

August 25, 2020

To, <b>BSE Limited</b> 25 <sup>th</sup> Floor, P.J. Towers, Dalal Street, Mumbai-400 001	To, <b>The Manager - Corporate Compliance</b> <b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051
---------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Dear Sir/Madam,

**Sub: Compliance under Regulation 30(2), 34(1), 42 and 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Script Code: BSE - 500279, NSE - MIRCELECTR**

This is to inform you that 39<sup>th</sup> Annual General Meeting (AGM) of the Company is scheduled to be held on Thursday, September 24, 2020 at 3:00 p.m. through Video Conferencing/Other Audio Visual Means ("OAVM"). In this regard and in compliance with the requirement of Regulation 30(2) and 34(1) read with Schedule III and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Notice of AGM dated June 26, 2020 and Annual Report for the financial year 2019-2020.

Pursuant to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Register of Members and Share Transfer Book of the Company will remain closed as detail below:

Symbol	Type of security	Book Closure		Record Date	Purpose
		Both days inclusive			
		From	To		
NSE: MIRCELECTR BSE: 500279	Equity	September 18, 2020	September 24, 2020	N.A.	Annual General Meeting



**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

The Notice of the AGM along with the Explanatory Statement, Directors Report, Auditors Report and Audited Financial Statements of the Company for the year ended March 31, 2020 is being sent electronically to those members whose e-mail IDs are registered with the Company / Depository participant on August 25, 2020 in compliance with Ministry of Corporate Affairs Circular no 20/2020 dated 5 May, 2020 read with Circular no. 14/2020 dated 8 April, 2020 and Circular no 17/2020 dated 13 April, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020.

Pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules 2015, the Company is providing remote e-voting facility to its members holding shares as on Thursday, September 17, 2020 being the cut-off date to exercise their rights to vote by electronic means on all resolutions set out in the Notice of the AGM through e-voting facilitated by Central Depository Services (India) Ltd. Remote e-voting shall commence on Monday, September 21, 2020 at 09.00 a.m. and ends on Wednesday, September 23, 2020 at 05:00 p.m. The facility of e-Voting shall also be made available during the AGM and the Members attending the AGM, who have not already cast their vote by remote e-Voting shall be eligible to cast their vote through e-voting during the AGM.

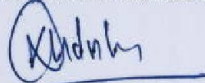
The notice of the AGM along with Annual Report is also available on the Company's website [www.onida.com](http://www.onida.com).

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

Thanking You,

Yours truly,

For MIRC Electronics Limited



Lalit Chendvankar

Head - Corporate Affairs,

Legal & Company Secretary



Encl: A/a.

**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](http://www.onida.com)



## MIRC ELECTRONICS LIMITED

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

### NOTICE

NOTICE is hereby given that the **Thirty Ninth Annual General Meeting** of the members of MIRC Electronics Limited will be held on Thursday, September 24, 2020 at 3:00 p.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following businesses:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement(s) of the Company for the financial year ended March 31, 2020 together with the reports of the Board of Directors and Auditors thereon;
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.

#### SPECIAL BUSINESS:

3. To approve the appointment of Mr. Lokesh Sikka (DIN: 08665841) as a Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 152(2), 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of the Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the approval of the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on February 13, 2020, the approval of members of the Company be and is hereby accorded for the appointment of Mr. Lokesh Sikka (DIN: 08665841), who was appointed as an additional director of the Company under the provisions of the Section 161 of the Companies Act, 2013 and whose term of appointment expires at the ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company."

4. To approve the appointment of Mr. Lokesh Sikka (DIN: 08665841) as a Whole Time Director of the Company and remuneration payable to him and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to Section 2(51) and 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the approval of members of the Company be and is hereby accorded for the appointment of Mr. Lokesh

Sikka (DIN: 08665841), as a Key Managerial Personnel of the Company, for a period of 3 (three) years effective from February 13, 2020.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification and re-enactment thereof for the time being in force) and pursuant to the approval of the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on February 13, 2020, the approval of members of the Company, be and is hereby accorded for the appointment and remuneration of Mr. Lokesh Sikka (DIN: 08665841), as a Whole-time Director of the Company, for a period of 3 (three) years effective from February 13, 2020, liable to retire by rotation and on such terms and conditions including remuneration as set out in Item No. 4 of the explanatory statement annexed to the Notice convening this Meeting."

5. To approve the appointment of Ms. Mohita Arora (DIN: 08771417) as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 152(2), 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of the Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the approval of the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on June 26, 2020, the approval of members of the Company be and is hereby accorded for the appointment of Ms. Mohita Arora (DIN: 08771417), who was appointed as an Additional Independent Director of the Company under the provisions of the Section 161 of the Companies Act, 2013 and whose term of appointment expires at the ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and

pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of Ms. Mohita Arora (DIN: 08771417), as an Additional Independent Director by the Board of Directors of the Company with effect from June 26, 2020 for the period of 5 (five) years who fulfils the conditions of Independent Director as specified in the Companies Act, 2013 read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby approved, confirmed and ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to take such steps and to do all such acts, deeds, things as may be necessary, proper or expedient to give effect to this resolution."

6. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2021 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors), Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Suresh D. Shenoy, Cost Accountant (Membership No.8318) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, be paid remuneration of ₹ 2,12,500/-p.a. plus GST thereon and reimbursement of out of pocket expenses.

**RESOLVED FURTHER THAT** any one of the Directors of the Company, be and is hereby authorized to do all acts, deeds, matters and things as may be deemed proper, necessary or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

**By order of the Board of Directors  
For MIRC Electronics Limited**

Place: Mumbai  
Date: June 26, 2020

**Gulu Mirchandani,  
Chairman & Managing Director**

**Notes:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular bearing no. 20/2020 dated May 05, 2020 read with circulars bearing no.14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide circular bearing no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ("SEBI Circular") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015"), MCA Circulars and SEBI Circular, the AGM of the Company is being held through VC / OAVM.

2. A Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on a Poll instead of himself/herself and a Proxy need not be a member of the Company. However, pursuant to MCA Circulars and SEBI Circular, the AGM will be held through VC/OAVM and the physical attendance of Members in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form is not annexed to this Notice.
3. Explanatory Statement pursuant to the provisions of Section 102 of the Act, in respect of special businesses to be transacted at the AGM is annexed to this Notice.
4. Relevant documents referred to in accompanying Notice and the explanatory statement, registers and all other documents will be available for inspection in electronic mode. Members can inspect the same by sending an email to investors@onida.com.
5. Pursuant to Section 113 of the Act, the representatives of Corporate Members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the Meeting to be conducted through VC/OAVM.

Corporate Members intending to attend the Meeting through their authorised representatives are requested to send a certified true copy of the board resolution and power of attorney, (PDF/JPG Format) if any, authorizing its representative to attend and vote on their behalf at the Meeting. The said resolution/authorisation shall be sent to the Company through email at the designated email address of the Company i.e. investors@onida.com.

6. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report for financial year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for financial year 2019-20 will also be available on website of the Company i.e. www.onida.com, website of the Stock Exchanges i.e. BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com) respectively. For any communication, the shareholders may also send requests to the designated email address of the Company i.e. investors@onida.com. The Notice of AGM is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. Process for registration of email id for obtaining Annual Report and User ID/password for e-voting is annexed to this Notice.
8. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means.
9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

10. Members seeking any information/desirous of asking any questions at the AGM with regard to the accounts or any matter to be placed at the AGM are requested to send email to the designated email address of the Company i.e. investors@onida.com at least 7 days before the AGM.
11. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. Notice is also given under Section 91 of the Act read with Regulation 42 of the SEBI (LODR) Regulations, 2015, that the Register of Members and Share Transfer Register of the Company will remain closed from Friday, September 18, 2020 to Thursday, September 24, 2020 (both days inclusive).
13. Members are hereby informed that there is no unpaid dividend of earlier years which is due to be transferred to the Investor Education and Protection Fund (IEPF) under the provisions of Section 124 and Section 125 of the Act.
14. Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, have been transferred to IEPF.  
  
The claimant of shares transferred as mentioned above shall be entitled to claim the shares from IEPF by submitting an online application in Form IEPF-5 available on the website www.iepf.gov.in. The claimant shall after making an application in Form IEPF-5, send the same duly signed by him/her along with the requisite documents as enumerated in Form IEPF-5 to the Company at the registered office for verification of his/her claim.
15. Members who hold shares in the dematerialized form and want to change/correct the bank account details, should send the same immediately to their concerned depository participant and not to the Company. Members are also requested to give the MICR Code of their bank to their depository participants. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of dividend, Registrar and Share Transfer Agent is obliged to use only the data provided by the Depositories, in case of such demat shares. The members who hold shares in physical form are requested to immediately notify any change of address to the Registrar and Share Transfer Agent of the Company in respect of their holding in physical form.
16. SEBI, vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018, amended Regulation 40 of the SEBI (LODR) Regulations, 2015, pursuant to which after December 05, 2018, transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository. Therefore, the members who are holding physical shares are requested to dematerialized their holdings at the earliest.
17. All the members are requested to register their e-mail id with the Registrar and Share Transfer Agent of the Company for the purpose of service of documents under Section 20 of the Act, by e-mode instead of physical service of documents.
18. The members holding the shares in physical form can avail the nomination facility in terms of Section 72 of the Act, by furnishing Form SH. 13 (in duplicate) to the Company or the Registrar and Share Transfer Agent of the Company. The said form will be made available on request. In case of shares held in dematerialized form, a nomination form will have to be lodged by the members with their Depository Participants.
19. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The members holding shares in electronic form are, therefore, requested to submit their PAN to the depository participants with whom they maintain their demat accounts. The members holding shares in physical form should submit their PAN to the Secretarial Department of the Company or the Registrar and Share Transfer Agent of the Company.
20. As per Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standards (SS) -2 issued by the Institute of Company Secretaries of India, details in respect of a director seeking appointment/re-appointment at the Annual General Meeting are separately annexed to this Notice.
21. The AGM will be held through VC/ OAVM and hence Route Map and Attendance Slip are not annexed to this Notice.
22. After the AGM, the recorded transcript of the Meeting shall also be uploaded on the website of the Company, i.e. www.onida.com.
23. Information and other instructions relating to e-voting are as under:  
  
In compliance with Section 108 of the Act, read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (LODR) Regulations, 2015 as amended from time to time, and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is pleased to provide its members with facility of 'remote e-voting' to exercise their right to vote at the Thirty Ninth AGM of the Company by electronic means. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.  
  
The Members who have cast their vote by remote e-voting prior to the Meeting may also attend/ participate in the Meeting through VC / OAVM but shall not be entitled to cast their vote again.

The Company has appointed CS Mahesh Darji, Practicing Company Secretary, (Membership No. F7175, CP No. 7809 with the Institute of Company Secretaries of India) or failing him CS Nilesh Shah or failing him CS Hetal Shah of M/s. Nilesh Shah & Associates, Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

The instructions for members for voting electronically are as under: -

- (i) The voting period begins on Monday, September 21, 2020 (9.00 a.m.) and ends on Wednesday, September 23, 2020 (5.00 p.m.). During this period, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, September 17, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter;
- (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue;
- (iii) The members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com);
- (iv) Click on Shareholders;
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID.
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login;
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used;
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Members who have not updated their PAN with the Company/depository participant are requested to use sequence number indicated in the PAN field.

Dividend Bank Details Or Date of Birth (DOB)	Enter the dividend bank details or date of birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.  If both the details are not recorded with the depository or Company, please enter the member id / folio number in the dividend bank details field as mentioned in instruction (v).
----------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- (ix) After entering these details appropriately, click on "SUBMIT" tab;
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that such company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
- (xi) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
- (xii) Click on the EVSN for the relevant MIRC Electronics Limited on which you choose to vote;
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution;
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details;
- (xv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote;
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote;
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page;
- (xviii) If Demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system;

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting through your mobile.

(xx) Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.
- The list of accounts should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the board resolution and power of attorney (POA) which they have issued in favour of the custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

24. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. Thursday, September 17, 2020;
25. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Thursday, September 17, 2020, only shall be entitled to avail the facility of remote e-voting. The person who is not a member as on the cut-off date should treat this Notice for information purpose only; and
26. The scrutinizer after scrutinising the votes casted, will not later than forty eight hours of conclusion of the AGM, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.onida.com](http://www.onida.com) and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.

### **Process for those Shareholders whose E-mail Addresses are not registered with the Depositories for obtaining Login Credentials for e-Voting for the Resolutions proposed in this Notice:**

1. For shareholders holding shares in physical form- please provide necessary details like folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhaar Card) by email to Registrar and Transfer Agent at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or Company at [investors@onida.com](mailto:investors@onida.com).
2. For shareholders holding shares in dematerlised form - please provide demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID and Client ID), name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhaar Card) by email to Registrar and Transfer Agent at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or Company at [investors@onida.com](mailto:investors@onida.com).
3. The Company or Registrar and Transfer Agent will co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

### **Instructions for Shareholders attending the meeting through VC/OAVM are as under:**

1. The shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in the shareholder/members login details where the EVSN of the Company is mentioned;
2. The Members can join the Meeting through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the Meeting through VC/OAVM will be made available to at least 1000 members on first come first served basis;  
However the participation of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. are not restricted on first come first served basis;
3. The Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience;
4. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting;
5. Please note that the Participants Connecting from mobile devices or tablets or through laptop using mobile hotspot network may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid technical glitches;

6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at designated email address of the Company i.e. investors@onida.com at least 7 (seven) days before the date of AGM. Please note that the shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM;
7. The Shareholders who have not registered themselves can put the question on the chatbox available on the screen at the time of the AGM.

**Instructions for shareholders for e-Voting during the AGM are as under:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned in note no. 23 for Remote e-voting;
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM;
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the AGM through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the AGM is available only to the shareholders attending the AGM;
4. The Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote.

In case any shareholders/members had any queries or issues regarding attending AGM & e-voting, he/she may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

**Item No. 3:**

The Board of Directors in their Board meeting held on February 13, 2020, approved the appointment of Mr. Lokesh Sikka (DIN: 08665841), as an Additional Director pursuant to Section 161 of the Companies Act, 2013 and Article 127(a) of the Articles

of Association of the Company with effect from February 13, 2020 to share his rich experience and expertise for the benefit of the Company. His term of appointment as an Additional Director expires at ensuing Annual General Meeting. The Company has received necessary notice along with deposit as required under Section 160 of the Companies Act, 2013 proposing his candidature as a Director.

Mr. Lokesh Sikka (DIN: 08665841), has informed the Company that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Mr. Lokesh Sikka (DIN: 08665841), is a M.B.A. (Human Resources) from Institute of Management Technology, Ghaziabad. Brief information of Mr. Lokesh Sikka (DIN: 08665841), is given in the Annexure annexed to the Notice.

The Board of Directors consider that the appointment of Mr. Lokesh Sikka (DIN: 08665841), as a Director will be of advantage to the Company and accordingly, the Board recommends the above resolution to be passed as Ordinary Resolution.

None of the Directors, except Mr. Lokesh Sikka (DIN: 08665841) himself, Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 3 of the Notice.

**Item No. 4:**

Pursuant to recommendation of the Nomination and Remuneration Committee, the Board of Directors in their Board meeting held on February 13, 2020, approved the appointment and remuneration of Mr. Lokesh Sikka (DIN: 08665841), as a Whole Time Director of the Company for a period of 3 (Three) years with effect from February 13, 2020, subject to the approval of members of the Company. The material terms and conditions as approved by the Board of Directors and contained in the agreement entered into between Mr. Lokesh Sikka (DIN: 08665841) and the Company are as follows:

I] The Whole Time Director shall continue to be subject to the supervision and control of the Board of Directors and carry out such duties as may be entrusted to him by the Board of Directors, Managing Directors & Chief Executive Officer of the Company and shall exercise such powers as are delegated to him by the Board of Directors from time to time.

**II] PERIOD OF APPOINTMENT:-**

The tenure of appointment shall be for a period of 3 (three) years effective from February 13, 2020 to February 12, 2023 (both days inclusive).

**III] [A] REMUNERATION:-**

Subject to the ceiling limits laid down in Section 197 read with Schedule V of the Companies Act, 2013, remuneration by way of salary and perquisites permissible to the Whole Time Director shall be as under:-



**a) Basic Salary**

Basic: ₹ 13,44,000/- (Rupees Thirteen Lakhs Forty Four Thousand only) per annum.

**b) Special Allowance**

Special Allowance: ₹ 8,64,300/- (Rupees Eight Lakhs Sixty Four Thousand Three Hundred only) per annum.

**c) Performance Pay**

Performance Pay: ₹ 7,00,000/- (Rupees Seven Lakhs only) per annum (The performance pay will be as per the performance rating for the financial year. The performance pay will be linked to individual and Company performance).

**d) Education Allowance**

Education Allowance: ₹ 2,400/- (Rupees Two Thousand Four Hundred only) per annum.

**e) Lunch Allowance**

Lunch Allowance: ₹ 13,200/- (Rupees Thirteen Thousand Two Hundred only) per annum.

**f) Bonus/ Ex-Gratia**

Bonus/Ex-Gratia: ₹ 2,68,800/- (Rupees Two Lakhs Sixty Eight Thousand and Eight Hundred only) per annum.

**g) Perquisites**

In addition to the above, the Whole Time Director shall be entitled to the following perquisites. Unless the context otherwise requires, the perquisites are classified into three categories 'A', 'B' and 'C' as follows:

**Category 'A'**

This will comprise of House Rent Allowance, Leave Travel Concession and Medical re-imburement. This will be provided as under:

**(1) Housing**

- i) The expenditure incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 50% of basic salary.
- ii) In case Company owns the accommodation, the Company shall deduct 10% of the basic salary of the Whole-time Director.
- iii) In case no accommodation is provided by the Company, the Whole-time Director shall be entitled to a House Rent Allowance subject to ceiling of 50% of his basic salary.

**(2) Leave Travel Allowance:**

₹ 48,000/- (Rupees Forty Eight Thousand only) per annum for self and family, once in a year, in accordance with the Rules of the Company.

**(3) Medical Reimbursement:**

Medical expenses incurred by Mr. Lokesh Sikka and his family, subject to a ceiling of ₹ 15,000/- (Rupees Fifteen

Thousand only) per annum (For the purpose, 'Family' means spouse and children of Mr. Lokesh Sikka).

**(4) Hospitalisation benefit:**

Hospitalisation benefit as per the mediclaim policy of the Company for spouse and children.

**(5) Benevolent Fund:**

Benevolent Fund as per the policy of the Company.

**Category 'B'**

**1) Provident Fund/ Superannuation / Annuity Fund:**

Contribution to Provident Fund/Superannuation/Annuity Fund shall be in accordance with the approved scheme/ fund of the Company as in force from time to time and not included in computation of ceiling on perquisites to the extent that these either singly or put together are not taxable, under the Income Tax Act.

**2) Gratuity:**

Gratuity payable shall not exceed half a month's salary for each completed year of service and in compliance with the Payment of Gratuity Act, 1972 and rules made thereunder.

**3) Encashment of Leave not availed of:**

As per the rules of the Company, it shall not be included in the computation of ceiling on Perquisites.

**Category 'C'**

**1) The whole time director will be entitled to claim following expenses:-**

- a) Vehicle Maintenance ₹ 9,00,000/- (Rupees Nine Lakhs only) per annum.
- b) Driver Allowance/Reimbursement ₹ 3,84,000/- (Rupees Three Lakhs Eighty Four Thousand only) per annum.
- c) Fuel Reimbursement ₹ 3,60,000/- (Rupees Three Lakhs Sixty Thousand only) per annum.

**2) Mobile reimbursements as per the Company's policy.**

**[B] ANNUAL INCREMENTS:-**

The Whole-Time Director will be entitled to an annual increment not exceeding ₹ 10,00,000/- (Rupees Ten Lakhs only) every year, as may be recommended by the Nomination and Remuneration Committee and duly approved by the Board of Directors.

**[C] MINIMUM REMUNERATION:-**

In the event of inadequacy or absence of net profits in any financial year, the above remuneration as permissible under Schedule V to the Companies Act, 2013 shall be the minimum Remuneration payable to the Whole-Time Director.

For the purpose of calculating the value of perquisites herein above, the same shall be evaluated as per Income Tax Rules, 1962, wherever applicable.

