuit boards	19.84	74.19
Others	41.94	38.35
	859.12	1,399.20
Traded Goods		
Air Conditioners	8,642.15	10,032.93
Display Devices	223.24	405.41
DVD HTS and Induction cooker	238.09	294.63
Micro wave	367.93	404.80
Mobile	1,601.45	1,745.88
Washing Machine	523.66	556.75
Others	194.15	256.13
	11,790.67	13,696.53
	17,322.78	18,761.86

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 22**EMPLOYEE BENEFIT EXPENSE**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Salaries, Wages and Bonus	6,068.64	6,501.42
Contribution to Provident Fund and Other Funds	253.35	254.84
Gratuity expense	155.06	114.85
Staff Welfare Expenses	635.29	801.39
	<u>7,112.34</u>	<u>7,672.50</u>

NOTE 23**FINANCE COST**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Interest Expense	2,073.59	1,969.41
Other Borrowing costs	886.89	1,421.06
	<u>2,960.48</u>	<u>3,390.47</u>

NOTE 24**DEPRECIATION AND AMORTISATION EXPENSE**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Depreciation of tangible assets	1,243.58	1,531.59
Amortisation of intangible assets	2.06	1.73
	<u>1,245.64</u>	<u>1,533.32</u>

NOTE 25**OTHER EXPENSES**

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
Power and Fuel	364.99	714.94
Rent	638.69	719.62
Rates and Taxes	174.22	183.50
Repairs to		
Plant and Machinery	87.83	112.02
Building	10.89	7.06
Others	457.86	490.58
	<u>556.58</u>	<u>609.66</u>
Insurance Charges	64.83	133.34
Freight and Forwarding Charges	2,795.02	4,327.78
Advertisement and sales promotion	1,772.24	2,719.45
Special rebates and incentives	1,265.65	1,311.56
Service Charges	1,140.35	2,006.85
Travelling and Conveyance	482.61	553.59
Provision for Doubtful Debts and advances	68.84	169.44
Research and Development Expenses	366.46	422.55

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Increase / (decrease) of excise duty on inventory	112.85	69.37
Exchange loss	1,026.53	702.26
Stores and Spare written off	17.24	-
Miscellaneous Expenses (Refer note below)	1,724.81	1,680.90
	12,571.91	16,324.81

Miscellaneous expenses includes:-

Note i) Remuneration to Auditors:

Payment to auditor	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
As auditor (exclusive of Service tax)		
Audit fees	27.90	24.65
Tax audit fees	4.00	4.25
Other services (Refer note below)	1.25	7.55
Reimbursement of expenses	1.80	1.43
	34.95	37.88

Note ii)

In the previous year, an amount of ` 6.05 lacs pertaining to expenses incurred for rights issue of equity shares has been set off against securities premium and has not been debited to the statement of profit and loss.

26) There was a fire accident in February, 2012 at Roorkee Plant of MIRC Electronics Limited. The Company had made a claim of ` 4995.50 lacs in respect of loss and damages covered by the insurance policy. Against the total claim, on account payment of ` 1632.45 lacs had been realised from the Insurance company in the previous year. Based on the communication received from surveyors appointed by the Insurance company, management had reassessed the recoverability of claim and consequently a further loss of ` 623.00 lacs was charged to the statement of Profit and Loss during the previous year ended 31st March, 2015. During the current year, the Company has received an amount of ` 2474.70 lacs from the Insurance Company as full and final settlement against insurance claim receivable of ` 2740.05 lacs (included under Other current asset - refer note 16). The Company has gone for arbitration for the balance amount along with interest and other claims.

27) Contingent Liabilities and Commitments :

	31st March, 2016 ` in lacs	31st March, 2015 ` in lacs
a) Guarantees given by Bank against which ` 11.08 lacs (previous year ` Nil) has been deposited as margin money	260.89	760.93
b) Income tax demands in respect of which appeals have been filed	623.02	323.42
c) Excise Duty, Service Tax and Custom Duty in respect of which appeals have been filed	2,884.10	2,519.05
d) Claims made against the Company not acknowledged as debts	9,478.15	11,047.04

28) Employee Benefits :

a) Defined contribution plans

The Group has recognised an expense of ` 223.14 Lacs ( previous year ` 226.76 Lacs) towards defined contribution plans, in respect of Provident Fund.