The Whole-Time Director shall not be entitled to receive any fees for attending meetings of the Board/Committee.

A copy of the agreement executed between the Company and Mr. Lokesh Sikka (DIN: 08665841), is available for inspection by the members of the Company in physical or in electronic form at the registered office of the Company situated at G-1, Onida House, MIDC, Mahakali Caves Road, Andheri (E), Mumbai - 400 093 on all working days (except Saturday) during business hours up to date of the ensuing Annual General Meeting.

The Board recommends the above resolution to be passed as special resolution.

None of the Directors, except Mr. Lokesh Sikka (DIN: 08665841) himself, Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 4 of the Notice.

#### **Item No. 5:**

The Board of Directors in their Board meeting held on June 26, 2020 approved the appointment of Ms. Mohita Arora (DIN: 08771417), as an Additional Independent Director pursuant to Section 161 of the Companies Act, 2013 and Article 91 of the Articles of Association of the Company with effect from June 26, 2020 to share her rich experience and expertise for the benefit of the Company. Her term of appointment as an Additional Independent Director expires at ensuing Annual General Meeting. The Company has received necessary notice along with deposit as required under Section 160 of the Companies Act, 2013 proposing her candidature as a Director.

Ms. Mohita Arora (DIN: 08771417), has informed the Company that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director. She has also given a declaration that she meets with the criteria of independence as prescribed under sub section (6) of Section 149 of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ms. Mohita Arora (DIN: 08771417) has 30 years of strong Business, Strategic, and Marketing expertise in diverse industries, work cultures and products. She has proven ability in business turnarounds, new business development and change management.

She holds a Master of Management Studies degree from the Jamnalal Bajaj Institute of Management Studies, Mumbai & a Bachelor of Commerce degree from the Sydenham College of Commerce & Economics, Mumbai. Brief information of Ms. Mohita Arora (DIN: 08771417), is given in the Annexure annexed to the Notice

In terms of Section 149(10) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors consider that the appointment of Ms. Mohita Arora (DIN: 08771417) as an independent director will be of advantage to the Company and accordingly, the Board recommends the above resolution to be passed as Ordinary Resolution.

A copy of the draft letter of appointment of Ms. Mohita Arora (DIN: 08771417), as an Independent Director stating the terms

and conditions is available for inspection by the members of the Company in physical or in electronic form at the registered office of the Company situated at G-1, Onida House, MIDC, Mahakali Caves Road, Andheri (E), Mumbai - 400 093 on all working days (except Saturday) during business hours up to date of the ensuing Annual General Meeting.

None of the Directors, except Ms. Mohita Arora (DIN: 08771417), herself, Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 5 of the Notice.

#### **Item No. 6:**

On the recommendation of the Audit Committee, the Board of Directors in their meeting held on June 26, 2020 has approved the re-appointment and remuneration of Cost Auditor, Mr. Suresh D. Shenoy, Cost Accountant (Registration No. 8318 with the Institute of Cost Accountants of India) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021 on an audit fees of ₹ 2,12,500/- (Rupees Two Lakhs Twelve Thousand Five Hundred only) p.a. plus GST thereon, as applicable, besides travelling and other out of pocket expenses to be incurred by him for the purpose of such audit.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be approved by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for approval of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2021.

The Board recommends the Ordinary Resolution for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 6 of the Notice.

### **STATEMENT OF DISCLOSURE PURSUANT TO SCHEDULE V TO THE COMPANIES ACT, 2013 IN RELATION TO ITEM NO. 4 OF THE NOTICE:**

#### **I. General Information**

- Nature of Industry:  
The Company is engaged in the business of manufacture and marketing of electronics goods primarily under the brand named 'Onida' and 'IGO'. The Company has four manufacturing plants viz, Wada (Maharashtra), Lote-Parshuram, Chiplun (Maharashtra), Roorkee-I (Uttarakhand) and Roorkee-II (Uttarakhand).
- Date of commencement of commercial production:  
The commercial production started at Wada plant in July, 1994 and at Roorkee Plant-I in December, 2006 and Roorkee Plant -II in October, 2009 respectively.
- Financial performance of the Company

Amount (in Cr.)

Particulars	Financial Year		
	2019-2020	2018-2019	2017-2018
Gross Turnover	603.11	642.41	735.20
Profit/(Loss) before Tax	(11.46)	(2.81)	23.49
Profit/(Loss) after Tax	(11.46)	(4.41)	23.49
Dividend	---	---	---

- Export performance and net foreign exchange collaborations:

Export performance and total foreign exchange earnings for the financial year 2019-2020 is ₹ 108.93 Lakhs.

- Foreign investment or collaborators : NIL

However as on March 31, 2020, the total Foreign Shareholding is 43,42,763 equity shares constituting 1.88% of the paid-up share capital which includes Foreign portfolio investor (Corporate) holding of 32,25,993 equity shares and NRI holding of 11,16,770 equity shares.

## II. Information about the appointees:

### Mr. Lokesh Sikka (DIN: 08665841):

- Back ground details: Mr. Lokesh Sikka is a M.B.A. (Human Resources) from Institute of Management Technology, Ghaziabad.
- Past Remuneration: N.A.
- Recognition or awards: He has vast experience in various industry.
- Job profile and suitability: He is a Whole-time Director of the Company. He has been influential in devising

and implementing the various corporate strategies for the Company.

- Remuneration proposed: As stated in agenda item no. 4.
- Comparative remuneration profile with respect to Industry, size of company, profile of the position and person: The remuneration for the similar position in the Industry, having regard to the size of the companies and profile of persons is not less than the proposed remuneration of Mr. Lokesh Sikka.
- Pecuniary relationship or relationship with managerial person: Mr. Lokesh Sikka has no interest in the capital or any relation with the managerial personnel of the Company.

## III. Other Information:

- Reasons of loss or inadequate profit:

The company was on course to recovery, however the impact of Covid and its subsequent disruption of business impacted the company's operation, more particularly the Air conditioner business.

- Steps taken/ proposed to be taken for improvement and expected increase in productivity and in profit in measurable terms:

The company has since then taken a number of cost reduction initiatives and passed on a part of the increase in input cost to the customer, which will help improve margins and profitability.

**By order of the Board  
For MIRC Electronics Limited**

Place: Mumbai  
Date: June 26, 2020

**Gulu Mirchandani,  
Chairman & Managing Director**

## Details of directors seeking appointment/re-appointment in the Thirty Ninth Annual General Meeting

As per Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 of Institute of Company Secretaries of India.

Name of Director	Mr. Vijay J. Mansukhani	Mr. Lokesh Sikka	Ms. Mohita Arora
Date of Birth (age)	21.06.1949 (71 years)	08.02.1984 (36 years)	25.08.1967 (53 years)
Nationality	Indian	Indian	Indian
Date of first Appointment on the Board	01.01.1981	13.02.2020	26.06.2020
Shareholding in the Company (as on March 31, 2020)	2,63,35,774	Nil	Nil
Board Meetings attended during the financial year 2019-20	4	1	N.A.
Qualification	Graduate from the College of Marine Engineering, Mumbai.	M.B.A. (Human Resources) from Institute of Management Technology, Ghaziabad.	Master of Management Studies degree from the Jamnalal Bajaj Institute of Management Studies, Mumbai
Expertise in specific functional areas	40 years of experience in electronic industry and proven expertise in driving the organizational growth through the enhancement of existing growth areas and developing potential Opportunities.	Vast experience in Human Resources.	30 years of strong Business, Strategic and Marketing expertise in diverse industries, work cultures and products.
Last drawn remuneration (including sitting fees and commission)	₹ 1,22,02,800 p.a. for F.Y. 2019-20	₹ 4,45,013 (w.e.f. 13.02.2020 till 31.03.2020)	N.A.
Directorship held in other listed entities.	None	None	None
Membership of Committees of the Board of other listed entities.	None	None	None
Relationship, if any between Directors inter-se.	Mr. Vijay J. Mansukhani is brother in law of Mr. Gulu L. Mirchandani, Chairman & Managing Director of the Company.	None	None

Note: None of the Non-Executive Directors holds any equity shares in the Company.



# India Ka ONIDA



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

## BOARD OF DIRECTORS



### Mr. Gulu L. Mirchandani

Chairman and Managing Director (DIN 00026664)

### Mr. Vijay J. Mansukhani

Managing Director (DIN 01041809)

### Mr. Kaval Mirchandani

Whole Time Director (DIN 01179978)

### Mr. Lokesh Sikka

Whole Time Director (DIN 08665841)

### Mr. Rafique Malik

Independent Director (DIN 00521563)

### Mr. Carlton Pereira

Independent Director ((DIN 00106962)

### Mr. Arvind Sharma

Independent Director (DIN 01229072)

### Ms. Mohita Arora

Independent Director (DIN 08771417)

### Chief Executive Officer (CEO)

Mr. G. Sundar

### Chief Financial Officer

Mr. Karthi Chandramouli

### Company Secretary and Compliance Officer

Mr. Lalit Chendvankar

### Statutory Auditors

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

## Bankers

- State Bank of India
- HDFC Bank
- IDBI Bank
- Canara Bank
- 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.

## Factory Premises

- Village Kudus, Bhiwandi Wada Road, Taluka Wada, Dist. Palghar, Maharashtra – 421 312.
- Khasra No.158, Village-Raipur, Pargana - Bhagwanpur, Roorkee, Dist -Haridwar, Uttarakhand - 247 661.
- Khasra No.399 to 401 & 405 to 410, 158 KMS Milestone, Delhi-Roorkee Highway – NH 58, Village– Mundiayaki, Pargana–Manglour, Tehsil- Roorkee, Dist–Haridwar, Uttarakhand – 247 670.
- Chiplun - Plot No. G-1, Lote Parshuram Industrial Area, Village Dhamandevi, Taluka Khed, Dist. Ratnagiri, Maharashtra - 415 639.

## Registrar & Share Transfer Agent:

M/s. Link Intime India Private Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai:- 400 083,

Tel.: +91 22 2594 6970-78, Fax: +91 22 2594 6969,

Email ID: rnt.helpdesk@linkintime.co.in.

## CHAIRMAN'S NOTE

### Dear Stakeholders

We set our foot into the new fiscal as the Covid 19 Pandemic rapidly gripped the world. In March 2020, when the Government of India ordered a nationwide lockdown, our first priority was to safeguard the health and well-being of our employees, while continuing to support our customers.

The lockdown tested the agility, resilience and adaptability of the company. The impact of this pandemic has disrupted most major economies in the world. We have seen negative impact on our Air Conditioner sales from March through May, which accounts for 30-35% of our annual sales. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. The Reserve Bank of India (RBI) stepped in to provide adequate liquidity to counter a sudden stop in economic activity.

Innovation is a part of our DNA and Onida has been India's trusted brand for 39 years with innovations in Categories right from Televisions to Air Conditioners to Microwave Ovens and Washing Machines. In the current Aatma Nirbhar era, the brand sees a perfect opportunity to build on the Make-In-India base, like it has done for the last 39 years. Onida's recent #IndiaKaOnida Campaign has been the talk of the town in support of a self-reliant India.

Onida has entered into the Refrigerator category with the launch of Made in India, InstaChill DC Refrigerators for fresh and effective cooling. InstaChill Refrigerators are a great addition to the family and Onida has emphasized a lot on its fast cooling technology which will not only cool faster but also keep your food fresh and preserve it for a longer period of time. InstaChill Refrigerators also come with a designer look to add a style quotient to your homes. The Refrigerators are beautifully designed with a floral glossy finish giving them an edge over competition.

We have strived to create consumer delight powered by technology. We launched Fire TV Edition in partnership with Amazon in December 2019. A first amongst Smart TV's in India, this product enables favourite content streaming matched by a voice remote support by Alexa. We also launched our Onyx Smart Air Conditioners in 2019, driven by ViOT technology, which helps a consumer control their Air Conditioner using voice through Amazon's Alexa. In the Washing Machine category, we introduced a first in the segment, Bristle Wash Technology that features a rotating brush with bristles in the washing tub to remove deep rooted dust, dirt and debris. Powered by a specially designed 'Pulgitator' which generates a turbulent water stream inside the tub, this is the best in class solution for effective cleaning of dirt and stains. Onida has changed the definition of conventional Oven cooking in India by launching Smart Chef Microwave Oven. To cook a perfect meal, one needs to add the correct amount of ingredients. This Microwave Oven weighs ingredients and then automatically cooks it to perfection.

There are strong Anti-China sentiments that are prevailing across countries and this points to potential newer manufacturing hubs to replace China. The country's peak in terms of Covid-19 cases is expected to cross very soon. Consumer Durables are likely to be among the first ones to see demand coming back steadily from September/October 2020 onwards. As our Prime Minister stresses on the need for an #Aatmanirbhar Bharat, there is bound to be a push towards local manufacturing in India.

I conclude by sharing that, in these challenging times, the economic impact has been largely disruptive. However, Onida will endeavour to lead the transformation in Consumer Durable Industry in India by launching products with cutting edge technology, which will make Indians proud of the Made in India label. I am grateful to all Stakeholders, Customers, Employees, Suppliers, Partners and Investors for their continued support to ONIDA.

**Gulu. L. Mirchandani**

Chairman

**MIRC**

MIRC ELECTRONICS LIMITED



# MANAGING DIRECTOR'S NOTE

## Dear Stakeholders

The consumer electronics industry has been an integral part of the global economic landscape for decades. And modernization has definitely added more life to consumer electronic products. Our dependencies on modern gadgets have increased so much that right from starting our day with an alarm to its ending with a casual chitchat on a smartphone - we seem to be surrounded by these products more than humans!

The rising of bring your own device (BYOD) trend and the IoT connectivity have tremendously boosted the consumer electronics industry. However, amid the ongoing trade war and other dramatic turn of events, the recent outbreak of coronavirus (Covid-19) all over the globe has put severe pressure on the consumer electronics industry. The rapid spread of the virus is causing delay in the launch of new electronic devices in the domestic and international market. The outbreak is causing a crisis in major economies across the globe, including China, the US, India, Italy, UK, Germany, Japan, South Korea, Iran, and many others. Majority of these countries are strictly following nationwide lockdowns and have adopted the required social distancing measures.

In India, the central and state governments have called on people to shelter-in-place at home; there are further travel restrictions, shut down of local businesses; and prohibition on social gatherings. Following the widespread Covid-19, the electronic product manufacturers have put further production of new electronic devices on hold. Therefore, the upcoming production of new electronic devices all over the globe is expected to tumble. The supermarkets, retail shops and showrooms of major brands, and hypermarkets- all have been shut down for an indefinite period of time, affecting sales of various consumer electronics products. However, a few marketers are adopting different strategies- be it reduction in their production volumes, halting of new product launches or even relocation of production facilities wherever needed, just to combat the situation and to prevent or minimize the potential impact of Covid-19 on manufacturing operations.

At Onida, our vision is to make Indians proud of the Made-In-India label by providing highly innovative products, which are better than the competition, which simplify our lives and provide an unmatched customer experience.

During the year, Onida has introduced new models in different product categories, such as:

- (i) In panel segment, we have successfully launched Fire TV Edition in partnership with Amazon. This was the first Fire TV edition launched in India. Powered with Amazon's Fire OS, the TV seamlessly integrates your favourite live broadcast TV and streaming channels on the home screen. It's the only Smart TV that lets you control it effortlessly with a single Onida Voice Remote with Alexa.
- (ii) In Air Conditioner segment, we have launched new Inverter Air Conditioner with Dual Rotary Heavy Duty Compressor for heavy duty and efficient cooling – Rhodium and Uranus for online and offline markets respectively. The Dual Rotary Heavy Duty Compressor offers a stable and durable performance. In the Fixed Speed category, we have launched a Heavy Duty Cooling Air Conditioner called 'Magnus', which cools even in the most extreme conditions.
- (iii) In Washing Machine segment, our 5.5 Kg Fully Automatic model attracts the first-time buyers and consumers with small families. On the other hand, our 7 kg Fully Automatic Washing Machine targets the demanding consumer who looks for a feature rich product with sophisticated offerings. Completely manufactured in India, with these offerings in the Washing Machine segment, today we have been able to cover an entire gamut of consumer needs in the country. With rural electrification and post Covid-19 era, we believe that washing requirements, with focus on hygiene, will help this category to grow much faster this year and therefore, we are ready with our GEN – NEXT line up of Washing Machines to capture this opportunity both in online and offline space
- (iv) In Microwave Oven segment, we have launched the stunning Onida Black Beauty Neo designed to ease cooking by making it faster, healthier and also adding beauty to the kitchen. It comes with 237 in-built auto cook modes and is programed to perform intuitive and complex culinary functions.

Our focus currently is on giving the consumer the benefit of our after-sales service network. We have also built 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 requisite 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 an optimum choice for consumers; and that's what makes everyone feel proud.

# AIR CONDITIONER RHODIUM



Multiplier Inverter Technology



PET Engine



Gold Fin



4D Cooling



Super Energy Saving



100% Copper Coil



Green Gas



Anti Fungus

**With temperatures soaring every year, Onida Introduces Dual Rotary Heavy Duty Compressor in the Inverter Range and Heavy Duty Cooling Air Conditioners in the Fixed Speed Range.**

Onida launched a wide range of Fixed Speed and Inverter Air Conditioners, continuing to deliver technologically superior products for consumers who want the best of functionality and design. This summer season witnessed the successful launch of new Inverter Air Conditioners with Dual Rotary Heavy Duty Compressor for heavy duty and efficient cooling – Rhodium and Uranus for Online and offline markets respectively. The Dual Rotary Heavy Duty Compressor offers a stable and durable performance. In the Fixed Speed segment, the company launched Magnus - a Heavy Duty Cooling Air Conditioner which cools even in the most extreme conditions.

# LED TELEVISION FIRE TV EDITION



ONIDA KY ROCK | fire tv edition



## With the world crowded with Android TVs, Onida Launched a Game-Changer in the Smart TV category with India's first Built-In Fire TV Edition powered with Fire OS

Onida launched Fire TV Edition in partnership with Amazon. This is the first Fire TV Edition Smart TV launched in India. It runs on Amazon's built-in Fire TV OS seamlessly, enabling favourite content streaming on the home screen. It allows users to control the experience effortlessly with the Voice Remote supported by Alexa. The Fire TV Edition is also packed with a high powered unbeatable performance through a Multicore Processor. The TV also features Dolby Audio and DTS TruSurround Sound for a theatre like surround sound experience.

Onida has successfully launched this TV on e-commerce partner amazon.in and has received a tremendous response being one of Amazon's highest rated TV brand. Taking advantage of this success, Onida launched Onida KY ROCK Fire TV Edition with a richer sound experience, in leading offline stores.

# WASHING MACHINE BRISTLE WASH

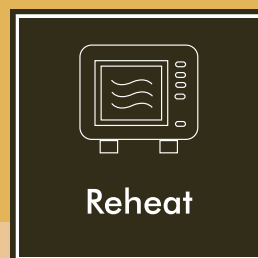
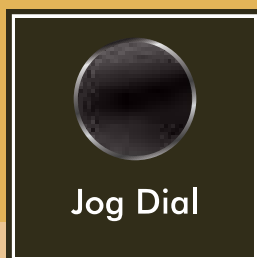
# Bristle Wash



**Onida launches Bristle Wash Washing Machines which uses Bristle Wash technology for optimal and effective cleaning in a classy way.**

Onida always keep customers in the forefront while designing and developing the most valuable features in the product. One reverberating pain point of customers was removal of deeply rooted stains or dirt from cuff and collars in an effortless way. This led to the birth of Bristle Wash Washing Machine, which uses first-in-class Bristle Wash technology in semi-automatic category. This machine features an elegant brush with bristles inside the washing tub to clean the stains or dirt from cuffs and collars in a manner rivalling that of a hand-washed fabric. This also features 'Tri-Storm Pulsator' which creates storm-like effect from three sides resulting in desired scrubbing action on hard stains.

# MICROWAVE OVEN BLACK BEAUTY



**Microwave Ovens are an integral part of kitchens today. From defrosting and reheating to cooking, grilling and baking, Microwave Ovens are true multitasking kitchen essentials.**

Onida has launched a new series of Convection Microwave Oven – Black Beauty.

This Microwave has 237 Easy Cook Menu, Convection Temperature Settings, Multistage Cooking, Deodorize and many more in list. The uniqueness of this oven is its beautiful aesthetics with a new redefined color which enhances the beauty of one's kitchen. As the name defines, the black color of this oven adds décor to your home, giving it a sophisticated and designer look. It is designed to ease cooking process by making it faster and healthier.

With all these features, glossy finish & unique black color, it is the perfect choice for cooking solutions and fit for one's kitchen.

# REFRIGERATOR



## **Onida Completes the circle in the Large Home Electronic space with the introduction of InstaChill Refrigerators.**

Onida has been India's trusted brand for 39 years with innovations in all categories right from Televisions, Air Conditioners to Washing Machines and the brand recently completed the segment in the large appliance space with the launch of Made-in-India Refrigerators.

InstaChill refrigerators are a great addition to the family and Onida has emphasized a lot on its fast cooling technology which will not only cool faster but also keep your food fresh and preserve it for a longer period of time. InstaChill Refrigerators also comes with a designer look to add a style quotient to your homes and a host of other features.

Available on E-commerce platform and will soon be launched offline with regular trade channels.

# CONTENT

Financial Highlights .....	1
Directors' Report .....	3
Management Discussion and Analysis .....	36
Corporate Governance Report .....	41
Auditors' Report .....	65
Balance Sheet .....	74
Statement of Profit and Loss .....	75
Cash flow Statement .....	76
Statement of Changes in Equity.....	78
Notes Forming part of Financial Statements .....	79

## BALANCE SHEET

₹ in Crore

	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018
<b>I. Assets</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	95.26	101.01	105.80
(b) Capital work-in-progress	0.29	-	0.61
(c) Other Intangible assets	0.29	0.35	0.05
(d) Intangible assets under development	-	-	0.26
(e) Financial Assets			
(i) Investments	4.33	3.89	2.61
(ii) Loans	-	-	-
(iii) Others	10.73	9.96	11.91
(f) Income Tax Assets (Net)	1.10	1.07	0.93
(g) Other non-current assets	36.46	35.01	14.54
<b>Total non-current assets</b>	<b>148.46</b>	<b>151.29</b>	<b>136.71</b>
<b>Current assets</b>			
(a) Inventories	329.05	214.92	224.74
(b) Financial Assets			
(i) Trade receivables	78.72	119.60	134.10
(ii) Cash and cash equivalents	0.90	7.13	17.96
(iii) Bank balances	5.24	5.86	6.18
(iv) Others	3.23	3.54	2.08
(c) Income Tax Assets (Net)	-	-	-
(d) Other current assets	11.86	10.49	20.79
<b>Total current assets</b>	<b>429.00</b>	<b>361.54</b>	<b>405.85</b>
<b>Total Assets</b>	<b>577.46</b>	<b>512.83</b>	<b>542.56</b>
<b>II. Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	23.11	23.11	23.11
(b) Other Equity	198.81	192.44	196.27
(c) Money received against share warrants	-	18.01	18.01
<b>Total equity</b>	<b>221.92</b>	<b>233.56</b>	<b>237.39</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13.18	17.57	2.88
(b) Deferred tax liabilities (Net)	-	-	-
(c) Provisions	5.55	5.89	5.67
<b>Total Non current liabilities</b>	<b>18.73</b>	<b>23.46</b>	<b>8.55</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	61.35	47.81	45.33
(ii) Trade payables	248.06	179.08	216.19
(iii) Others	14.46	16.39	17.34
(b) Other current liabilities	8.22	6.81	10.54
(c) Provisions	4.72	5.72	7.22
<b>Total current liabilities</b>	<b>336.81</b>	<b>255.81</b>	<b>296.62</b>
<b>Total Equity and Liabilities</b>	<b>577.46</b>	<b>512.83</b>	<b>542.56</b>



## STATEMENT OF PROFIT AND LOSS

₹ in Crore

	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018
<b>Income</b>			
Revenue from operations	604.31	644.46	736.37
Other Income	2.55	3.63	4.72
<b>Total Income</b>	<b>606.86</b>	<b>648.09</b>	<b>741.09</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	219.72	213.07	279.24
Purchases of Traded Goods	311.60	264.02	269.92
Changes in inventories of Finished Goods, Work-in-progress and Stock in Trade	(73.86)	(4.21)	(27.93)
Excise duty on sale of goods	-	-	8.25
Employee benefits expense	60.77	67.74	70.27
Freight and forwarding expenses	24.21	25.01	26.75
Advertisement	7.44	12.55	7.87
Other Expenses	49.86	49.64	59.67
<b>Total Expenses</b>	<b>599.74</b>	<b>627.82</b>	<b>694.04</b>
<b>Profit before depreciation, finance cost and tax</b>	<b>7.12</b>	<b>20.27</b>	<b>47.05</b>
Finance Cost	11.98	14.80	14.09
<b>Profit before depreciation and tax</b>	<b>(4.86)</b>	<b>5.47</b>	<b>32.96</b>
Depreciation and amortisation expense	6.61	8.27	9.47
<b>Profit before exceptional items and tax</b>	<b>(11.47)</b>	<b>(2.80)</b>	<b>23.49</b>
Exceptional items	-	1.60	-
<b>Profit / (Loss) before tax</b>	<b>(11.47)</b>	<b>(4.40)</b>	<b>23.49</b>
Tax Expense			
Current Tax	-	-	-
Deferred Tax	-	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the year</b>	<b>(11.47)</b>	<b>(4.40)</b>	<b>23.49</b>
Other Comprehensive Income (net of tax)	-	-	-
Items that will not be reclassified to Profit or Loss	-	-	-
Remeasurement of the defined benefit plans	(0.18)	0.57	(0.41)
<b>Total Other Comprehensive Income (net of tax)</b>	<b>(0.18)</b>	<b>0.57</b>	<b>(0.41)</b>
<b>Total Comprehensive Income for the year (net of tax)</b>	<b>(11.65)</b>	<b>(3.83)</b>	<b>23.08</b>
Equity dividend paid	-	-	-
Year end price (₹)	3.99	21.95	46.20
Market capitalisation	92.15	506.94	1,067.00

Dear Members,

**MIRC Electronics Limited**  
Mumbai.

Your Directors are pleased to present the Thirty Ninth Annual Report along with the Audited Financial Statements of the Company for the financial year ended March 31, 2020.

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

Results of Operations

(₹ in Crores)

Particulars	Financial year ended March 31, 2020	Financial year ended March 31, 2019
Gross Turnover	603.11	642.41
Gross Profit (before interest, depreciation, tax and writing off of preliminary expense)	7.12	20.26
Interest	11.97	14.80
Depreciation	6.61	8.27
Net Profit/(Loss) before tax	(11.46)	(2.81)
Exceptional Loss	-	(1.60)
Profit/(Loss) After Tax	(11.46)	(4.41)
Balance in Profit & Loss A/c carried forward from the last year	(18.03)	(14.20)

#### Financial Performance:

During the year under review, your Company has made gross turnover of ₹ 603.11 crores as against ₹ 642.41 crores for the previous year. The Company has made a Loss of ₹ 11.46 crores.

The financial statements are prepared in accordance with Indian Accounting Standards for the financial year ended March 31, 2020 and forms part of this Annual Report.

#### Impact of COVID -19 Pandemic

The detailed disclosure on the material impact of Covid-19 pandemic on the Company is forming part of the Financial Statements of the Company. You may refer to Notes Financial Statements for the same.

#### Dividend and Transfer to General Reserves:

Considering the financial requirement for business growth and debt servicing, your Directors regret and do not propose dividend for the year ended March 31, 2020. There is no appropriation of any amount to General Reserves during the year under review.

#### Financial Statements:

The financial statement containing the Balance Sheet, Profit and Loss and Auditors' Report on the financial statements have been sent to those members who have registered their email id's with the Company.

#### Board of Directors:

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

- (i) Mr. Gulu Mirchandani - Chairman & Managing Director;
- (ii) Mr. Vijay Mansukhani - Managing Director;
- (iii) Mr. Kaval Mirchandani - Whole Time Director;
- (iv) Mr. Lokesh Sikka - Additional and Whole Time Director\*;
- (v) Mr. Rafique Malik - Independent Director;
- (vi) Mr. Carlton Pereira - Independent Director;
- (vii) Mr. Arvind Sharma - Independent Director; and
- (viii) Ms. Mohita Arora - Additional and Independent Director\*\*

Ms. Sujata Deshmukh resigned as Independent Director of the Company with effect from January 09, 2020 due to her personal commitments and the Board placed on record its appreciation for the valuable inputs, guidance and services rendered by her during her tenure with the Company.

Mr. Sanjay Munshi resigned as a Whole Time Director of the Company with effect from February 13, 2020 due to his personal commitments and the Board placed on record its appreciation for the valuable inputs, guidance and services rendered by him during his tenure with the Company.

\* Mr. Lokesh Sikka was appointed as an Additional Director and Whole Time Director w.e.f. February 13, 2020 at the Board Meeting held on February 13, 2020. Mr. Lokesh Sikka has been appointed as a Whole Time Director for a period of three (3) years with effect from February 13, 2020 subject to approval of the members of the Company at the ensuing Annual General Meeting.

\*\* Ms. Mohita Arora was appointed by the Board of Directors of the Company on June 26, 2020 as an Additional and Independent Director of the Company and further the Board of Directors has decided to re-appoint her as an Independent Director for a period of 5 (five) years subject to the approval of the members of the Company at the ensuing Annual General Meeting.

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of the Directors) Rules, 2014 amended from time to time, that he/she

meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof till date).

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

The Company has received notice as required under Section 160 of the Companies Act, 2013 from Mr. Gulu Mirchandani, Chairman & Managing Director of the Company proposing candidature of Mr. Lokesh Sikka (DIN: 08665841) as a Director and Whole Time Director and Ms. Mohita Arora (DIN: 08771417) as an Independent Director of the Company along with necessary deposit.

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

#### Secretarial Standards:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meetings of Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

#### 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:

- in the preparation of the annual accounts for the year ended March 31, 2020, 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;
- 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, 2020 and of the profit and loss of the Company for the year ended on that date;
- 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;
- the Directors have prepared the annual accounts on a 'going concern' basis;

- 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
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are 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 Regulation 27 and Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof till date) forms an integral part of this Annual Report.

The requisite certificate from M/s. Nilesh Shah & Associates, Practicing Company Secretaries (Membership No. FCS – 4554 & C.P. No: 2631), confirming the compliance with the conditions of the Corporate Governance as stipulated under Regulation 34(3) and Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof till date) is annexed to this Annual 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 Annual Report.

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

The Board of Directors of the Company in their meeting held on February 13, 2017 approved the employee stock option scheme termed as 'MIRC Electronics Limited – Employee Stock Option Scheme 2017' (MIRC ESOS 2017) under the provisions of Section 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The aforesaid MIRC ESOS 2017 was approved by the members of the Company at the Extra Ordinary General Meeting held on March 29, 2017. Particulars relating to MIRC ESOS 2017 are mentioned in **Annexure – A**.

#### 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 to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof till date), is 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>.

There were no materiality related party transactions which could have potential conflict with interest of the Company at large.

All related party transactions entered into by the Company were on an arm's length basis and in the ordinary course of business and the Company had not entered into any material related party contracts therefore no disclosure in Form AOC-2 is provided.

#### 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 immediately preceding 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 is not applicable to the Company for the financial year 2019-2020.

#### 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 Risk Management Committee constituted by the Board of Directors of the Company.

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

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

#### Internal Financial Controls:

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

#### Extract of Annual Return:

The details forming part of the extract of the Annual Return in Form MGT-9 as required under Section 92 and Section 134 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 amended from time to time, are included in this Board Report as **Annexure - B**.

#### Key Managerial Personnel:

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

Sr. No.	Name of the person	Designation
1.	Mr. Gulu Mirchandani*	Chairman & Managing Director
2.	Mr. Vijay Mansukhani	Managing Director
3.	Mr. Kaval Mirchandani	Whole-Time Director
4.	Mr. Sanjay Munshi**	Whole-Time Director
5.	Mr. Lokesh Sikka***	Whole-Time Director
6.	Mr. G. Sundar	Chief Executive Officer
7.	Mr. Karthi Chandramouli ****	Chief Financial Officer
8.	Mr. Lalit Chendvankar	Head - Corporate Affairs, Legal & Company Secretary

\*During the year under review, Mr. Gulu Mirchandani, was re-appointed as Chairman and Managing Director of the Company for another term of 3 years w.e.f. December 01, 2019;

\*\*During the year under review, Mr. Sanjay Munshi, Whole Time Director of the Company has resigned w.e.f. February 13, 2020.

\*\*\*During the year under review, Mr. Lokesh Sikka was appointed as an Additional and Whole Time Director of the Company w.e.f. February 13, 2020 by the Board of Directors at the Board Meeting

held on February 13, 2020, subject to the approval of the members at ensuring Annual General Meeting.

\*\*\*\*During the year under review, Mr. Karthi Chandramouli was appointed as Chief Financial Officer of the Company w.e.f. August 14, 2019 by the Board of Directors at the Board Meeting held on August 14, 2019.

#### Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and as per Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof till date), the Company has devised a policy for performance evaluation of Independent Directors, Board of Directors, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors. A structured questionnaire was prepared after taking into consideration of the various aspects such as performance of specific duties, obligations, Board's functioning, composition of the Board and its Committees, culture and governance.

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

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

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

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

#### Public Deposits:

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

#### Statutory Auditors:

The members of the Company at the Thirty Seventh Annual General Meeting of the Company held on August 23, 2018, 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 a further term of five years and shall hold office till the conclusion of Forty-Second Annual General Meeting of the Company.

#### 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 except below: -

The below comment is appearing at point no. (vii) (b) in the Annexure 1 to the Auditors Report -

"According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable"

The above comment pertains only to the outstanding amount of Provident Fund contribution of ₹5.16 Lacs for the period August 2017 to August 2018. Your management would like to clarify that the said Provident Fund dues pertain to the In-shop Demonstrators previously employed by the Company, for whom the Universal Account Number (UAN) could not be generated due to either non-availability of AADHAR no. or mismatch in the AADHAR and PAN details.

The Company had attempted to pay the aforesaid pending Provident Fund Contribution by depositing a demand draft to and in favour of Employees' Provident Fund Organisation (EPFO) along with necessary details however, EPFO returned the said demand draft due to their technical problems.

Your Company has already written to Regional Provident Fund Commissioner and re-submitting a demand draft once again with EPFO to close this pendency at the earliest.

#### Cost Auditors:

Pursuant to the provisions of the Section 148 of the Companies Act, 2013 read with the 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 2020-2021. The remuneration of Cost Auditor needs to be approved by the members of the Company. The Board recommends passing of the resolution for the same.

#### 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 2019-2020 as required under Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 amended from time to time. The Secretarial Audit Report for financial year ended March 31, 2020 is annexed herewith marked

as **Annexure - D** to this Board Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### **Annual Secretarial Compliance Report:**

The Company has undertaken an audit for the financial year 2019-2020 for all applicable compliances as per Securities and Exchange Board of India Regulations and circulars/guidelines issued thereunder. The Annual Secretarial Compliance Report will be submitted to the stock exchanges in compliance with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 as amended from time to time.

#### **Reporting of Frauds by Auditors:**

During the year under review, the Statutory Auditor, the Secretarial Auditor, the Cost Auditor have not reported any instances of frauds committed in the Company by its officers or employees to the Audit Committee under Section 143(12) of the Companies Act, 2013.

#### **Disclosures:**

##### **Meetings of the Board**

The Board met (4) four times during the year and other details of meetings of the Board of Directors of the Company held during the financial year / tenure and the attendance of Directors forms part of the Corporate Governance Report.

##### **Audit Committee**

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

All the members of the Audit Committee are independent directors.

##### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of Mr. Rafique Malik, Chairman, Mr. Carlton Pereira and Ms. Mohita Arora as the member.

Mrs. Sujata Deshmukh has resigned from the directorship of the Company with effect from close of business hours on January 09, 2020 and consequently ceased to be member of the Nomination & Remuneration Committee.

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 Mirchandani, Mr. Vijay Mansukhani and Ms. Mohita Arora as the members.

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

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

The details of Committee meetings held during the year under review are provided in the Corporate Governance Report.

#### **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 has also been uploaded on the website of Company i.e. [www.onida.com/policies](http://www.onida.com/policies).

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

The Board of Directors of the Company has amended and adopted the 'Code for Insider Trading & Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' ("Code") as formulated under Securities and Exchange of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

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 as amended from time to time, is available on the website of the Company i.e. [www.onida.com](http://www.onida.com).

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

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

#### **Significant and Material order passed by the Regulatory or Courts**

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

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

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

**Listing Fees**

The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The Listing fees for the financial year 2020-2021 for both the stock exchanges will be paid before the due date.

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

Pursuant to Regulation 34(3) read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof till date), the details of the shares lying with the Company in Unclaimed Suspense Account as on March 31, 2020 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	4669	100105
2	Number of shareholders who approached issuer for transfer of shares from unclaimed suspense account during the financial year	2	20
3	Number of shareholders to whom shares were transferred from unclaimed suspense account during the financial year	2	20
4	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the end of the financial year	4667	100085

All the unclaimed shares are credited to a Demat Unclaimed Suspense Account and all the corporate benefits in terms of

securities, accruing on these unclaimed shares shall be credited to such account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**Transfer of Unpaid and Unclaimed Dividend**

Pursuant to provisions of the Section 124 of the Companies Act, 2013, your Company did not have any funds as lying unpaid or unclaimed dividend for a period of seven (7) years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to provisions of the Section 125 of the Companies Act, 2013.

**Transfer of Shares to the Investor Education and Protection Funds**

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

During the year, your Company did not have any equity shares which were required to be transferred to Investor Education and Protection Fund (IEPF).

**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, (including any statutory modification and re-enactment thereof till date), the disclosures pertaining to the remuneration and other details as required is appended as **Annexure - E** to this Board Report.

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹ 1.02 crore or more, or employed for part of the year and in receipt of ₹ 8.5 lakh or more per month, under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification and re-enactment thereof till date), is available for the inspection at the registered office of the Company.

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

**Internal Control System**

The Company has adequate internal control system commensurate with its size and business. The Internal Auditors of the Company reviewed that all the financial transactions of the Company are

in line with the compliance of laws, policies and procedures and have been correctly recorded and reported. The Internal Audit is conducted on regular basis and the reports are submitted to the Audit Committee at their quarterly meetings. The Audit Committee actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same.

#### Research and Development

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

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

This team conducts research in the areas of:

- 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**.

#### Environment

The E-Waste (Management) Rules, 2016 (hereinafter referred to as "E-Waste Rules") are in force. As per the E-Waste Rules, all producers have to meet Extended Producer Responsibility (EPR) along with the defined targets. As per E-Waste Rules, all producers have to make EPR Authorisation Application to Central Pollution Control Board (CPCB). The Company has a tie up with authorised recyclers for recycling the electronic waste.

The details of E-Waste along with collection centres and pick up facility have been uploaded on the website of the Company. The Company appeals to all stakeholders to dispose all End of Life (EOL) products through Company's authorized recyclers. The required details are available on the website of the Company viz. [www.onida.com](http://www.onida.com).

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

#### General:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions / events on these items during the year under review:

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

#### Prevention of Sexual Harassment:

Your Company recognizes its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination. In Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on prevention of Sexual Harassment of Women at workplace, is available on the website of the Company i.e. [www.onida.com](http://www.onida.com) and has duly constituted an Internal Complaints Committee under the same.

Your Directors further state that during the year under review, there were no case 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, 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**

**Gulu Mirchandani**  
Chairman and Managing Director  
DIN:00226664

Place : Mumbai  
Date : June 26, 2020

**MIRC**

MIRC ELECTRONICS LIMITED



## ANNEXURE TO THE DIRECTORS' REPORT

## Annexure-A

**Disclosure under Section 62 of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 for the year ended March 31, 2020**

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

The following table sets forth the particulars of the options granted under MIRC- ESOS 2017:

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

ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	Particulars	Remarks
13.	Pro Forma Adjusted Net Income and Earning Per Share Net Income Add: Intrinsic Value Compensation Cost Less: Fair Value Compensation Cost Adjusted Pro Forma Net Income Earning Per Share: Basic As Reported Adjusted Pro Forms Earning Per Share: Diluted As Reported Adjusted Pro Forms	N.A.