b) Defined benefit plans

Gratuity

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Akasaka Electronics Limited was accruing Gratuity liability by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method. Consequent to closure of operations at its Navi Mumbai unit with effect from 5th November, 2014, the employees of the company have resigned. Accordingly, the provision for the said liability amounting to ₹ 94.60 lacs is quantified on actual basis in accordance with the provisions of Payment of Gratuity Act, 1972 and disclosed under Other current liabilities in previous year. As at 31st March 2016, there are no employees in the service of the Company and hence the said liability has not been provided for.

c) Principal actuarial assumptions :

Particulars	Gratuity			
	Mirc Electronics Limited		Akasaka Electronics Limited	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Discount rate	7.79%	7.95%	-	-
Rate of Return on Plan Assets	7.79%	7.95%	-	8.71%
Salary Escalation	4.00%	4.00%	-	-

d) Reconciliation of Benefit Obligation :

Particulars	Gratuity ` in lacs	
	31-Mar-16	31-Mar-15
Liability at the beginning of the year	1,138.29	1,009.72
Interest cost	82.61	87.44
Current Service Cost	54.34	86.03
Benefit Paid	(250.60)	(55.48)
Actuarial (Gain) / Loss on Obligations	73.18	10.58
Liability at the end of the year	1,097.82	1,138.29
Fair Value of Plan Assets at the end of the year	698.69	805.44
Liability at the end of the year recognised and disclosed under the head "Provisions for Employees Benefit" (Refer note 8) and "Other Current Liabilities" (Refer note 7)	399.13	332.85
- Long term provision	259.57	160.49
- Other Current Liabilities	1.84	-
- Short term provision *	137.72	172.35

* Of the Total Provision, the Company expects to pay an amount of ₹ 137.72 lacs to the fund in the year 2016-17

e) Reconciliation of Fair value of Plan Assets :

Particulars	Gratuity ` in lacs	
	31-Mar-16	31-Mar-15
Fair Value of Plan Assets at the beginning of the year	805.44	862.04
Expected Return on Plan Assets	63.72	77.18
Contributions	-	11.51
Benefit Paid	(157.84)	(55.48)
Contribution received back from LIC (Refer note below)	-	(86.20)
Actuarial Gain / (Loss) on Plan Asset	(12.64)	(3.61)
Fair Value of Plan Assets at the end of the year*	698.69	805.44

* All the assets are categorised as Insurer Managed Funds

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

f) Return on Plan Assets :

Particulars	Gratuity ` in lacs	
	2015-16	2014-15
Expected Return on Plan Assets	63.72	77.18
Actuarial Gain / (Loss) on Plan Assets	(12.64)	(3.61)
Actual Return on Plan Assets	51.08	73.57

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

Particulars	Gratuity ` in lacs	
	2015-16	2014-15
Current Service Cost	54.34	86.03
Interest Cost	82.61	87.44
Expected Return on Plan Assets	(63.72)	(77.18)
Net Actuarial (Gain) / Loss recognised	85.82	14.19
Expenses recognised in Profit and Loss Statement	159.05	110.48

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

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

Particulars	Gratuity ` in lacs				
	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	1,097.82	1,039.73	1,009.72	999.52	907.90
Plan assets	698.69	801.49	862.04	879.78	857.11
Surplus / (deficit)	(399.13)	(238.24)	(147.68)	(119.74)	(50.79)
Experience adjustment on plan liabilities (gain) / loss	25.70	(50.22)	(28.90)	(24.15)	(19.96)
Experience adjustment on plan assets (loss) / gain	(12.64)	(3.61)	0.85	3.03	15.21

- 29) The Mirc Electronics Limited has during the previous year allotted 5,44,82,524 equity shares at a premium of ` 5 per share. Consequently, the paid up share capital has increased from ` 1,417.52 lacs to ` 1,962.34 lacs and Securities Premium has increased by ` 2,621.96 lacs (net of rights Issue expenses).

Pursuant to stipulation imposed by the financial institutions the promoters provided an unsecured loan of ` 3,200.00 lacs to the Company in FY 2013-14. The Company during the previous year had issued equity shares of ` 2,646.05 lacs against the unsecured loan and had refunded the balance amount to the promoters.

- 30) 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.