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

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

Place: Mumbai  
Date: June 26, 2020

## ANNEXURE TO THE DIRECTORS' REPORT

Annexure-B

Form No. MGT-9

Extract of Annual Return

As on the Financial Year Ended March 31, 2020

[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. Ph. : 022-6697 5777 Email ID: investors@onida.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai:- 400 083 Ph.: 022-25946970-78 Email ID: rnt.helpdesk@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	264	33.29%
2	Air Conditioners	264	44.03%
3	Washing Machines	264	20.52%

\* As per National Industrial Classification-2008, Ministry of Statistics and Programme implementation.

\*\* On the basis of Total Turnover (Including other income).

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - N.A.

Sr. No.	NAME OF THE COMPANY	ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
N.A.						

## ANNEXURE TO THE DIRECTORS' REPORT

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

## i) Category-wise Share Holding :-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	80,316,570	0	80,316,570	34.78	81,366,570	0	81,366,570	35.23	0.45
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	27,700,901	0	27,700,901	11.99	27,700,901	0	27,700,901	11.99	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other-(Family Trust)	14,175,167	0	14,175,167	6.14	14,175,167	0	14,175,167	6.14	0.00
<b>Sub-total (A) (1)</b>	<b>122,192,638</b>	<b>0</b>	<b>122,192,638</b>	<b>52.91</b>	<b>123,242,638</b>	<b>0</b>	<b>123,242,638</b>	<b>53.36</b>	<b>0.45</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A) (2)</b>	<b>122,192,638</b>	<b>0</b>	<b>122,192,638</b>	<b>52.91</b>	<b>123,242,638</b>	<b>0</b>	<b>123,242,638</b>	<b>53.36</b>	<b>0.45</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	700	1,000	1,700	0.00	700	1,000	1,700	0.00	0.00
b) Banks / FI	191,887	145	192,032	0.08	17,201	145	17,346	0.01	-0.08
c) Central Govt/ State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
f) FIs/FFIs/FPIs	3,415,446	0	3,415,446	1.48	3,225,993	0	3,225,993	1.40	-0.08
g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
h) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B) (1)</b>	<b>3,608,033</b>	<b>1,145</b>	<b>3,609,178</b>	<b>1.56</b>	<b>3,243,894</b>	<b>1,145</b>	<b>3,245,039</b>	<b>1.41</b>	<b>-0.16</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	33,328,639	4,080	33,332,719	14.43	26,840,621	4,080	26,844,701	11.62	-2.81
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	36,360,731	3,046,941	39,407,672	17.06	39,508,750	2,866,357	42,375,107	18.35	1.28
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	25,167,548	0	25,167,548	10.90	28,975,254	0	28,975,254	12.55	1.65
<b>c) Others (specify)</b>									
Clearing Members	627,925	0	627,925	0.27	318,323	0	318,323	0.14	-0.13
Non-resident Indians	1,009,735	8	1,009,743	0.44	1,116,762	8	1,116,770	0.48	0.05
Trusts	7,010	0	7,010	0.00	7,010	0	7,010	0.00	0.00
Hindu Undivided family	3,746,998	0	3,746,998	1.62	3,008,803	0	3,008,803	1.30	-0.32
IEPF	1,813,204	0	1,813,204	0.79	1,804,784	0	1,804,784	0.78	0.00
NBFCs registered with RBI	37,984	0	37,984	0.02	14,190	0	14,190	0.01	-0.01
<b>Sub-total (B) (2):-</b>	<b>102,099,774</b>	<b>3,051,029</b>	<b>105,150,803</b>	<b>45.53</b>	<b>101,594,497</b>	<b>2,870,445</b>	<b>104,464,942</b>	<b>45.23</b>	<b>-0.30</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>105,707,807</b>	<b>3,052,174</b>	<b>108,759,981</b>	<b>47.09</b>	<b>104,838,391</b>	<b>2,871,590</b>	<b>107,709,981</b>	<b>46.64</b>	<b>-0.45</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>227,900,445</b>	<b>3,052,174</b>	<b>230,952,619</b>	<b>100.00</b>	<b>228,081,029</b>	<b>2,871,590</b>	<b>230,952,619</b>	<b>100.00</b>	<b>0.00</b>

## 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 share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Gulu L. Mirchandani	46,395,753	20.09	0.00	47,095,753	20.39	0.00	0.30
2	Mr. Kaval G. Mirchandani	49,300	0.02	0.00	49,300	0.02	0.00	0.00
3	Mr. Sasha G. Mirchandani	6,093	0.00	0.00	6,093	0.00	0.00	0.00
4	Mrs. Gita G. Mirchandani	7,879,650	3.41	0.49	7,879,650	3.41	0.49	0.00
5	Mr. Vijay Mansukhani	25,985,774	11.25	0.00	26,335,774	11.40	0.00	0.15
6	IIFL Investment Adviser & Trustee Services Ltd. (Formerly IIFL Trustee Services Ltd.) :- Trustee for Tamarind Family Private Trust	14,175,167	6.14	6.14	14,175,167	6.14	6.14	0.00
7	Gulita Securities Limited	27,227,372	11.79	11.79	27,227,372	11.79	11.79	0.00
8	Adino Electronics Limited	473,529	0.21	0.00	473,529	0.21	0.00	0.00
<b>Total</b>		<b>122,192,638</b>	<b>52.91</b>	<b>18.41</b>	<b>123,242,638</b>	<b>53.36</b>	<b>18.41</b>	<b>0.45</b>

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Mr. Gulu L. Mirchandani</b>				
	<b>At the beginning of the year</b>	<b>46,395,753</b>	<b>20.09</b>	<b>46,395,753</b>	<b>20.09</b>
	Transaction during the year:				
	Transfer - Dec 31, 2019	700,000	0.30	47,095,753	20.39
	<b>At the End of the year</b>			<b>47,095,753</b>	<b>20.39</b>
<b>2</b>	<b>Mr. Vijay Mansukhani</b>				
	<b>At the beginning of the year</b>	<b>25,985,774</b>	<b>11.25</b>	<b>25,985,774</b>	<b>11.25</b>
	Transaction during the year:				
	Transfer - Dec 31, 2019	350,000	0.15	26,335,774	11.40
	<b>At the End of the year</b>			<b>26,335,774</b>	<b>11.40</b>

Note:- There is no change in the shareholding of Promoters and Promoters Group except in Mr. Gulu L. Mirchandani and Mr. Vijay Mansukhani as mentioned above in the F.Y. 2019-20.

## ANNEXURE TO THE DIRECTORS' REPORT

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Bennett, Coleman And Company Limited</b>				
	<b>At the beginning of the year</b>	<b>15,351,223</b>	<b>6.65</b>	<b>15,351,223</b>	<b>6.65</b>
	Transaction during the year:				
	NIL	0	0.00	15,351,223	6.65
	<b>At the End of the year</b>			<b>15,351,223</b>	<b>6.65</b>

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>2</b>	<b>Adonis Electronics Pvt Ltd</b>				
	<b>At the beginning of the year</b>	<b>4,698,465</b>	<b>2.03</b>	<b>4,698,465</b>	<b>2.03</b>
	Transaction during the year:				
	Transfer on 12 Jul, 2019	(10000)	0.00	4,688,465	2.03
	Transfer on 19 Jul, 2019	(23,020)	-0.01	4,665,445	2.02
	Transfer on 27 Dec, 2019	(10,50,000)	-0.45	3,615,445	1.57
	<b>At the End of the year</b>			<b>3,615,445</b>	<b>1.57</b>

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>3</b>	<b>Hynos Fund Limited</b>				
	<b>At the beginning of the year</b>	<b>3,225,993</b>	<b>1.40</b>	<b>3,225,993</b>	<b>1.40</b>
	Transaction during the year:				
	NIL	0	0.00	3,225,993	1.40
	<b>At the End of the year</b>			<b>3,225,993</b>	<b>1.40</b>

## ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>4</b>	<b>Mr. Ashish Kacholia</b>				
	<b>At the beginning of the year</b>	<b>8,075,000</b>	<b>3.50</b>	<b>8,075,000</b>	<b>3.50</b>
	Transaction during the year:				
	Transfer 30 Aug 2019	(11,50,000)	-0.50	6,925,000	3.00
	Transfer 13 Sep 2019	(1,49,426)	-0.06	6,775,574	2.93
	Transfer 20 Sep 2019	(7,75,574)	-0.34	6,000,000	2.60
	Transfer 27 Sep 2019	(5,22,721)	-0.23	5,477,279	2.37
	Transfer 30 Sep 2019	(4,77,279)	-0.21	5,000,000	2.16
	Transfer 04 Oct 2019	(5,00,000)	-0.22	4,500,000	1.95
	Transfer 11 Oct 2019	(5,00,000)	-0.22	4,000,000	1.73
	Transfer 18 Oct 2019	(5,00,000)	-0.22	3,500,000	1.52
	Transfer 31 Dec 2019	(1,30,227)	-0.06	3,369,773	1.46
	Transfer 03 Jan 2020	(3,69,773)	-0.16	3,000,000	1.30
	<b>At the End of the year</b>			<b>3,000,000</b>	<b>1.30</b>

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>5</b>	<b>Bengal Finance &amp; Investment Pvt. Ltd.</b>				
	<b>At the beginning of the year</b>	<b>7,954,853</b>	<b>3.44</b>	<b>7,954,853</b>	<b>3.44</b>
	Transaction during the year:				
	Transfer 05 Apr 2019	(374)	0.00	7,954,479	3.44
	Transfer 31 May 2019	(3,71,723)	-0.16	7,582,756	3.28
	Transfer 13 Sep 2019	(5,82,756)	-0.25	7,000,000	3.03
	Transfer 20 Sep 2019	(5,00,000)	-0.22	6,500,000	2.81
	Transfer 27 Sep 2019	(10,00,000)	-0.43	5,500,000	2.38
	Transfer 04 Oct 2019	(7,79,450)	-0.34	4,720,550	2.04
	Transfer 11 Oct 2019	(2,20,550)	-0.10	4,500,000	1.95
	Transfer 25 Oct 2019	(3,07,330)	-0.13	4,192,670	1.82
	Transfer 01 Nov 2019	(5,89,544)	-0.26	3,603,126	1.56
	Transfer 08 Nov 2019	(1,03,126)	-0.04	3,500,000	1.52
	Transfer 10 Jan 2020	(5,00,000)	-0.22	3,000,000	1.30
	<b>At the End of the year</b>			<b>3,000,000</b>	<b>1.30</b>

## ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>6</b>	<b>Sankaranarayanan Sangameswaran</b>				
	<b>At the beginning of the year</b>	<b>2,265,482</b>	<b>0.98</b>	<b>2,265,482</b>	<b>0.98</b>
	Transaction during the year:				
	NIL	0	0.00	2,265,482	0.98
	<b>At the End of the year</b>			<b>2,265,482</b>	<b>0.98</b>

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>7</b>	<b>Mr. Shashank S Khade</b>				
	<b>At the beginning of the year</b>	<b>1,735,136</b>	<b>0.75</b>	<b>1,735,136</b>	<b>0.75</b>
	Transaction during the year:				
	Transfer 26 Jul 2019	93,000	0.04	1,828,136	0.79
	Transfer 02 Aug 2019	20,500	0.01	1,848,636	0.80
	Transfer 09 Aug 2019	61,267	0.03	1,909,903	0.83
	Transfer 06 Sep 2019	25,000	0.01	1,934,903	0.84
	Transfer 30 Sep 2019	24,000	0.01	1,958,903	0.85
	Transfer 04 Oct 2019	141,000	0.06	2,099,903	0.91
	Transfer 11 Oct 2019	6,200	0.00	2,106,103	0.91
	Transfer 18 Oct 2019	23,749	0.01	2,129,852	0.92
	<b>At the End of the year</b>			<b>2,129,852</b>	<b>0.92</b>

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>8</b>	<b>Investor Education and Protection Fund Authority Ministry Of Corporate Affairs (IEPF)</b>				
	<b>At the beginning of the year</b>	<b>1,813,204</b>	<b>0.79</b>	<b>1,813,204</b>	<b>0.79</b>
	Transaction during the year:				
	Transfer during the year	8,420	0.00	1,804,784	0.78
	<b>At the End of the year</b>			<b>1,804,784</b>	<b>0.78</b>



## ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>9</b>	<b>Mr. Vikram Pratapbhai Kotak</b>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	Transaction during the year:				
	Transfer 06 Sep 2019	400,000	0.17	400,000	0.17
	Transfer 13 Sep 2019	30,000	0.01	430,000	0.19
	Transfer 20 Sep 2019	80,000	0.03	510,000	0.22
	Transfer 27 Sep 2019	40,000	0.02	550,000	0.24
	Transfer 04 Oct 2019	100,000	0.04	650,000	0.28
	Transfer 11 Oct 2019	25,000	0.01	675,000	0.29
	Transfer 18 Oct 2019	75,000	0.03	750,000	0.32
	Transfer 25 Oct 2019	50,000	0.02	800,000	0.35
	Transfer 01 Nov 2019	100,000	0.04	900,000	0.39
	Transfer 08 Nov 2019	20,000	0.01	920,000	0.40
	Transfer 15 Nov 2019	50,000	0.02	970,000	0.42
	Transfer 22 Nov 2019	2,000	0.00	972,000	0.42
	Transfer 29 Nov 2019	8,000	0.00	980,000	0.42
	Transfer 13 Dec 2019	10,000	0.00	990,000	0.43
	Transfer 20 Dec 2019	45,000	0.02	1,035,000	0.45
	Transfer 27 Dec 2019	15,000	0.01	1,050,000	0.45
	Transfer 31 Dec 2019	50,000	0.02	1,100,000	0.48
	Transfer 03 Jan 2020	25,000	0.01	1,125,000	0.49
	Transfer 17 Jan 2020	15,000	0.01	1,140,000	0.49
	Transfer 24 Jan 2020	60,000	0.03	1,200,000	0.52
	Transfer 07 Feb 2020	7,786	0.00	1,207,786	0.52
	Transfer 14 Feb 2020	92,214	0.04	1,300,000	0.56
	Transfer 21 Feb 2020	65,000	0.03	1,365,000	0.59
	Transfer 28 Feb 2020	70,000	0.03	1,435,000	0.62
	Transfer 06 Mar 2020	80,000	0.03	1,515,000	0.66
	Transfer 13 Mar 2020	20,000	0.01	1,535,000	0.66
	Transfer 27 Mar 2020	15,000	0.01	1,550,000	0.67
	Transfer 31 Mar 2020	75,000	0.03	1,625,000	0.70
	<b>At the End of the year</b>			<b>1,625,000</b>	<b>0.70</b>

## ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>10</b>	<b>Mr. Surya Prakash Heda</b>				
	<b>At the beginning of the year</b>	<b>537,800</b>	<b>0.23</b>	<b>537,800</b>	<b>0.23</b>
	Transaction during the year:				
	Transfer 26 Apr 2019	10,000	0.00	547,800	0.24
	Transfer 03 May 2019	(5,000)	0.00	542,800	0.24
	Transfer 10 May 2019	35,000	0.02	577,800	0.25
	Transfer 17 May 2019	10,000	0.00	587,800	0.25
	Transfer 24 May 2019	50,000	0.02	637,800	0.28
	Transfer 31 May 2019	(57,800)	-0.03	580,000	0.25
	Transfer 07 Jun 2019	30,679	0.01	610,679	0.26
	Transfer 21 Jun 2019	24,321	0.01	635,000	0.27
	Transfer 29 Jun 2019	10,000	0.00	645,000	0.28
	Transfer 05 Jul 2019	5,000	0.00	650,000	0.28
	Transfer 02 Aug 2019	60,000	0.03	710,000	0.31
	Transfer 27 Sep 2019	45,000	0.02	755,000	0.33
	Transfer 04 Oct 2019	95,000	0.04	850,000	0.37
	Transfer 11 Oct 2019	60,000	0.03	910,000	0.39
	Transfer 18 Oct 2019	30,000	0.01	940,000	0.41
	Transfer 25 Oct 2019	35,000	0.02	975,000	0.42
	Transfer 01 Nov 2019	65,000	0.03	1,040,000	0.45
	Transfer 08 Nov 2019	75,000	0.03	1,115,000	0.48
	Transfer 15 Nov 2019	35,000	0.02	1,150,000	0.50
	Transfer 22 Nov 2019	10,000	0.00	1,160,000	0.50
	Transfer 06 Dec 2019	10,000	0.00	1,170,000	0.51
	Transfer 13 Dec 2019	5,000	0.00	1,175,000	0.51
	Transfer 20 Dec 2019	15,000	0.01	1,190,000	0.52
	Transfer 27 Dec 2019	27,000	0.01	1,217,000	0.53
	Transfer 31 Dec 2019	10,000	0.00	1,227,000	0.53
	Transfer 03 Jan 2020	(1,35,500)	-0.06	1,091,500	0.47
	Transfer 10 Jan 2020	105,454	0.05	1,196,954	0.52
	Transfer 17 Jan 2020	(10,454)	0.00	1,186,500	0.51
	Transfer 24 Jan 2020	17,000	0.01	1,203,500	0.52
	Transfer 31 Jan 2020	(32,000)	-0.01	1,171,500	0.51
	Transfer 07 Feb 2020	15,000	0.01	1,186,500	0.51

## ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer 14 Feb 2020	30,000	0.01	1,216,500	0.53
	Transfer 21 Feb 2020	(10,000)	0.00	1,206,500	0.52
	Transfer 06 Mar 2020	20,000	0.01	1,226,500	0.53
	Transfer 13 Mar 2020	5,000	0.00	1,231,500	0.53
	Transfer 20 Mar 2020	20,000	0.01	1,251,500	0.54
	Transfer 27 Mar 2020	14,003	0.01	1,265,503	0.55
	Transfer 31 Mar 2020	35,997	0.02	1,301,500	0.56
	<b>At the End of the year</b>			<b>1,301,500</b>	<b>0.56</b>

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>11</b>	<b>Mr. Nisarg Ajaykumar Vakharia</b>				
	<b>At the beginning of the year</b>	<b>1,000,000</b>	<b>0.43</b>	<b>1,000,000</b>	<b>0.43</b>
	Transaction during the year:				
	NIL	0	0.00	1,000,000	0.43
	<b>At the End of the year</b>			<b>1,000,000</b>	<b>0.43</b>

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>12</b>	<b>Mr. Mohammed Fayazuddin</b>				
	<b>At the beginning of the year</b>	<b>756,833</b>	<b>0.33</b>	<b>756,833</b>	<b>0.33</b>
	Transaction during the year:				
	NIL	0	0.00	756,833	0.33
	<b>At the End of the year</b>			<b>756,833</b>	<b>0.33</b>

## ANNEXURE TO THE DIRECTORS' REPORT

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

Sr. No.	For Each of the Directors & KMPs	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
<b>1</b>	<b>Mr. Gulu L. Mirchandani - Chairman &amp; Managing Director</b>				
	<b>At the beginning of the year</b>	<b>46,395,753</b>	<b>20.09</b>	<b>46,395,753</b>	<b>20.09</b>
	Transaction during the year:				
	Transfer - Dece 31, 2019	700,000	0.30	47,095,753	20.39
	<b>At the End of the year</b>			<b>47,095,753</b>	<b>20.39</b>

Sr. No.	For Each of the Directors & KMPs	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
<b>2</b>	<b>Mr. Vijay J. Mansukhani - Managing Director</b>				
	<b>At the beginning of the year</b>	<b>25,985,774</b>	<b>11.25</b>	<b>25,985,774</b>	<b>11.25</b>
	Transaction during the year:				
	Transfer - Dece 31, 2019	350,000	0.15	26,335,774	11.40
	<b>At the End of the year</b>			<b>26,335,774</b>	<b>11.40</b>

Sr. No.	For Each of the Directors & KMPs	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
<b>3</b>	<b>Mr. Kaval G. Mirchandani - Whole Time Director</b>				
	<b>At the beginning of the year</b>	<b>49,300</b>	<b>0.02</b>	<b>49,300</b>	<b>0.02</b>
	Transaction during the year:				
	NIL	0	0.00	49,300	0.02
	<b>At the End of the year</b>			<b>49,300</b>	<b>0.02</b>

## ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	For Each of the Directors & KMPs	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
<b>4</b>	<b>Mr. G. Sundar - Chief Executive Officer</b>				
	<b>At the beginning of the year</b>	<b>413,000</b>	<b>0.18</b>	<b>413,000</b>	<b>0.18</b>
	Transaction during the year:				
	NIL	0	0.00	413,000	0.18
	<b>At the End of the year</b>			<b>413,000</b>	<b>0.18</b>

\* Mr. Lokesh Sikka, Whole-time Director, Mr. Karthi Chandramouli, Chief Financial Officer and Mr. Lalit Chendvankar, Company Secretary do not hold any shares in the Company.

#### V. INDEBTEDNESS:

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	217,918,000	0	0	217,918,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2,421,154	0	0	2,421,154
<b>Total (i+ii+iii)</b>	<b>220,339,154</b>	<b>0</b>	<b>0</b>	<b>220,339,154</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	0	0	0	-
• Reduction	(38,659,601)	0	0	(38,659,601)
<b>Net Change</b>	<b>(38,659,601)</b>	<b>0</b>	<b>0</b>	<b>(38,659,601)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	179,258,399	0	0	179,258,399
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	5,299,067	0	0	5,299,067
<b>Total (i+ii+iii)</b>	<b>184,557,466</b>	<b>0</b>	<b>0</b>	<b>184,557,466</b>

## ANNEXURE TO THE DIRECTORS' REPORT

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
		Mr. Gulu Mirchandani (Chairman & Managing Director)	Mr. Vijay Mansukhani (Managing Director)	Mr. Kaval Gulu Mirchandani (Whole Time Director)	*Mr. Sanjay Munshi (Whole Time Director) till 13.02.20	**Mr. Lokesh Sikka (Whole Time Director) w.e.f. 13.02.20	
1	Gross salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	8,184,000	11,184,000	3,110,172	5,012,766	423,305	27,914,243
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,039,600	39,600	32,400	32,400	557	3,144,557
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0	0	0	0	0	-
	Stock Option	0	0	0	0	0	-
	Sweat Equity	0	0	0	0	0	-
	Commission	0	0	0	0	0	-
	- as % of profit	0	0	0	0	0	-
	- others, specify...	0	0	0	0	0	-
	Others- Provident Fund	979,200	979,200	172,800	269,566	21,151	2,421,917
	<b>Total (A)</b>	<b>12,202,800</b>	<b>12,202,800</b>	<b>3,315,372</b>	<b>5,314,732</b>	<b>445,013</b>	<b>33,480,717</b>
	Ceiling as per the Act (Excluding retirements benefits)	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	-

Note:- Contribution to provident fund is excluded from the ceiling limit mentioned in section 196, 197 read with Schedule V to the Companies Act, 2013.

## B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Rafique Malik (Independent Director)	Mr. Carlton Pereira (Independent Director)	Mr. Arvind Sharma (Independent Director)	***Ms. Sujata Deshmukh (Independent Director) till 09.01.20	
2	<b>Independent Directors</b>					
	• Fee for attending board / committee meetings	230,000	190,000	160,000	30,000	610,000
	• Commission	-	-	-	-	-
	• Others	-	-	-	-	-
	Conveyance	7,500	5,500	4,000	1,000	18,000
	<b>Total (1)</b>	<b>237,500</b>	<b>195,500</b>	<b>164,000</b>	<b>31,000</b>	<b>628,000</b>
	<b>Other Non-Executive Directors</b>					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>237,500</b>	<b>195,500</b>	<b>164,000</b>	<b>31,000</b>	<b>628,000</b>
	<b>Total Managerial Remuneration</b>					
	Overall Ceiling as per the Act (per Board & Committee Meeting)	100,000	100,000	100,000	100,000	-

## ANNEXURE TO THE DIRECTORS' REPORT

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. G. Sundar (Chief Executive Officer)	****Mr. Karthi Chandramouli (Chief Financial Officer) w.e.f. 14.08.19	Mr. Lalit Chendvankar (Company Secretary)	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	22,603,308	1,978,170	3,156,888	27,738,366
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	39,600	-	32,400	72,000
	(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
5	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0
	Others - Provident Fund	705,600	118,258	95,040	918,898
	<b>Total</b>	<b>23,348,508</b>	<b>2,096,428</b>	<b>3,284,328</b>	<b>28,729,264</b>

\* Mr. Sanjay Munshi has resigned as a Whole Time Director of the Company with effect from the close of business hours on February 13, 2020;

\*\* Mr. Lokesh Sikka has been appointed as an Additional and Whole Time Director of the Company with effect from February 13, 2020;

\*\*\* Ms. Sujata Deshmukh has resigned as a Independent Director of the Company with effect from the close of business hours on January 09, 2020;

\*\*\*\*Mr. Karthi Chandramouli has been appointed as a Chief Financial Officer of the Company with effect from August 14, 2019.

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

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

## ANNEXURE TO THE DIRECTORS' REPORT

### Annexure-C-I

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

##### 1. OBJECTIVES :

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

##### 2. APPLICABILITY:

- (i) This Remuneration Policy shall apply to all existing and future appointment agreements with Managing and Whole Time Directors, 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 Companies Act, 2013 ("Act") or the Listing Agreement will prevail over this policy and will be applicable in so far from the date of its notification or date specified therein.

##### 3. DEFINITIONS:

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

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



## ANNEXURE TO THE DIRECTORS' REPORT

- (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
  - (iv) is a Chief Executive or Director, by whatever name called, of any non profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company; or
  - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
  - (vi) who is less than 21 years of age.
  - (f) who possesses such other qualifications as may be prescribed.
- iii) Key Managerial Personnel means and includes:
- (i) The Chief Executive Officer or the Managing Director or the Manager;
  - (ii) The Company secretary;
  - (ii) The Whole-time Director; and
  - (iv) The Chief Financial Officer.
- iv) Non-Executive Director shall means director not in full time employment of the Company.
- v) Nomination and Remuneration Committee means Nomination and Remuneration Committee as defined in Section 178 of the Companies Act, 2013 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 means and includes a 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 means and 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

## ANNEXURE TO THE DIRECTORS' REPORT

also the performance of the Company and the individual, as per criteria set by the NRC or the Company.

- (g) The total remuneration to MD and WTD shall be in accordance with the provisions of the Companies Act, 2013 and rules as amended from time to time.
- (h) The Company shall enter into contract of service and for remuneration.
- (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 and other expenses properly incurred by them on attending and returning from meetings of the Board or any Committee thereof or General Meeting or other connection with business of the Company.

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

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

- (ii) Remuneration shall be competitive and shall include salary comprising of both fixed and variable components, performance incentives and other benefits such as retiral benefits, health care, insurance and hospitalization benefits, telephone reimbursement, etc.
- (iii) Remuneration shall be evaluated annually and annual increase shall be decided considering the performance of the individual / and also of the Company. Industry practices / trends companies, which are similar in size and complexity to the Company. Benchmark information shall be obtained from recognized compensation service consultancies shall also be given due consideration.
- (iv) Remuneration can be reset at any time keeping with the meritious performance or for special work assignment or recognition. Benchmark information shall be obtained from recognized compensation service consultancies and shall also be given due consideration.
- (v) The remuneration to be paid to KMP/SMP shall be recommended by the NRC considering relevant qualification and experience of the individual as well as the prevailing market condition.
- (vi) The NRC may consider to grant Stock Options to KMP and SMPs pursuant to a Stock Option Plan adopted by the Company, if any.

### 4.0 DIRECTOR AND OFFICERS LIABILITY INSURANCE:

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

### 5.0. DISCLOSURES:

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

- (a) In the Board's Report, such particulars as are prescribed under the Companies Act, 2013 and rules made there under; and
- (b) In the Corporate Governance Report, the particulars as prescribed in Clause 49 of the Listing Agreement as amended from time to time.

### 6.0. DISSEMINATION:

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

## ANNEXURE TO THE DIRECTORS' REPORT

## Annexure-C-II

**CRITERIA FOR APPOINTMENT & EVALUATION OF EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS****Purpose of this Policy**

- a) Board consists of members with the range of skills and qualities to meet its primary responsibility for promoting the success of the Company in a way which ensures that the interests of shareholders and stakeholders. Performance evaluation of Directors annually will help to know the effectiveness of the Board so as to enable the Board to discharge their functions and duties effectively.
- b) To ensure compliance of the applicable provisions of the Companies Act, 2013 and Listing Agreement entered with the Stock Exchanges as amended from time to time.
  - i) As per section 178 of the Companies Act, 2013, it is necessary to have an evaluation of the performance of each director.
  - ii) As per Clause 49(5) of the Listing Agreement as amended from time to time, 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****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 to 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 to 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****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.
  6. The relatives of such person should not have had any pecuniary relationship or transaction with the Company or its subsidiaries or associate company,

## ANNEXURE TO THE DIRECTORS' REPORT

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; or
- (vi) is not less than 21 years of age.

8. Such person who is proposed to be appointed as Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

9. Other important factors to be considered while appointment of Independent Directors are as follows:

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

### Evaluation

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

### III. Non Executive and Non Independent Directors.

#### Evaluation

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

### IV. Board of Directors.

#### Evaluation

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

#### Separate meetings of the Independent Directors

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

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

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

#### Familiarization Programme for the Independent Director

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

## ANNEXURE TO THE DIRECTORS' REPORT

Annexure-D

Form No. MR-3

### SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020.**

To,  
The Members,

**MIRC ELECTRONICS LIMITED**

(CIN-L32300MH1981PLC023637)

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MIRC ELECTRONICS LIMITED** ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

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

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the audit period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable during the audit period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period).**

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

1. Factories Act, 1948
2. MIDC and other local municipal Authorities & Act framed thereunder
3. The Legal Metrology Act, 2009
4. The Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971.
5. The Negotiable Instruments Act, 1881

## ANNEXURE TO THE DIRECTORS' REPORT

6. The Industrial Disputes Act, 1947
7. The Employees' State Insurance Act, 1948.
8. The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
9. The Environment (Protection) Act, 1986
10. The Water (Prevention and Control of Pollution) Act, 1981
11. The Air (Prevention and Control of Pollution) Act, 1974
12. The Hazardous Waste (Management and Handling) Rules, 1989
13. The Minimum Wages Act, 1948
14. The Payment of Bonus Act, 1965.
15. The Payment of Gratuity Act, 1972.
16. The Industrial Employment (Standing Orders) Act, 1946.
17. The Workmen Compensation Act, 1923.
18. The Contract Labour (Regulation and Abolition) Act, 1970.
19. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959.
20. The Payment of Wages Act, 1936.

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

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

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

### We further report that

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

composition of the Board of Directors that took place during the period under review was in accordance with the provisions of the Act and rules made thereunder.

We have been informed that due to resignation of Women Director, there has been imbalance in the Board, the Company is trying to fill the vacant position once the lockdown situation eases.

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

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

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

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

- 1) Appointment of Mr.Lokesh Sikka as a Whole Time Director for period of 3 years w.e.f. 13.02.2020.
- 2) Appointment of Mr. Karthi Chandramouli as Chief Financial Officer in the designation as Key Managerial Personnel w.e.f. 14.08.2019
- 3) Resignation of Ms Sujata Deshmukh as Independent Director of the Company w.e.f. 09.01.2020.
- 4) Resignation of Mr. Sanjay Munshi as a Director and Whole Time Director w.e.f. 13.02.2020.

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

**UMASHANKAR K HEGDE  
(PARTNER)**

**COP No- 11161 # M.No- A22133  
ICSI UDIN: A022133B000383648**

Date: 26.06.2020  
Place: Mumbai

## 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 employees' 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	30:1
		B	Mr. Vijay J. Mansukhani Managing Director	30:1
		C	Mr. Kaval G. Mirchandani Whole Time Director	9:1
		D	Mr. Sanjay Munshi Whole Time Director (Resigned w.e.f. 13.02.2020)	16:1
		E	Mr. Lokesh Sikka Whole Time Director (Appointed w.e.f. 13.02.2020)	2:1
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	A	Mr. Gulu L. Mirchandani Chairman and Managing Director	No Increase
		B	Mr. Vijay J. Mansukhani Managing Director	No Increase
		C	Mr. Kaval G. Mirchandani Whole Time Director	No Increase
		D	Mr. Sanjay Munshi Whole Time Director (Resigned w.e.f. 13.02.2020)	—
		E	Mr. Lokesh Sikka Whole Time Director (Appointed w.e.f. 13.02.2020)	No Increase
		F	Mr. G. Sundar Chief Executive Officer	No Increase
		G	Mr. Karthi Chandramouli. Chief Financial Officer (Appointed w.e.f. 14.08.2019)	No Increase
		G	Mr. Lalit Chendvankar Head - Corporate Affairs, Legal & Company Secretary	No Increase
3	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees in the financial year was increased by 12%.		
4	The number of permanent employees on the rolls of the Company.	535 employees as on March 31, 2020.		
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There has been an average decrease in the remuneration of both, the managerial personnel and the other employees of the Company during the financial year of around 5%		
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, it is confirmed.		

## ANNEXURE TO THE DIRECTORS' REPORT

## ANNEXURE-F

## PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

## [PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014]

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year ended March 31, 2020 is given here below and forms part of Directors Report.

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

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

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

- Replacement of 250 Watt Mercury bulb with 50W LED bulbs in BSR & Production passage.
- Replace of 250W Road lights with 36W LED lights.

**b) For plants situated at Roorkee, Uttarakhand:-**

- Plant floor ceiling light has been replaced from 56 watt tube light to 24 watt LED Tube light conserving 32 watts per tube light. At present 200 Nos Tube light replaced with LED light and another 50 Nos replacement is in process.
- For gardening, the Company has made water storage tank for regular water supply, hence no need to run Submersible Pump frequently, resulting saving of energy.
- The Company is planning to install Heating Jacket in Injection Moulding Machine heating barrel to prevent heat desperation to save Energy.
- Auto stop Preset Timer provision in Motor Control Circuit to Stop the motor in No load condition in Injection Moulding Machine to save energy.

- Disconnected 20 sets of Tube light which are not required and balance 10 tube light are replaced with LED light.
- Disconnected 10 halogen light in top Floor store and fitted only 2 led light, one at Entrance and one at Exist, working as Search Light and using whenever required only which is benefit for safety and reduction of power consumption.
- Replaced Tube light with LED light at Moulding Quality Inspection Machine Operator table for better Visibility and reduction of power consumption.
- Replaced 5 Nos Factory boundary Wall light from Mercury Light (125 watt) to LED Light (40 watt).
- New proposals are in process for solar roof top and to optimization of contract demand.

**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 energy 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 and 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:**

- 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



## ANNEXURE TO THE DIRECTORS' REPORT

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

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

#### iv) Capital investment on energy conservation equipment:

There were no capital investments made by the Company on energy conservation equipment during financial year 2019-2020.

### 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 future. The Company's focus has been to develop state-of-the-art products and be a leader in new technological areas.

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

#### Flat panel TVs:

The Company has introduced number of new LED TV models in HD / FHD / UHD segment.

Your Company is the first in the country to introduce "Onida Fire TV" based on the Fire TV Operating System. These TV support AI based on Alexa using Voice controlled remote. You will be happy to know these Onida Fire TV are the highest rated TV on the Amazon India website. Going with your Company tradition of better sound, additional range of Fire TV's were introduced with External speaker enclosure enhancing the complete TV experience with good sound quality.

The Company is working on new range of Smart Onida Fire TVs, which will enhance the existing range of TV's and will also introduce addition feature to enhance the laid-back TV experience of consumer. It has also adopted new energy efficient standards as directed by the Bureau of Energy Efficiency (BEE).

#### Washing Machines:

Recent years are witnessing good growth in home appliance market and washing machine industry is also one of them. More and more models in semi-automatic, fully automatic and front loading washing machines are being introduced by major players in the industry. Your Company has also introduced feature packed models in washing machine in all the three segments.

Front loading models with Wash Plus feature and top loading model with in Built-in Heater feature are introduced.

Also to support competitiveness a new Fully automatic washing machine range in 7 kg category is initiated from own in-house production facility at Roorkee and it will be energy compliant (5 Star) range as per Bureau of Energy Efficiency (BEE) voluntary Star labeling scheme. This additional introduction will serve both online and offline market place of the fully auto washing machines.

In semi-automatic range existing Smart Care range witnessed impressive growth which is further enhanced by introduction of new Glass Top Fabric Care series in this category. This will help to reduce import content in this category.

One major Innovative feature of Bristle Wash has been introduced in Fabric Care series which is "First in the world" feature in this segment. The semi-automatic washing machine is provided with rotary brush for

## ANNEXURE TO THE DIRECTORS' REPORT

removing tough stains from the clot. Development team is also working to introduce the Star labeling in current semi-automatic washing machine range.

**Air Conditioners:**

Your Company has always been making efforts to offer latest technology products to consumers.

During this year, AC models using Twin Rotary Compressors were introduced. Air Conditioners using Twin Rotary Compressors have wide Range of frequency operation, resulting in energy saving, faster cooling and quiet Operation.

Totally, 14 Inverter AC models were added to the range of AC lineup.

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

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

**iv. Expenditure on research and development:**

(₹ in lakhs)

Particulars of expenditures		Financial year 2019-2020	Financial year 2018-2019
A	Capital		-
B	Recurring	388.24	444.80
C	Total	388.24	444.80
D	* Total Expenditure as a % of total Turnover	0.64	0.69

\* On the basis of net turnover.

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

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

(₹ in lakhs)

Particulars		Financial year 2019-2020	Financial year 2018-2019
A	Foreign exchange earnings	108.93	903.43
B	Foreign exchange outgo	487.82	583.28

## 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 (as amended from time to time).

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

In the month March 2020, Government of India ordered a nationwide lockdown as a preventive measure to restrict the spread of Covid-19 pandemic in India. The economic impact has been largely disruptive. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. The Reserve Bank of India (RBI) has stepped in to provide adequate liquidity to counter a sudden stop in economic activity.

In challenging times, new opportunities presents itself. Our Honorable Prime Minister Shri Narendra Modi, in his address to the nation, gave a clarion call for an 'Atmanirbhar Bharat'. There has been a strong anti-chinese sentiment prevailing globally due to China's initial handling of Covid-19 pandemic. India has already taken some steps to reduce its imports and encourage local production of electronic items through schemes such as the Production Linked Incentive (PLI), Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPecs) and Modified Electronics Manufacturing Clusters (EMC 2.0) (Reference - <https://eandt.theiet.org/content/articles/2020/06/view-from-india-boost-for-electronics-and-startup-ecosystem/>). The Government also has announced corporate tax rate of 15% for new companies set up in India post October 01 2019.

India will endeavor to provide all the facilities which global businesses enjoy in China. Though India has made substantial improvement in 'Ease of Doing Business' as per the report of World Bank (63rd Rank as of 2019), the land and labour laws have continued to be a major pain point for global businesses. Also, though India's rank is better than Vietnam (70) and Bangladesh (168), preference for later two suggests that the decision of global businesses also depends on various political, economic and operational parameters. Once businesses enter our country, the supply chains will gradually strengthen with time and India may emerge as major base for exports over the long-run. In the meanwhile, India should aggressively develop its port infrastructure, logistics sector, provide a single window clearance for all businesses interested to enter into India. The large workforce availability will ensure that India always attracts interest for global players.

The mantra for global businesses should be: 'First – Make In India For India and then gradually Make in India for the World'

In 2020, we see paradigm shift to big size LED TVs, along with enhancements in display performance, new smart features

like Artificial Intelligence and increasingly sophisticated voice controls. Post Covid Pandemic, we see increase in demand for washing machine due to behavioral change in maintaining high level of cleanliness and hygiene. Air conditioner has become an all season product. We anticipate good demand for our product portfolio. Various new opportunity will come up for Contract Manufacturing. Indian electronics manufacturing is projected to become USD 400 billion industry by 2025.

#### LED TVs:

International Data Corporation India estimates the smart TV segment in India to be about 40 per cent of the total TV shipments, which grew 55 per cent on year in the April-June '19. This is set to expand as more players enter the market. The scrapping of import duty on open cell panels too have been a great boost to TV manufacturers. The Company saw this as an opportunity to expand its market share and revenues in the smart TV category.

During the year, the Company has raised the mercury levels in the smart TV market with the launch of Fire TV Edition in partnership with Amazon. This was the first Fire TV edition launched in India. Powered with Amazon's Fire OS, the TV seamlessly integrates your favourite live broadcast TV and streaming channels on the home screen. It is the only Smart TV that lets you control it all effortlessly with single Onida Voice Remote with Alexa.