31) Foreign Currency exposure :

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

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

` in Lacs				
Sr. No.	Particulars	Currency	Amount in foreign currency	Amount in Indian Rupees
a)	Amount payable on account of import of goods and buyers credit	USD	126.16	8,357.91
	(Previous year)	USD	(150.13)	(9,384.01)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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	194.79	12,904.40
		JPY	7.64	4.51
		RMB	282.16	2,888.80
	(Previous year)	USD	(246.53)	(15,409.56)
		JPY	(66.86)	(34.85)
		RMB	(161.14)	(1,624.25)
b)	Amount receivable on account of export of goods	USD	4.17	276.13
	(Previous year)	USD	(3.09)	(193.30)

The forward contracts and foreign currency exposures have been converted into Indian Rupees , at the spot rates , as at 31st March 2016 to facilitate reading purposes only.

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

Particulars	31-Mar-16	31-Mar-15
Profit / (Loss) after Tax (₹ in lacs)	(1,945.47)	(456.97)
Net Profit / (Loss) after tax attributable to Equity shareholders (₹ in lacs)	(1,945.47)	(456.97)
Weighted average number of Equity Shares outstanding	196,234,202	170,957,120
Basic / Diluted Earnings Per Share (₹)	(0.99)	(0.27)

33) Research and development expenses consist of personnel expenses of ₹ 286.11 Lacs (previous year ₹ 325.16 Lacs) and other expenses of ₹ 80.35 Lacs (previous year ₹ 97.39 Lacs). Depreciation on Research and Development assets is ₹ 24.51 Lacs (previous year ₹ 32.45 Lacs) shown under Fixed Assets.

34) In terms of Accounting Standard 28 (AS - 28) on "Impairment of Assets" issued by The Institute of Chartered Accountants of India, the Company Akasaka Electronics Limited has tested its Cash Generating Units i.e. manufacturing units at Thane and Lote Parshuram for impairment in terms of adequacy of economic benefits over their useful life. Based on the financial projections, the management confirms that there is no need to make provision towards impairment of any fixed assets as required by the said Accounting Standard.

35) Corporate Social Responsibility

The Group has incurred a net loss in its three immediately preceding financial years. Thus in accordance with Section 135 (5) of the Companies Act, 2013, the Group is not required to provide / spend any amount under its Corporate Social Responsibility policy.

36) Exceptional items for the current year ended 31st March, 2016 includes -

a) Profit on sale of land and building of Mirc Electronics Limited located at Noida of ₹ 466.93 lacs (Previous year profit on sale of Noida and Thane property of ₹ 944.93 lacs) and profit on sale of other miscellaneous assets of ₹ 2.77 lacs (Previous year loss on sale of other miscellaneous assets of ₹ 0.06 lacs) An amount of ₹ 825.00 lacs was receivable on account of sale of Land and Building at Noida during the previous year which is disclosed under Loans and advances - refer note no. 11. The said amount is received during the year.

b) Profit on sale of leasehold land & factory building of Akasaka Electronics Limited located at Thane of ₹ 1,352.13 Lacs (Previous Year - Nil). The Company is in the process of completing certain procedures and an amount of ₹ 1100.00 lacs is receivable on account of sale of leasehold land and factory building which is disclosed Loans and advances - refer note no. 11.

c) Profit on sale of plant and machinery and other assets of Akasaka Electronics Limited located at Thane of ₹ 46.48 Lacs (Previous Year - Nil). An amount of ₹ 13.99 lacs is receivable on account of sale of plant and machinery and other assets which is disclosed under Loans and advances - refer note no. 11.

MIRC

MIRC ELECTRONICS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

37) In terms of Accounting Standard 28 (AS - 28) on "Impairment of Assets" issued by The Institute of Chartered Accountants of India, the Company Akasaka Electronics Limited has tested Cash Generating Unit i.e. manufacturing units at Navi Mumbai and Lote Parshuram for impairment in terms of adequacy of economic benefits over their useful life. Based on the financial projections, the management confirms that there is no need to make provision towards impairment of any fixed assets as required by the said Accounting Standard.