The Onida Fire TV Edition was introduced with Lucent Picture Engine technology which is Onida's video processing technology which delivers exceptional colours, significant depth and deeper contrasts on the TV panel. This means a more immersive experience for the viewers with millions of luminescent colours that offers life-like variations. Also, a great visual experience is never complete without presence of enlivening audio.

The Fire TV Edition is also packed with a high powered unbeatable performance through a Multicore Processor. The TV also features Dolby Audio and DTS TruSurround Sound for a theatre like surround sound experience. It boasts of an inbuilt Wi-Fi for endless data streaming, 3 HDMI ports and 1 USB port.

The Onida Fire TV Edition is currently selling on Amazon and has the highest rating in the TV segment. The Fire TV Edition was also hailed by Top publishers and reviewers across the country with quotes like "Onida's Fire TV Edition stands out from the crowd, better than Android TV" and "Onida has Launched a true game changer in the TV segment" to name a few. In the current Aatma-Nirbhar era, the brand sees a perfect opportunity to build on the Make-In-India base, like it has done for the past 39 years with the only Indian brand selling India's first Fire TV Edition.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Air Conditioners:

The Indian room ACs market is all set to undergo a phenomenal upheaval in the next 5 years. The factors such as changing consumer lifestyle, awareness about green and energy efficient products, rising per capita income and extremely hot and humid climate through most part of the year are playing a critical role. In a category, where the market penetration is just 4-5 percent (against the world's average of 30 percent), the Indian room air conditioner market is set to grow from 4.7 million units in financial year 2017-18 to 7.2 million in financial year 2019-20, indicating the growth of approximately 15 percent of CAGR. The Industry has been witnessing a continual shift towards energy-efficient ACs (5-star/inverter) which contributes 30-35 percent of overall industry volumes.

During the year, the Company launched its wide range of Fixed Speed and Inverter Air Conditioners, continuing to deliver technologically superior products for consumers who want the best of functionality and design. This AC season witnessed the successful launch of a new Inverter ACs with Dual Heavy Duty Rotary Compressor for heavy duty and efficient cooling – Rhodium and Uranus for Online and offline markets respectively. The Dual Rotary Heavy-duty Compressor offers a stable and durable performance. This compressor improves its rotational balance and also boosts the torque, so it can operate from 700 RPM to a frequency as high as 8000 RPM. Besides the introduction of Dual rotary compressor, the Company has also focused on durability and introduced Gold Hydrophilic Fins Technology. This technology protects the condenser coils from various external damages that can be caused by water, acids and other salts accumulation. Thus, it enhances the lifespan of this appliance. In the Fixed speed segment, the Company launched a Heavy Duty Cooling Air Conditioner which cools even in the most extreme conditions called 'Magnus'.

### Washing Machines:

This category has been growing consistently for last four years and poised for a quantum leap going forward from now on. We witnessed an enormous rise in E commerce space in the year gone by and the Company was awarded during "Big Billion Day" by Flipkart for fantastic sales. All this has been possible because we created a very good product line up considering Indian consumer washing requirement and offered the washing solution at affordable rates. We started manufacturing of High End class semi automatic in our plant and refreshed our Smart Care range which consist of plastic body machines.

The brand's vision is to make Indians proud of the "Made in India" products that stand out for quality, innovation, style, functionality and affordability & In line with our strategy of manufacturing more products locally for a better supply

chain and demand fulfilment. The financial year 2019 -2020 started with local production of 7 Kg fully automatic washing machine in our plant at Roorkee and we launched a 5.5 Kg fully automatic washing machine to attract first time buyer and consumer with small families and all new launches are with 5-star rating and converting the existing range as well and this will be a big growth driver to operate with full 5 star range this year.

With rural electrification and post Covid has changed the washing requirements with focus on hygiene will help this category to grow much faster this year and we are ready with our GEN – NEXT line up to capture this opportunity both in Online and Offline space.

### Microwave Oven:

We witnessed a huge shift in channel of Microwave Oven (MWO) sales as majority of sales moving towards online in the year gone by and major contribution coming from top 10 cities but now due to Covid-19, this category is seeing a huge surge from even smaller towns and this is very promising for the category and with our strong presence in Online channel we are poised for a huge growth this year.

In this category, we launched the stunning Onida Black beauty Neo designed to ease cooking by making it faster, healthier and also adding beauty to the kitchen. It comes with a 237 inbuilt auto cook and is programed to perform intuitive and complex culinary functions. With all these advanced features and a classy mirror finish the MWO is perfect addition to kitchen.

## 2. OPPORTUNITIES AND THREATS

### Opportunities

- (a) Consumer durable market is valued at USD 9.7 billion in 2015 and is expected to reach USD 20.6 billion by 2020. India is expected to have the 5th largest consumer durable market by 2025.
- (b) The government has supported domestic manufacturing with multiple initiatives in consumer appliances industry such as Modified Special Incentive Package Scheme (M-SIPS), differential duty structure through Basic Custom Duty (BCD), Electronic Manufacturing Clusters (EMC), Digital Saksharta Abhiyan (DISHA) and Electronic Sector Skills Council of India (ESSCI).
- (c) Rising education levels among the youth will lead to have a better lifestyle. This has been fuelling higher spending on discretionary consumer durables and premium products, which is likely to jump from the current 40 percent to 46 percent of household income by 2025.
- (d) Huge local demand to be an influence in attracting investments.

## MANAGEMENT DISCUSSION AND ANALYSIS

- (e) 'Make in India' initiative to accelerate investment activity in core and allied sectors. 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) Continuous innovation leads to intense rivalry.
- (b) Homogeneity in product and low switching cost.
- (c) Highly capital intensive.
- (d) Major players have developed brand equity.
- (e) Brand loyalty is moderate.
- (f) Product differentiation is very low.
- (g) By changing the input, firms cannot drastically differentiate on price.
- (h) Technological advancement.
- (i) Buyers have huge propensity to substitute.
- (j) Use of internet to get all the information enables the customers to be more powerful.
- (k) Buyer switching cost is very less.

### 3. RISKS & CONCERNS

- (a) There is a big shift in the world economic market due to spread of covid-19 pandemic. Factories, malls, super markets etc. were shut down. The fear of covid-19 has limited the movement of individuals. India faces a huge decline in government revenue and the growth of income for at least two quarters as the coronavirus hits economy activity of the country as whole. The nationwide lockdown in India will have sizable impact on the economy mainly on consumption which is the biggest component of GDP.
- (b) Covid-19 pandemic has also disrupted the domestic supply chain resulting in huge delay in transportation of goods throughout the country.
- (c) Electronics companies have to work rapidly just to use the latest technologies. Changing consumer tastes and interests further complicate the picture, as do new competitors across the globe.
- (d) Exposure to inventory obsolescence doesn't just happen during economic downturns; it happens during every change in technology and every new product introduction.
- (e) Irregular power supply and inefficient logistics are some of the major challenges, leading to costly delays in the overall manufacturing process.

- (f) With compliance and regulations becoming stricter. Companies are faced with challenges of constantly tracking the requirements for removal of potentially hazardous materials and to recycle product at end-of-life.
- (g) E-commerce is changing traditionally accepted economic practices and making competition even fiercer than it has ever been in the past. As the internet opens up larger markets, more and more flexible competitors are entering the market, all offering better price value propositions in order to steal market share.
- (h) Even though labour cost is low in India as compared to countries like China, however labour productivity is lower than traditional destinations. There is a shortage of industry-ready talent and with changing technology the labour needs to be constantly trained. The Government initiatives to increase domestic production will not bring about positive results unless the sector boasts skilled employable workforce.

### 4. PRODUCT-WISE PERFORMANCE DURING THE FINANCIAL YEAR 2019-20

- (a) Washing Machine: This segment has witnessed a growth of 16 percent.
- (b) Air Conditioner: This segment has witnessed de-growth of 3 percent.
- (c) LED/Panel: This segment has witnessed a de-growth of 19 percent.

### 5. OUTLOOK

The consumer durable products are likely to be among the first ones to see demand coming back steadily from September/October 2020 onwards.

New emerging trends which might be seen in how people shop for consumer durables, while tier-2 and tier-3 towns would continue to rely on the traditional distribution set-up, the top-25 cities might adopt online buying more quickly. Online distribution is likely to increase as consumers will prefer to shop away from large crowded physical stores. This would lead to a significant change in the cost structure for the industry.

E-commerce platforms, such as Amazon and Flipkart, are already seeing a sharp surge in orders for products i.e. television sets to washing machines.

Higher allocation for traditional advertising & promotion budgets may shift towards higher digital content due to higher online preference with changing habits among the prime decision makers, who mostly fall in the age category of 20-45 year.

## MANAGEMENT DISCUSSION AND ANALYSIS

Companies will focus on using the current situation to make some key transitions like driving digital transitions as well as think of changing their approach to sales, logistics, marketing, people development and customer service.

The challenges we are now seeing in terms of the spread of Covid-19 cases in the country could recede after we cross our peak, which is expected around July. We see increase in demand for washing machine due to behavioral change in maintaining high level of cleanliness and hygiene. 'Atmanirbhar Bharat' mission and a strong anti-Chinese sentiment should give rise to new opportunities in contract manufacturing. We expect the second half of financial year 2020-21 to be better than the first half.

### 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's 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 and the rules made thereunder and SEBI (LODR) Regulation, 2015 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 the best interest of the Company and the shareholders.

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

Following are the financial highlights of the Company for the year ended March 31, 2020 on comparable basis:-

#### a. INCOME

The total income for the year ended March 31, 2020 was ₹ 606.86 crores as compared to ₹ 648.08 crores in the previous year, an increase / decrease of 6.36%.

#### b. COST OF SALES

The cost of sales for the year ended March 31, 2020 was ₹ 457.46 crores as compared to ₹ 472.88 crores in the previous year. This cost was 75.70% of the Revenue from operations in the current year as compared to 73.38 % in the previous year.

#### c. EMPLOYEE REMUNERATION AND BENEFITS

Employee cost for the year at ₹ 60.77 crores decreased by 10.3% as compared to ₹ 67.74 crores in the previous year. The employee cost was 10.01% of the total Income in the current year as compare to 10.45% in the previous year.

#### d. OPERATING AND GENERAL EXPENSES

Operating and general expenses in current year decreased to ₹ 81.51 crores from ₹ 87.20 crores in the previous year. As a percentage of total Income, the operating and general expenses for the year were at 13.43% as compared to 13.45% in the previous year.

#### e. FINANCIAL EXPENSES

Financial expenses for the year was at ₹ 11.98 crores as compared to ₹ 14.80 crores in the previous year. The financial cost for the year is 1.97 % of the total Income as compared to 2.28 % in the previous year

#### f. DEPRECIATION

Depreciation charge for the year decreased to ₹ 6.61 crores as compare to ₹ 8.27 crores in the previous year.

## MANAGEMENT DISCUSSION AND ANALYSIS

**g. PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS**

Loss before tax and exceptional items for FY 2019-20 is ₹11.47 Crores as compared to ₹ 2.80 Crores in FY 2018-19. Loss before tax and exceptional items was 1.89% of the total Income in the current year as compared to 0.43% in the previous year.

**h. EXECPTIONAL ITEMS**

There was no exceptional income / expense during the year.

**i. PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS**

Loss before tax and after exceptional items for FY 2019-20 is ₹ 11.47 Cr. as compared to ₹4.40 Crores in FY 2018-19. Loss before tax and after exceptional items was 1.89 % of the total Income in the current year as compared to 0.68 % in the previous years.

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

The Company strongly believes that in order to build a talent pool, the human resource function has to partner with all business groups to create an ecosystem that shall have on board, the right talent and therefore nurture them to deliver their best performance at work.

The talent recruited by the Company undergoes a detailed induction and orientation program which aims at providing insights about each business segment, product focus and factory processes and enables the employee to smoothly settle in the Company. There is also a monthly session 'Embark' which is addressed by senior leaders and cross functional managers to interact with new hires, to enlighten them on the Company's vision and discuss the way forward.

The Company continuously seeks to provide internal growth and development opportunities to people through Internal Job Posting so that they can gain experience in different verticals and this also forms an integral part to our leadership development process. This is supported by regular mentoring and coaching at various levels.

The focus of the Company's Learning and Development cell – Onida Learning Academy continued to promote learning agility, mainly centering on product trainings for on-field sales force. There are also modules designed to specific groups to impart behavioral and functional training.

Continual pursuit to connect with employees, communicate in an open and transparent way plays an important role. In this regard, there was a program launched 'In the Loop' which was designed for regional and branch employees to make them feel connected, to brainstorm on strategies and innovative ideas.

The Company has been working on various cost optimization initiatives. This ranges from switching to digital platform and conducting meetings, interviews through video conferencing tool thereby saving on travel expenditure; merging few branch offices and warehouses to increase productivity. Going ahead the Company plans to leverage technology to moderate costs, enhance employee experience and increase efficiency.

The Company also believes in adapting to changing times and design progressive HR policies. The Company introduced flexible working hour policy for corporate employees so that they can meet business and individual requirements. The Company also revamped other policies keeping in mind the industry practices.

The Human Resource team is working strategically to enhance employee experience which will act as a motivating tool, enable employees to deliver world class performance and foster a feeling of pride and ownership of being a member of Onida family.

Your Company has 535 employees on its payroll as on March 31, 2020.

**9. MATERIAL FINANCIAL & COMMERCIAL TRANSACTIONS INVOLVING SENIOR MANAGEMENT**

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

**Cautionary Statement**

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

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

**On behalf of the Board of Directors**

**Gulu Mirchandani**

**Chairman and Managing Director**

**(DIN: 00026664)**

Place : Mumbai

Date : June 26, 2020

**MIRC**

**MIRC ELECTRONICS LIMITED**

## CORPORATE GOVERNANCE REPORT

The Corporate Governance Report, as applicable for the year ended March 31, 2020 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 50% (Fifty Percent) of the Board comprising of non executive directors. As at March 31, 2020, the Board of Directors of the Company comprises of seven directors, out of which three directors are Promoters cum Executive Directors, one Non-Promoter Executive Director and three are Non-Executive Independent Directors. The Company appointed Ms. Mohita Arora as a independent director w.e.f. June 26, 2020 in place of Ms. Sujata Deshmukh, who has resigned from the directorship of the Company. The Chairman is a Promoter and Executive Director.

During the financial year 2019-2020, 4 (Four) meetings of the Board of Directors were held. These 4 (Four) meetings were held on May 29, 2019, August 14, 2019, November 14, 2019 and February 13, 2020. 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	Directorship	Chairmanship in Listed companies	Directorship in Listed companies	Committee Chairmanship	Committee Membership
		Held during tenure	Attended						
Mr. Gulu Mirchandani	Promoter [CMD]	4	4	Yes	4	0	2	0	1
Mr. Vijay Mansukhani	Promoter [MD]	4	4	Yes	2	0	1	0	1
Mr. Kaval Mirchandani	Promoter [WTD]	4	4	Yes	3	0	1	0	0
Mr. Rafique Malik	I & NED*	4	4	Yes	3	1	2	1	3
Mr. Carlton Pereira	I & NED*	4	4	Yes	4	3	2	4	1
Mr. Arvind Sharma	I & NED*	4	4	No	1	0	1	0	1
Ms. Sujata Deshmukh***	I & NEWD**	3	1#	No	1	0	1	0	0
Ms. Mohita Arora *****	I & NEWD**	N.A.	N.A.	N.A.	1	N.A.	1	N.A.	1
Mr. Sanjay Munshi****	Non Promoter [WTD]	4	3##	Yes	1	N.A.	1	N.A.	N.A.
Mr. Lokesh Sikka *****	Non Promoter [WTD]	1	1	N.A.	1	N.A.	1	N.A.	N.A.



## CORPORATE GOVERNANCE REPORT

- \* Independent & Non-Executive Director;
- \*\* Independent & Non-Executive Woman Director;
- \*\*\* Mrs. Sujata Deshmukh, Independent & Non-Executive Director resigned from directorship with effect from close of business hours on January 09, 2020;
- \*\*\*\* Mr. Sanjay Munshi, Non-Promoter, Whole-Time Director resigned from directorship with effect from close of business hours on February 13, 2020;
- \*\*\*\*\* Mr. Lokesh Sikka was appointed as Additional and Non-Promoter, Whole-Time Director on February 13, 2020, subject to the approval of members at ensuring annual general meeting;
- \*\*\*\*\* Ms. Mohita Arora was appointed as Additional and Non-Promoter, Independent & Non-Executive Director on June 26, 2020, subject to the approval of members at ensuring annual general meeting.
- # Leave of Absence was granted for the Board Meetings held on August 14, 2019 and November 14, 2019; and
- ## Leave of Absence was granted for the Board Meeting held on February 13, 2020.

**Notes:**

- 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 or as Chairman of more than five such committees;
- Only directorship in public limited companies (listed or unlisted) has been considered;
- Membership/ Chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies have been considered;

Dates on which Board Meetings were held	Total Strength of the Board	No. of Directors Present
May 29, 2019	8	8
August 14, 2019	8	7
November 14, 2019	8	7
February 13, 2020	7	6

**B] Present Directorship in other Listed Companies (including the Company)**

Sr. No.	Name of Director	Directorships (Name of Listed Companies)	Category of Directorship
1.	Mr. Gulu Mirchandani	a. Mirc Electronics Limited	Chairman & Managing Director
		b. KEC International Limited	Independent Director
2.	Mr. Vijay Mansukhani	Mirc Electronics Limited	Managing Director
3.	Mr. Kaval Mirchandani	Mirc Electronics Limited	Whole-time Director
4.	Mr. Rafique Malik	a. Mirc Electronics Limited	Independent Director
		b. Ador Fontech Limited	Independent Director
5.	Mr. Carlton Pereira	a. Mirc Electronics Limited	Independent Director
		b. Sanghvi Brands Limited	Non-Executive Director
6.	Mr. Arvind Sharma	Mirc Electronics Limited	Independent Director
7.	Ms. Sujata Deshmukh*	Mirc Electronics Limited	Independent Director
8.	Ms. Mohita Arora**	Mirc Electronics Limited	Independent Director
9.	Mr. Sanjay Munshi***	Mirc Electronics Limited	Whole-time Director
10.	Mr. Lokesh Sikka****	Mirc Electronics Limited	Whole-time Director

- \* Ms. Sujata Deshmukh, Independent & Non-Executive Director resigned from directorship with effect from close of business hours on January 09, 2020;

## CORPORATE GOVERNANCE REPORT

- \*\* Ms. Mohita Arora was appointed as Additional Independent & Non-Executive Director on June 26, 2020, subject to the approval of members at ensuring annual general meeting;
- \*\*\* Mr. Sanjay Munshi resigned as an Director and Whole Time Director with effect from close of business hours on February 13, 2020; and
- \*\*\*\* Mr. Lokesh Sikka was appointed as an Additional and Whole Time Director with effect from February 13, 2020, subject to the approval of members at ensuring annual general meeting.

### C] 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 Agenda of the meeting inter-alia includes the information as specified to be provided under Part-A of Schedule II of Regulation 17(7) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amended from time to time (hereinafter referred to as “**SEBI (LODR) Regulations, 2015**”).

SEBI (LODR) Regulations, 2015 is made available to the Board. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, presentation 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, quarterly details of foreign exchange exposures and the steps taken by the 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 the applicable laws and regulations.

### D] Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the Company and it is uploaded on the website of the Company i.e. [www.onida.com](http://www.onida.com). The Code of Conduct has been circulated to all members of the Board and senior management and the compliance of the same has been affirmed by them. A declaration by the Chief Executive Officer of the Company as required under Regulation 17(5), 26(3), 34(3) and Clause D of Schedule V of the SEBI (LODR) Regulations, 2015 is annexed herewith.

### E] Independent Directors

Mr. Arvind Sharma and Ms. Sujata Deshmukh were appointed as an Independent Directors for a period of 5 (Five) years with effect from November 14, 2016 by the shareholders at the Thirty-Sixth Annual General Meeting of the Company. Mr. Carlton Pereira and Mr. Rafique Malik, were appointed as an Independent Directors for second consecutive term of 5 (Five) years at the Thirty Eighth Annual General Meeting of the Company pursuant to the provisions of the Section 149 read with Schedule IV of the Companies Act, 2013.