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	31-Mar-16	31-Mar-15
At the beginning of the year	68.00	68.00
Provisions :		
- Created	88.62	68.00
- Utilised	68.00	68.00
- Reversed	-	-
Balance as at the end of the year		
- Current	88.62	68.00
- Non current	-	-

39) Net Assets & Share in Profit or Loss

Name of the entity	Net Assets		Share in profit or loss	
	31-Mar-16		2015-16	
	As % of consolidated net assets	Amount in lacs	As % of consolidated net assets	Amount in lacs
MIRC Electronics Limited	87%	11,929.58	139%	(2,701.29)
	(93%)	(14,063.00)	(-18%)	(80.60)
Akasaka Electronics Limited	13%	1,827.41	-39%	755.82
	(7%)	(1,071.62)	(118%)	(-537.57)

Figures in brackets are of previous year



ONIDA

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



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@ Mail us at response@onida.com

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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 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 Limited Mr. V. J. Mansukhani - Managing Director of Mirc Electronics Limited Mr. S. K. Dhoot - Whole - time Director of Mirc Electronics Limited Mr. G. Sundar - Chief Executive Officer of Mirc Electronics Limited Mr. Aashay S. Khandwala - Head Corporate Affairs, Legal and Company Secretary (Joined wef. 26th March, 2014 - Resigned wef. 15th April, 2015) Mr. Lalit Chandvekar - Head Corporate Affairs, Legal and Company Secretary (Joined wef. 13th August, 2015) Mr. Predeep Gupta - Chief Financial Officer of Mirc Electronics Limited (Joined wef. 17th September, 2012 - Resigned wef. 7th November, 2014) Mr. Muthu Elango - Chief Financial Officer of Mirc Electronics Limited (Joined wef 8th November, 2014 - Resigned wef. 13th August, 2015) Mr. Subrat Nayak - Head of Finance of Mirc Electronics Limited (Joined wef. 14th March, 2016) - Chief Financial Officer of Mirc Electronics Limited (wef. 22nd April, 2016)
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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

in Lacs

Particulars	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
	(1)	(2)	(3)
Transactions during FY 2015-16			
Purchase / (purchase return) of goods, services and spares Iwai Electronics Pvt.Limited	- -	- -	243.27 (611.09)
Sale of goods, spares and services Iwai Electronics Pvt. Limited	- -	- -	0.59 (1.92)
Inter Corporate Deposits / Loan received V.J. Mansukhani	1,000.00 (1,000.00)	- -	- -
G.L. Mirchandani	- (75.00)	- -	- -
Kaval Mirchandani	- -	128.83 -	- -
Issue of Equity Shares adjusted against loan taken G.L.Mirchandani	- (1,260.46)	- -	- -
Gita Mirchandani	-	(208.10)	-
Kaval Mirchandani	-	(282.79)	-
Sasha Mirchandani	-	(281.92)	-
IIFL Investment Adviser & Trustee Services Limited	-	-	-
Gulita Securities Limited	-	-	(580.36)
Adino Electronics Limited	-	-	(24.65)
	-	-	(7.77)
Inter Corporate Deposits / Loan received repaid V. J. Mansukhani	1,000.00 (1478.58)	- -	- -
G. L. Mirchandani	- (150.37)	- -	- -
Kaval Mirchandani	- -	34.00 -	- -

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

in Lacs

Particulars	Key management Personnel (1)	Relatives of key management personnel (2)	Enterprise over which any person described in (1) & (2) is having significant influence (3)
Interest received / receivable on Inter Corporate Deposits / loans / advances Adino Telecom Limited	- -	- -	18.75 (18.75)
Interest paid / payable on Inter Corporate Deposits / loans / advances V. J. Mansukhani	2.95 (14.72)	- -	- -
G. L. Mirchandani	- (2.52)	- -	- -
Kaval Mirchandani	- -	13.25 -	- -
Rent paid G. L. Mirchandani	4.03 (4.03)	- -	- -
Gita Mirchandani	-	18.90 (21.79)	- -
Marissa Mansukhani	-	2.47 (5.21)	- -
Akshay Mansukhani	-	0.89 (0.89)	- -
Ayesha Mansukhani	-	0.89 (0.89)	- -
G. L. Mirchandani (HUF)	-	5.20 (10.68)	- -
V. J. Mansukhani (HUF)	-	- (2.59)	- -
Gulita Wealth Advisors Private Limited	- -	- -	30.00 (30.00)
Refund of rent deposit Gita Mirchandani	- -	488.93 (5.95)	- -
Marissa Mansukhani	-	2.23 (2.97)	- -
G. L. Mirchandani (HUF)	- -	295.26 (2.97)	- -