However, Ms. Sujata Deshmukh has resigned from the directorship of the Company with effect from close of business hours on January 09, 2020, due to her business commitments and confirmed that there are no other material reasons for her resignation. Therefore, the Company appointed Ms. Mohita Arora as an Additional independent director in place of Ms. Sujata Deshmukh, for the term of 5 (five) years pursuant to the provisions of the Section 149 read with Schedule IV of the Companies Act, 2013 which is subject to the approval of members in the ensuing Annual General Meeting of the Company.

The Company has issued a formal letter of appointment to the independent directors containing their duties, terms and conditions of appointment. The same is also disclosed on the website of the Company i.e. [www.onida.com](http://www.onida.com). The Independent Directors have confirmed about their independence and eligibility as required under Section 149(7) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of the Directors) Rules, 2014 amended from time to time.

### F] 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

## CORPORATE GOVERNANCE REPORT

of independence as defined in the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and rules made thereunder. They perform the duties as stipulated in the Companies Act, 2013 and rules made thereunder.

The Independent Directors had a separate meeting on February 13, 2020 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;
- performance of the Chairman; and
- assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

#### G] Performance Evaluation Criteria for Independent Directors:

The criteria for evaluation of Independent Directors, inter alia, includes attendance at the meetings, study of agenda and active participation, contribution in discussions on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his / her experience and adherence to the code of conduct.

#### H] Chart or matrix setting out skill/ expertise / competence of the Directors

Your Company seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. For the purpose of Board composition, diversity includes, but is not limited to, educational and functional background, industry experience, geography, age, insider status, gender and ethnicity. The skills and backgrounds collectively represented on the Board reflect the diverse nature of the business environment in which the Company operates.

Pursuant to SEBI (LODR), Regulations 2015, a matrix chart setting out the core skills/expertise/competence of the Board as on March 31, 2020 is stated hereunder:

Sr. No.	List of core skills/ expertise/ competence	Gulu Mirchandani	Vijay Mansukhani	Kaval Mirchandani	Lokesh Sikka	Carlton Pereira	Rafique Malik	Arvind Sharma
1.	Industry experience and Knowledge	✓	✓	✓	✓	✓	✓	✓
2.	Technology Innovation	✓	✓	✓	✓	✓	✓	✓
3.	Sales and Marketing Functions	✓	✓	✓	-	-	✓	✓
4.	Management of Business Operations	✓	✓	✓	✓	✓	✓	✓
5.	Business Development and Strategy Formation	✓	✓	✓	-	✓	✓	✓
6.	Planning, Sourcing and Costing	✓	✓	✓	✓	✓	✓	✓
7.	Strategy/M&A/Restructuring	✓	✓	✓	-	✓	✓	✓
8.	Finance and Accounting	✓	✓	✓	-	✓	✓	✓
9.	Risk and compliance oversight	✓	✓	✓	✓	✓	✓	✓
10.	Corporate Governance	✓	✓	✓	✓	✓	✓	✓
11.	Human Resource Management	✓	✓	✓	✓	✓	✓	✓
12.	Information technology strategy	✓	✓	✓	✓	✓	✓	✓

## CORPORATE GOVERNANCE REPORT

**III. 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 the SEBI (LODR) Regulations, 2015 and Companies Act, 2013 as amended from time to time. The minutes of the aforesaid Committee meetings are circulated and discussed in the meetings of the Board of Directors of the Company.

**Audit Committee:****A] Constitution**

The composition, role and powers of the Audit Committee meet the requirements of Part C of Schedule II with reference to the Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

As at March 31, 2020, the Audit Committee comprised of following Independent Directors:

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

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

Mr. Carlton Pereira, Independent & Non Executive Director of the Company and Chairman of the Audit Committee is a Chartered Accountant by profession. All the members of Audit Committee are Independent Non-Executive Directors of the Company. All the members of the Audit Committee are financially literate and possess accounting and financial management expertise. Mr. Carlton Pereira, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on August 28, 2019 to reply to the queries raised by the members of the Company.

**B] Meetings of Audit Committee**

During the financial year 2019-2020, 4 (four) meetings of the members of the Audit Committee were held. These meetings were held on May 29, 2019, August 14, 2019, November 14, 2019 and February 13, 2020. Mr. Gulu Mirchandani, Chairman and Managing Director, Mr. Vijay Mansukhani, Managing Director, Mr. Kaval Mirchandani, Whole Time Director and Mr. G. Sundar, 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 2019-2020)	
	Held during tenure	Attended
Mr. Carlton Pereira (Chairman) I & NED*	4	4
Mr. Rafique Malik (Member) I & NED*	4	4
Mr. Arvind Sharma (Member) I & NED*	4	4

\* Independent & Non-Executive Director.

Dates on which Audit Committee Meetings were held	Total Strength of the Committee	No of Members Present
May 29, 2019	3	3
August 14, 2019	3	3
November 14, 2019	3	3
February 13, 2020	3	3

## CORPORATE GOVERNANCE REPORT

### 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 the management;
  - d. significant adjustments made in the financial statements and information arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinions on the draft audit report.
5. reviewing with the management, the quarterly financial statements before submission to the Board for its approval;
6. reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;

## CORPORATE GOVERNANCE REPORT

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.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

### **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 the management;
3. Management letters/letters on internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
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.

### **Nomination and Remuneration Committee:**

#### **A] Constitution:**

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

As at March 31, 2020, the Nomination and Remuneration Committee consists of the following members:

1. Mr. Rafique Malik, Chairman;
2. Mr. Carlton Pereira;

Ms. Sujata Deshmukh resigned as Director and Member of the Nomination and Remuneration Committee w.e.f. January 09, 2020 and Ms. Mohita Arora was appointed as a Member of the Nomination and Remuneration Committee w.e.f. June 26, 2020.

The Company Secretary of the Company acts as the Secretary of the Nomination and Remuneration Committee.

Mr. Rafique Malik, Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on August 28, 2019 to reply to the queries raised by the members of the Company.

## CORPORATE GOVERNANCE REPORT

**B] Meetings of Nomination and Remuneration Committee**

During the financial year 2019-2020, 3 (Three) meetings of the members of the Nomination and Remuneration Committee were held. These meetings were held on May 29, 2019, August 14, 2019 and February 13, 2020. 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 2019-2020)	
	Held during tenure	Attended
Mr. Rafique Malik, I & NED* (Chairman)	3	3
Mr. Carlton Pereira, I & NED* (Member)	3	3
Ms. Sujata Deshmukh, I & NEWD** (Member)****	2	1***
Ms. Mohita Arora, I & NEWD** (Member)*****	N.A.	N.A.

\* Independent & Non- Executive Director.

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

\*\*\* Leave of Absence was granted for the Nomination and Remuneration Committee Meeting held on August 14, 2019.

\*\*\*\* Mrs. Sujata Deshmukh resigned as member of the Nomination and Remuneration Committee with effect from close of business hours on January 09, 2020.

\*\*\*\*\* Ms. Mohita Arora was appointed as a member of the Nomination and Remuneration Committee w.e.f. June 26, 2020.

Dates on which Nomination and Remuneration Committee Meetings were held	Total Strength of the Committee	No of Members Present
May 29, 2019	3	3
August 14, 2019	3	2
February 13, 2020	2	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/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 under 'Policy on Remuneration of Directors, Key Managerial Personnel and other Senior Management Employees.'
- 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.

## CORPORATE GOVERNANCE REPORT

- To carry out such other functions as delegated by the Board from time to time.
- To recommend to the Board, all remuneration, in whatever form, payable to the senior management.

### D] 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 the approval by the Board and shareholders in the respective board and general meeting of the Company and as per applicable provisions of the Companies Act, 2013 and rules made thereunder. The remuneration to the executive directors comprises of basic salary, allowances, perquisites etc. The Nomination and Remuneration Committee decides and recommends annual increments for executive directors within the limits stipulated by the Board of Directors/Shareholders and other applicable approvals.

#### The Remuneration Policy ensures that:

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

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

1. Financial position of the Company.
2. Remuneration or commission drawn by him from any other company.
3. Professional qualifications and experience of the individual concerned.
4. Industry's pay standards and pay structure data studies undertaken by human resource consultants.
5. Attract and retaining talent and motivation for KMP/SMP.
6. Special consideration for attracting top notch hi flier in case of KMP/SMP.
7. Past performance, past remuneration and special accreditation or meritorious performance.
8. Bring a balance between the interest of the Company and the shareholders.
9. Attendance at the Board meetings.
10. Active participation in the meetings.
11. Understanding the critical issues affecting the Company.
12. Prompts board discussion on strategic issues.
13. Brings relevant experience to the Board and uses it effectively.
14. Understands and evaluate the risk environment of the organization.
15. Conducts himself/herself in a manner that is ethical and consistent with the laws of the land.
16. Maintains confidentiality wherever required.



## CORPORATE GOVERNANCE REPORT

17. Communicates in an open and constructive manner.
18. Seeks satisfaction and accomplishment through serving on the Board.

### **i) Remuneration to Executive Directors**

The Nomination and Remuneration Committee and Board of Directors of the Company in their respective meeting held on May 29, 2019 approved the re-appointment and remuneration of Mr. Gulu Mirchandani, as Chairman & Managing Director of the Company for a period of three (3) years with effect from December 01, 2019 till November 30, 2022 (both day inclusive) 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 Thirty Eighth Annual General Meeting of the Company held on August 28, 2019.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on February 12, 2018 approved the re-appointment and remuneration of Mr. Vijay Mansukhani as Managing Director of the Company for a period of 3 (three) years with effect from April 1, 2018 till March 31, 2021 (both day inclusive), 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 Thirty Seventh Annual General Meeting of the Company held on August 23, 2018.

The Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meetings held on February 12, 2019 approved the re-appointment and remuneration of Mr. Kaval G. Mirchandani, Whole time Director of the Company for a period of 3 (three) years with effect from May 26, 2019 till May 25, 2022 (both day inclusive), 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 Thirty Eighth Annual General Meeting of the Company held on August 28, 2019.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on February 12, 2019 approved the appointment and remuneration of Mr. Sanjay Munshi as Whole-time Director of the Company for a period of 3 (three) years with effect from February 12, 2019 till February 11, 2022 (both day inclusive), 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 Thirty Eighth Annual General Meeting of the Company held on August 28, 2019. Mr. Sanjay Munshi resigned as Director and Whole-Time Director w.e.f. February 13, 2020.

The Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meetings held on February 13, 2020 approved the appointment and remuneration of Mr. Lokesh Sikka, Whole-time Director of the Company for a period of 3 (three) years with effect from February 13, 2020 till February 12, 2023 (both day inclusive), pursuant to the provisions of Section 196, 197 read with Schedule V to the Companies Act, 2013 which is subject to approval of members at 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 are subject to approval by the members of the Company, if applicable.

The sitting fees shall be paid as remuneration to the Non-Executive Directors. The Company is availing professional expertise of the Non-Executive Directors through their participation in the Board meetings. The Non-Executive Directors are paid sitting fees of ₹ 20,000/- (Rupees Twenty Thousand only) per meeting for attending Board Meetings and Audit Committee Meetings respectively and ₹ 10,000/- (Rupees Ten Thousand only) for attending every meeting of the Nomination and Remuneration Committee, Stakeholders Relationship Committee as the case may be and other committees of the Board.

## CORPORATE GOVERNANCE REPORT

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

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

The details of remuneration paid / payable to the Board of Directors for the financial year 2019-2020 are as follows:

(Amount in ₹)

Sr. No.	Director	Relation with the Company	Inter-se Relation	Remuneration for Financial Year 2019-2020					No. of equity shares held	
				Sitting fees	Salary allowance & perquisites	Commission	Provident Fund & Superannuation/ Gratuity	Performance Linked Incentives		Total
1	Mr. Gulu Mirchandani	Promoter [CMD]	Brother in law of sr. no.2 and father of sr. no. 3	Nil	1,12,23,600	Nil	9,79,200	Nil	1,22,02,800	4,70,95,753
2	Mr. Vijay Mansukhani	Promoter [MD]	Brother in Law of sr. no.1	Nil	1,12,23,600	Nil	9,79,200	Nil	1,22,02,800	2,63,35,774
3	Mr. Kaval Mirchandani	Promoter [WTD]	Son of sr. no. 1	Nil	31,42,572	Nil	1,72,800	Nil	33,15,372	49,300
4	Mr. Rafique Malik	I & NED*	N.A.	2,30,000	N.A.	Nil	N.A.	Nil	2,30,000	--
5	Mr. Carlton Pereira	I & NED*	N.A.	1,90,000	N.A.	Nil	N.A.	Nil	1,90,000	--
6	Mr. Arvind Sharma	I & NED*	N.A.	1,60,000	N.A.	Nil	N.A.	Nil	1,60,000	--
7	Ms. Sujata Deshmukh	I & NEWD**	N.A.	30,000	N.A.	Nil	N.A.	Nil	30,000	--
8	Mr. Sanjay Munshi	Non Promoter [WTD]	N.A.	Nil	50,45,166	Nil	2,69,566	Nil	53,14,732	--
9	Mr. Lokesh Sikka	Non Promoter (WTD)	N.A.	Nil	4,23,862	Nil	21,151	Nil	4,45,013	--

\* Independent & Non Executive Director.

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

**Note:**

1. Mr. Gulu Mirchandani, Chairman and Managing Director, re-appointed for another term of 3 years w.e.f. December 01, 2019;
2. Ms. Sujata Deshmukh, Independent & Non-Executive Director resigned from directorship with effect from close of business hours on January 09, 2020;
3. Mr. Sanjay Munshi, Non-Promoter, Whole-Time Director resigned from directorship with effect from close of business hours on February 13, 2020;
4. Mr. Lokesh Sikka was appointed as Additional and Non-Promoter, Whole-Time Director for a term of 3 years on February 13, 2020, subject to the approval of the members at the ensuring annual general meeting;
5. The remuneration paid to Mr. Gulu Mirchandani, Chairman and Managing Director, Mr. Vijay Mansukhani, Managing Director, Mr. Kaval Mirchandani, Whole Time Director, Mr. Sanjay Munshi, Whole Time Director and Mr. Lokesh Sikka, Whole Time Director of the Company, are within the limit prescribed under Schedule V to the Companies Act, 2013; and
6. The Company has not granted any stock options to any directors.

## CORPORATE GOVERNANCE REPORT

**Stakeholders Relationship Committee:****A] Constitution**

The composition, role and powers of the Stakeholders Relationship Committee meet the requirements of Part D of Schedule II with reference to Regulation 20 of the SEBI (LODR) Regulations, 2015 and Section 178 (5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time.

As at March 31, 2020, the Stakeholders Relationship Committee consists of the following members:

1. Mr. Rafique Malik, Chairman;
2. Mr. Gulu Mirchandani; and
3. Mr. Vijay Mansukhani.

Ms. Mohita Arora was appointed as a Member of the Stakeholders Relationship Committee w.e.f. June 26, 2020.

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

The Company Secretary of the Company acts as the Secretary of the Stakeholders Relationship Committee.

Mr. Rafique Malik, Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on August 28, 2019 to reply to the queries raised by the members of the Company.

**B] Meetings of Stakeholders Relationship Committee**

During the financial year 2019-2020, 4 (four) meetings of the members of Stakeholders Relationship Committee were held. These meetings were held on May 29, 2019, August 14, 2019, November 14, 2019 and February 13, 2020. The attendance of each member of the Stakeholder Relationship Committee in the above meetings is given below:

Name of the Member	Stakeholders Relationship Committee Meetings (Financial Year 2019-2020)	
	Held during tenure	Attended
Mr. Rafique Malik (Chairman) I & NED*	4	4
Mr. Gulu Mirchandani (Member) Promoter (CMD)	4	4
Mr. Vijay Mansukhani (Member) Promoter (MD)	4	4
Ms. Mohita Arora, I & NEWD** (Member)***	N.A.	N.A.

\* Independent & Non-Executive Director.

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

\*\*\* Ms. Mohita Arora was appointed as a member of the Stakeholder Relationship Committee w.e.f. June 26, 2020.

Dates on which Stakeholders Relationship Committee Meetings were held	Total Strength of the Committee	Number of Members Present
May 29, 2019	3	3
August 14, 2019	3	3
November 14, 2019	3	3
February 13, 2020	3	3

## CORPORATE GOVERNANCE REPORT

Status Report of investor queries and complaints for the period from April 01, 2019 to March 31, 2020 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	4
3	Investor complaints disposed off during the year	4
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.

#### D] Role / Terms of Reference of Stakeholders Relationship Committee

The role of the Stakeholders Relationship Committee includes the following:

1. resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
2. review of measures taken for effective exercise of voting rights by shareholders;
3. review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders.

#### IV General Body Meetings

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

Financial Year	Location	Date	Time	No. of Special Resolutions passed at AGM
2018-2019	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai -400 018	August 28, 2019	03.00 p.m.	5
2017-2018		August 23, 2018		3
2016-2017		August 18, 2017		Nil

#### Postal Ballot

During the year no resolution was passed through postal ballot.

#### V. Other 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 is no material related party transaction 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.

## CORPORATE GOVERNANCE REPORT

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

### **B] Subsidiary**

The Company does not have any subsidiary company.

Pursuant to the Explanation under Regulation 16(1) (c) of the SEBI (LODR) Regulations, 2015, the Company has made a policy for determining 'material' subsidiary and is available on the website of the Company i.e. [www.onida.com](http://www.onida.com) and the link is <http://www.onida.com/policies>.

### **C] Status of regulatory compliances**

The Company has complied with the applicable provisions of the SEBI (LODR) Regulations, 2015 as well as the other applicable 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 except for the mentioned below:-

The National Stock Exchange of India Limited and BSE Limited had imposed fine of ₹ 1,000/- each for late filing of Statement of Investor Complaints for the quarter ended March, 2019 under Regulation 13(3) of the SEBI (LODR) Regulations, 2015. The aforesaid default had occurred due to technical reasons. Your Company had paid the amount of fine immediately to the National Stock Exchange of India Limited and BSE Limited respectively.

### **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 i.e. [www.onida.com](http://www.onida.com) and the link is <http://www.onida.com/policies>.

### **E] Risk Management Committee**

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

### **F] The Board has accepted all the recommendations of the committees of the Board.**

### **G] Disclosure from Board of Directors**

The Board does hereby confirm that in their opinion, the Independent Directors fulfil the conditions specified in SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and rules made thereunder and are independent of the management.

### **H] Management Discussion and Analysis Report**

The Management Discussion and Analysis Report forms part of the annual report and includes discussion on various matters specified under the Regulation 34(2)(e) and Part B of Schedule V to the SEBI (LODR) Regulations, 2015.

### **I] Details of Director seeking appointment/re-appointment as required under Regulation 36 (3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard**

As required under the Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 on General Meeting issued by the Institute of Company Secretaries of the India, particulars of Director seeking appointment/reappointment are given in the explanatory statements annexed to the Notice of the Annual General Meeting of the Company.

### **J] Insider Trading Code**

The Board of Directors amended and adopted the 'Code for Insider Trading & Fair Disclosure of Unpublished Price Sensitive Information (UPS)' ("Code") as formulated under SEBI (Prohibition of Insider Trading) Regulations, 2015 and amended from time to time.

## CORPORATE GOVERNANCE REPORT

This 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) as amended from time to time is disclosed by the Company on its website i.e. [www.onida.com](http://www.onida.com) and the link is <http://www.onida.com/policies>.

**K] Details of total fees paid to statutory auditors**

As your Company does not have any subsidiary, following are the details of total fees paid by your Company to the statutory auditors namely S R B C & CO. LLP, Chartered Accountants, on standalone basis:

Particulars	Financial Year 2019-2020 (₹ In Lakhs)
Audit fees (including quarterly audits)	26.50
For other services (certifications, etc.)	3.00
For taxation matters	4.00
For reimbursement of expenses	1.82
<b>Total</b>	<b>35.32</b>

**L] Details of utilization of funds raised through preferential allotment or qualified institutions placement**

Your Company had not raised funds through preferential allotment or qualified institutions placement during the financial year 2019-2020. The funds raised through preferential allotment in the earlier years are fully utilised.

**M] CEO/ CFO Certification**

The certificate in terms of Regulation 17(8) read with Part B of Schedule II to the SEBI (LODR) Regulations, 2015 (including any amendments for the time being in force) for the financial year ended March 31, 2020 was placed before the Board of Directors of the Company in their meeting held on June 26, 2020 and is annexed to this Report.