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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)
Remuneration			
G. L. Mirchandani	122.31	-	-
	(126.84)	-	-
V. J. Mansukhani	122.31	-	-
	(110.55)	-	-
Kaval Mirchandani	-	35.30	-
	-	(45.00)	-
S. K. Dhoot	34.57	-	-
	(34.58)	-	-
G. Sundar	191.84	-	-
	(197.50)	-	-
Aashay S. Khandwala	5.91	-	-
	(41.14)	-	-
Lalit Mohan Chendvankar	19.34	-	-
	-	-	-
Muthu Elango	38.39	-	-
	(28.78)	-	-
Subrat Nayak	2.02	-	-
	-	-	-
Predeep Gupta	-	-	-
	(40.82)	-	-
Closing Balance as at 31st March, 2016			
Receivable			
Gita Mirchandani	-	136.52	-
Rent Deposit given	-	(625.45)	-
Marissa Mansukhani	-	2.98	-
Rent Deposit given	-	(5.21)	-
Akshay Mansukhani	-	0.89	-
Rent Deposit given	-	(0.89)	-
Ayesha Mansukhani	-	0.89	-
Rent Deposit given	-	(0.89)	-
G. L. Mirchandani (HUF)	-	51.46	-
Rent Deposit given	-	(346.72)	-
V. J. Mansukhani (HUF)	-	2.59	-
Rent Deposit given	-	(2.59)	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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)
G. L. Mirchandani Rent Deposit given	119.82 (119.82)	- -	- -
Gulita Wealth Advisors Private Limited Rent Deposit given	- -	- -	1,000.00 (1000.00)
Adino Telecom Limited Debtors	- -	- -	9.10 (14.87)
Inter corporate deposit given	- -	- -	125.00 (125.00)
Interest Receivable	- -	- -	27.16 (8.41)
Adino Electronics Limited Debtors	- -	- -	5.45 (5.45)
Payable			
Kaval Mirchandani Loan	- -	94.83 -	- -
Interest	- -	13.25 -	- -
Iwai Electronics Private Limited Loan	- -	- -	- (14.46)
Creditors payable	- -	- -	38.06 (120.03)
Remuneration Payable			
G.L. Mirchandani	7.64 (8.06)	- -	- -
V.J. Mansukhani	10.14 (8.53)	- -	- -
Kaval Mirchandani	- -	2.66 (2.65)	- -
S.K. Dhoot	2.63 (2.62)	- -	- -
G. Sundar	15.08 (14.98)	- -	- -

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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)
Aashay S. Khandwala	- (3.08)		
Lalit Mohan Chendvankar	2.55	-	-
Muthu Elango	-	-	-
	(5.53)	-	-
Subrat Nayak	2.02	-	-
	-	-	-

Note :

i) Figures in brackets are of previous year

- 41)** During the year, Mirc Electronics Limited has allotted 1 (One) warrant to Bennett Coleman & Co. Ltd. (BCCL) exercisable for equity shares aggregating to ` 2,275.00 lacs. The company has received an amount of ` 568.75 lacs being 25% of the value of warrant from BCCL and has been disclosed as "Money received againsts share warrants" below Reserves and Surplus, with such warrant carrying an option / entitlement to the warrant holder to subscribe to equity shares of the face value of Re. 1/- each for cash at a minimum price of ` 14.66/- each (including premium of ` 13.66/- each) per share, as arrived in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as on the Relevant Date i.e. 27th May, 2015 or such higher price per share equal to the average of the weekly high and low of the closing prices of the equity share of the company as quoted on the National Stock Exchange of India Ltd. during the 26 (twenty six) weeks preceding the last date of 17th (seventeenth) month from the date of allotment of warrant i.e. 10th July, 2015 after making adjustment for any bonus issue / split / consolidation.
- 42)** The Board of Directors of Akasaka Electronics Limited has approved a Scheme of Amalgamation between Akasaka Electronics Limited and its parent Company "Mirc Electronics Limited" with effect from April 1, 2015, and filed it with the BSE, which is subject to approval by the High Court of Bombay jurisdiction and completion of other procedural formalities to make it effective.
- 43)** 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 **SRBC & CO LLP**
ICAI Firm Regn. No. 324982E/E300003
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : 26th May, 2016

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

Subrat Nayak
Chief Financial Officer

Lalit Chendvankar
Head Corporate Affairs,
Legal and Company Secretary

G. L. Mirchandani
Chairman and Managing Director

V. J. Mansukhani
Managing Director

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MIRC ELECTRONICS LIMITED

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