**N] Non – Compliance of any requirement of Corporate Governance Report**

The Company has complied with the requirements as mentioned in Schedule V, Para C, sub-para (2) to (10) of the SEBI (LODR) Regulations, 2015, except the appointment of a Woman Independent Director. Ms. Sujata Deshmukh, Non-Executive Independent Director of the Company has been resigned from the Directorship of the Company w.e.f. close of business hour on January 09, 2020, hence composition of the Board as on March 31, 2020 presently does not fulfil the criteria laid down in the Regulation 17(1) of the SEBI (LODR) Regulations, 2015 of having atleast one Woman Director and fifty percent of the Board of Directors as Non-Executive Independent Directors. However, the Company has appointed Ms. Mohita Arora as a Non-Executive Independent Director in place of Mrs. Sujata Deshmukh and fulfils the criteria laid down in the Regulation 17 (1) w.e.f. June 26, 2020.

**O] Compliance with Mandatory and Non-Mandatory Requirements**

The Company has complied with all the requirements as specified in the SEBI (LODR) Regulations, 2015 including the Corporate Governance requirements specified under Regulation 17 to 27 and clauses (b) to (i) of sub-regulations (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015, except the fulfilment of the criteria laid down in the Regulation 17(1) of the SEBI (LODR) Regulations, 2015 of having atleast one Woman Director and fifty percent of the Board of Directors as Non-Executive Independent Directors as on March 31, 2020. However, the Company has appointed Ms. Mohita Arora as a Non-Executive Independent Director and fulfils the criteria laid down in the Regulation 17 (1) w.e.f. June 26, 2020.

The status on the Compliance with the Non-mandatory (discretionary requirements) recommendations in the SEBI (LODR) Regulations, 2015 is as under:

## CORPORATE GOVERNANCE REPORT

**(a) Internal Audit:**

The Internal Audit Report is submitted every quarter before the Audit Committee meeting and even internal auditor is present during the Audit Committee meeting.

**(b) Shareholder Rights:**

The Company submits its quarterly and half-yearly results with Stock Exchanges in compliance with Regulation 33 of the SEBI (LODR) Regulations, 2015 and also published in the newspapers 'Mumbai Lakshdeep' and 'Financial Express' nationwide. The quarterly and half-yearly results are also uploaded on the Company's website i.e. www.onida.com and therefore Company does not sent the same to the shareholders separately.

The Adoption of other non-mandatory requirements under Regulation 34 of the SEBI (LODR) Regulations, 2015 are being reviewed by the Board from time to time.

**P] Certification that none of the directors on the board of the company have been debarred or disqualified**

The certificate in terms of Regulation 34(3) read with Part C of Schedule V to the SEBI (LODR) Regulations, 2015 (including any amendments for the time being in force) confirming that none of the directors on the Board of the Company as on March 31, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, was placed before the Board of Directors of the Company in their meeting held on June 26, 2020 and is annexed to this Report.

**Q] Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

There were following number of instances / complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. Number of complaints received during the financial year - Nil
- b. Number of complaints disposed of during the financial year - Nil
- c. Number of complaints pending as on end of the financial year - Nil

**R] Proceeds from Public Issues, Right Issues and Preferential Issue, Among Others**

The Company did not raise money through any public issue, right issue or preferential issue during the financial year 2019-2020.

**S] 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.

**T] Disclosure of accounting treatment**

There was no deviation in adhering the treatments prescribed in any of the Accounting Standards (AS) in the preparation of the financial statements of the Company.

### VI. Means of Communication

The Company has furnished quarterly financial results along with notes on a regular basis as per the format prescribed in the Regulation 33 of the SEBI (LODR) Regulations, 2015, within prescribed time to the stock exchanges in respect of first three quarters in financial year 2019-2020. In term of the circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 issued by SEBI as amended from time to time, in respect of last quarter of financial year 2019-2020, the Company has to furnish the audited financial results on or before 30th June, 2020 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 June 26, 2020.

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 2019-2020 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 at least 7 (seven) days in advance pursuant to the Regulation 29 (2) of

## CORPORATE GOVERNANCE REPORT

SEBI (LODR) Regulations, 2015 and also issues an advertisement in at least one national newspaper (Financial Express) and one in regional language newspaper (Mumbai Lakshdeep) about the meetings of the Board of Directors of the Company.

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

**VII. General Shareholders Information**

Annual General Meeting Date, Time and Mode	Thursday, September 24, 2020 at 3.00 p.m. through Video Conferencing /Other Audio Visual Means
Financial year	1st April – 31st March
Book Closure	Friday, September 18, 2020 to Thursday, September 24, 2020 (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 2020-2021 for both the stock exchanges will be paid before the due date.
Address of Stock Exchange	<b>BSE Limited:</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. <b>National Stock Exchange of India Limited:</b> C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400 051.
Stock code at BSE	500279
Stock symbol at NSE	MIRCELECTR
ISIN of the Company	INE831A01028
Website	<a href="http://www.onida.com">www.onida.com</a>
Email ID	<a href="mailto:investors@onida.com">investors@onida.com</a>
Corporate Identification No. (CIN)	L32300MH1981PLC023637
Details of securities suspended	Not Applicable

**Unclaimed Dividends**

Since there was no dividend declared and paid from financial year 2011-2012, your Company did not have any funds as lying unpaid or unclaimed for a period of seven (7) years in terms of provisions of the Section 124 of the Companies Act, 2013. Therefore, there is no funds which required to be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to provisions of the Section 125 of the Companies Act, 2013.



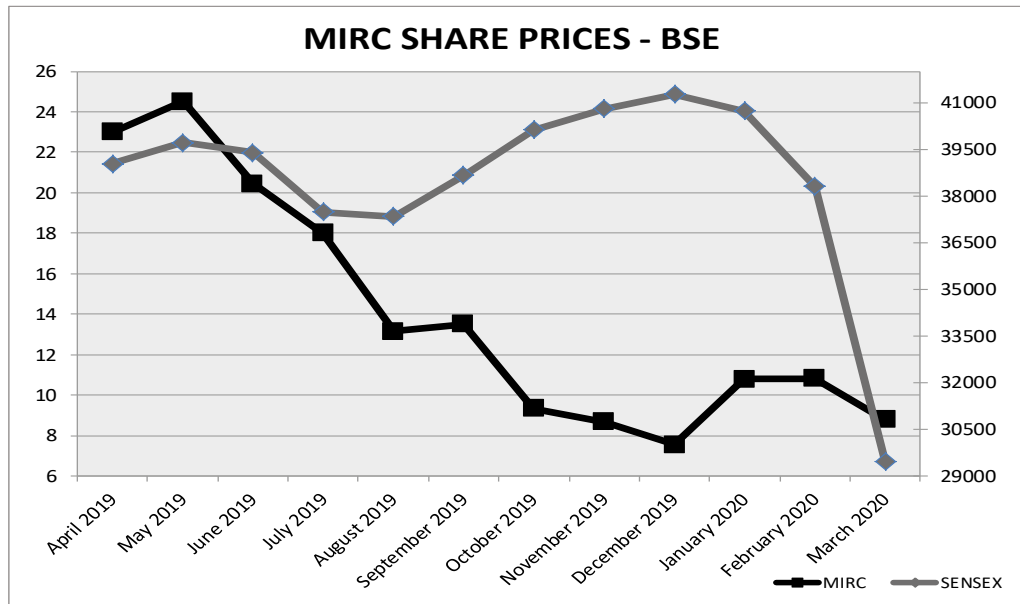
# CORPORATE GOVERNANCE REPORT

## Market Price Data: (Financial Year 2019-2020)

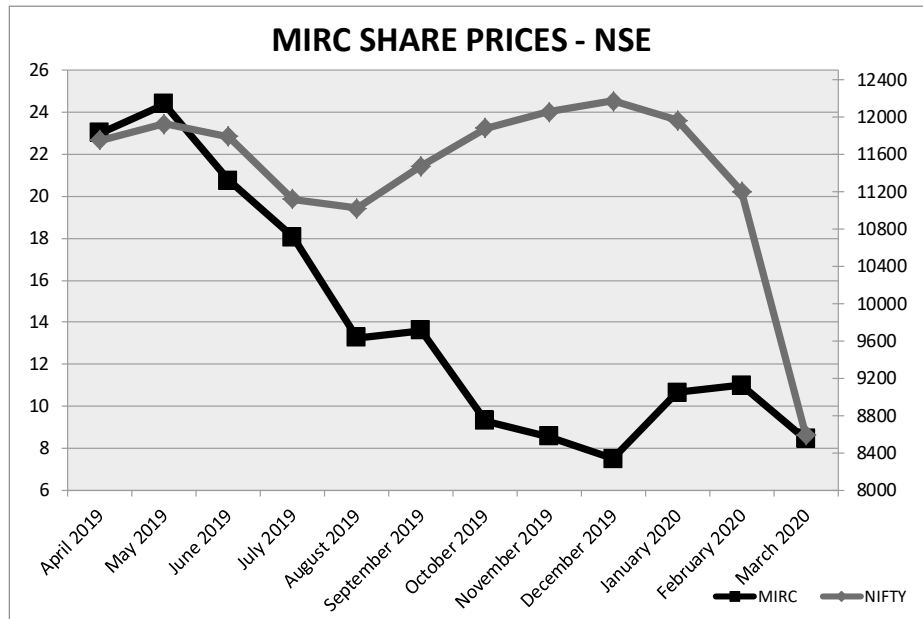
Month	STOCK EXCHANGE					
	BSE Limited			National Stock Exchange of India Limited		
	Share Price		Sensex	Share Price		Nifty
	High (₹)	Low (₹)	Close	High (₹)	Low (₹)	Close
April 2019	23.00	17.40	39031.55	23.00	17.50	11748.15
May 2019	24.50	15.30	39714.20	24.40	15.00	11922.80
June 2019	20.45	15.70	39394.64	20.75	15.85	11788.85
July 2019	18.00	11.50	37481.12	18.05	11.50	11118.00
August 2019	13.16	9.83	37332.79	13.25	9.80	11023.25
September 2019	13.52	8.35	38667.33	13.60	8.30	11474.45
October 2019	9.34	6.18	40129.05	9.30	6.05	11877.45
November 2019	8.69	7.03	40793.81	8.55	7.10	12056.05
December 2019	7.56	6.41	41253.74	7.50	6.40	12168.45
January 2020	10.79	7.45	40723.49	10.65	7.40	11962.10
February 2020	10.81	7.75	38297.29	11.00	7.80	11201.75
March 2020	8.80	3.94	29468.49	8.45	3.95	8597.75

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 & Share Transfer Agent

M/s. Link Intime India Private Limited  
 C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083  
 Ph.: 022-49186000 Fax: 022-49186060  
 E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### Share Transfer System

The shares of the Company are compulsorily traded in dematerialised form. However, shares held in physical form are processed by the Registrar & Share Transfer Agent in co-ordination with the Company and the share certificates are returned within 15 (Fifteen) days from the date of receipt for transfer by the Company, provided that the transfer documents are complete in all respects. Invalid share transfers are returned within 15 (Fifteen) days of receipt. All requests for de-materialisation of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As per SEBI norms, with effect from April 1, 2019 only transmission or transposition requests for transfer of shares shall be processed in physical form. All other transfers shall be processed in dematerialised form only. The Company has already sent reminders to the shareholders holding shares in physical form to dematerialise their shares promptly to avoid inconvenience.

## CORPORATE GOVERNANCE REPORT

## Distribution of Shareholding as on March 31, 2020

Equity shares held	Shareholders	%	Shares	%
1-500	42396	75.38	5730004	2.48
501-1000	5868	10.43	5162281	2.24
1001-2000	4372	7.77	7639146	3.31
2001-3000	1143	2.03	3012899	1.30
3001-4000	535	0.95	1972758	0.85
4001-5000	476	0.85	2283562	0.99
5001-10000	718	1.28	5417051	2.35
10001 and above	732	1.30	199734918	86.48
<b>Total</b>	<b>56240</b>	<b>100.00</b>	<b>230952619</b>	<b>100.00</b>

## Shareholding pattern as on March 31, 2020

Category		Number of shares	Percentage of Holding
<b>A</b>	<b>Promoter's Holding</b>		
1	Indian Promoter	12,32,42,638	53.36
2	Foreign Promoter	0	0.00
	<b>Sub Total (A)</b>	<b>12,32,42,638</b>	<b>53.36</b>
<b>B</b>	<b>Non Promoter's Holding</b>		
	<b>Institutional Investors</b>		
1	Mutual Fund	1,700	0.00
2	Foreign Portfolio Investor	32,25,993	1.40
3	Financial Institutions / Banks	17,346	0.01
	<b>Total (Institutional Investors)</b>	<b>32,45,039</b>	<b>1.41</b>
	<b>Non Institutional Investors</b>		
1	Individuals	7,13,50,361	30.89
2	NBFCs registered with RBI	14,190	0.00
3	IEPF	18,04,784	0.79
4	Trusts	7,010	0.00
3	Hindu Undivided Family	30,08,803	1.31
4	Non Resident Indians	11,16,770	0.48
5	Clearing Member	3,18,323	0.14
6	Bodies Corporate	2,68,44,701	11.62
7	Government Companies	0	0.00
	<b>Total (Non-Institutional Investors)</b>	<b>10,44,64,942</b>	<b>45.23</b>
	<b>Sub Total (B)</b>	<b>10,77,09,981</b>	<b>46.64</b>
	<b>Grand Total (A + B)</b>	<b>23,09,52,619</b>	<b>100.00</b>

## Dematerialisation of shares and liquidity

As at March 31, 2020, 98.76% (22,80,81,029 shares) of paid up share capital was held in dematerialised form with NSDL and CDSL, while 1.24% (28,71,590 shares) was held in physical form. All promoters' shareholdings are in dematerialised form. Trading in equity shares of the Company is permitted only in dematerialised form through NSDL and CDSL as per notifications issued by the Securities and Exchange Board of India.

## CORPORATE GOVERNANCE REPORT

**Outstanding GDRs / ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company had issued 1,92,00,000 convertible warrants at an issue price of ₹ 37.53/- (including premium of ₹ 36.53/-), convertible into equity shares (1 warrant equal to 1 equity share of face value of Re. 1 each) to the non-promoter allottees vide special resolution passed in the Extra Ordinary General Meeting of the shareholders of the Company held on December 27, 2017.

Since, the warrant holders did not exercise the conversion option within 18 months from the date of their allotment, the entitlement of the conversion has lapsed and upfront amount received by the Company on such warrants has been forfeited on June 29, 2019 as per the provisions of Regulation 169(3) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

There are no outstanding GDRs /ADRs or any other convertible instruments as on March 31, 2020 which likely to have an impact on the equity share capital of the Company.

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

The Company is exposed to foreign exchange risk on account of import of various raw materials used in its production and technology products imported and sold and other export transactions. To reduce this risk in the long-term, the Company constantly evaluates its business plan and opportunities for localization. Hedging is also used as a tool to manage foreign exchange risk.

**Plant Locations**

<b>1. Wada</b> Village Kudus, Bhiwandi Wada Road, Taluka Wada, District. Palghar, Maharashtra - 421 312	<b>2. Roorkee – Plant I</b> Khasra No.158, Village- Raipur, Pargana - Bhagwanpur, Roorkee, District - Haridwar, Uttarakhand- 247 661
<b>3. Roorkee – Plant II</b> Khasra No.399 to 401 & 405 to 410, 158 KMS Milestone, Delhi-Roorkee Highway – NH 58, Village– Mundiayaki, Pargana –Manglour, Tehsil- Roorkee, District – Haridwar, Uttarakhand – 247 670	<b>4. Chiplun</b> Plot No. G-1, Lote Parshuram Industrial Area, Village Dhamandevi, Taluka Khed, District. Ratnagiri, Maharashtra-415 639

**Address for correspondence**

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

**List of all credit ratings obtained by the Company along with any revisions thereto, for all debt instruments or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad.**

The Company had not issued any debt instruments or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad and hence no credit ratings was obtained by the Company.

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

**Gulu Mirchandani**

**Chairman and Managing Director**

**(DIN: 00026664)**

**Place : Mumbai**

**Date : June 26, 2020**

## CORPORATE GOVERNANCE REPORT

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

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

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 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: June 26, 2020**

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

**Karthi Chandramouli**  
**Chief Financial Officer**

### COMPLIANCE OF CODE OF CONDUCT OF THE COMPANY

As provided under Regulation 17(5), 26(3) and Clause D of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, G. Sundar, Chief Executive Officer hereby confirm that all Board Members and Senior Management Personnel have affirmed the compliance with the Code of Conduct of MIRC Electronics Limited for the year ended March 31, 2020.

**For MIRC Electronics Limited**

**Place: Mumbai**  
**Date: June 26, 2020**

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

## CORPORATE GOVERNANCE REPORT

### 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 31<sup>st</sup> March, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 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 Regulations. It may further be noted that the constitution of Board and Nomination and Remuneration Committee is not proper due to resignation of Women Independent Director. The Company has appointed Women Independent Director post end of Financial Year and achieved proper constitution of Board and Nomination and Remuneration Committee.

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: 26.06.2020**  
**UDIN: F004554B000384714**

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

Note: In view of the restrictions imposed by the Government of India on the movement of people across India to contain the spread of Covid-19 pandemic, which led to the complete lockdown across the nation, we have relied on electronic data for verification of certain records as the physical verification was not possible.

## CORPORATE GOVERNANCE REPORT

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MIRC ELECTRONICS LIMITED**, having CIN: L32300MH1981PLC023637 and having registered office situated at Onida House, G-1, MIDC, Mahakali Caves Road, Andheri (East) Mumbai 400093 (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and carried by us and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authorities:

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment in Company
1	Gulu Mirchandani	00026664	01/01/1981
2	Vijay Mansukhani	01041809	01/01/1981
3	Kaval Mirchandani	01179978	26/05/2016
4	Carlton Pereira	00106962	15/05/2014
5	Rafique Malik	00521563	28/01/2014
6	Arvind Sharma	01229072	14/11/2016
7	Lokesh Sikka	08665841	13/02/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Nilesh Shah & Associates  
Company Secretaries**

**Date:- 26.06.2020**  
**Place:- Mumbai**  
**UDIN:- F004554B000384670**

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

## INDEPENDENT AUDITOR'S REPORT

To the Members of MIRC Electronics Limited

### Report on the Audit of the Ind AS Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of MIRC Electronics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of

the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### Emphasis of Matter

We draw attention to Note 46 to the Ind AS financial statements which describes the uncertainty due to spread of Covid 19 pandemic and assessment of the Management of its likely impact on the financial statements of the Company.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Identification and valuation of slow moving inventories</b> (Refer Note 8 to the Ind-AS financial statement)	
<p>As at March 31, 2020, the carrying value of inventories amounted to ₹ 32,905.13 lakhs. The inventories are valued at lower of cost or net realizable value.</p> <p>The Company has a process of identifying slow moving inventories on periodic basis and determining net realizable value of these inventories based on an estimate</p> <p>We identified allowance of slow moving inventories as a key audit matter due to the critical judgement exercised by the Company's management in identifying the slow-moving inventories and estimating the amount of allowance for inventories.</p>	<ul style="list-style-type: none"> <li>We obtained understanding of how the management identifies the slow-moving inventories and estimates the net realizable value of slow-moving inventories.</li> <li>We also assessed reasonableness of the allowance policy based on historical sales performance of the products.</li> <li>We obtained the list of slow moving inventories from the Company and compared the same with movements of inventories on test check basis.</li> <li>We have obtained the working of net realizable value for slow moving inventories and tested the net realizable value of these inventories on sample basis by comparing it with the past sales transactions.</li> <li>We assessed the valuation of slow moving inventories</li> </ul>



## INDEPENDENT AUDITOR'S REPORT

<b>Tax Litigations</b> (as described in note 36 of the Ind AS financial statements)	
<p>As at the balance sheet date, the Company has certain tax litigations which are pending with various level of judicial authorities. The total tax exposure amount as at March 31, 2020 is ₹ 18,880.67 lakhs. The Company has tax balances recoverable of ₹ 2,608.90 lakhs related to these tax exposures. The recoverability of these tax balances are dependent on the outcome of these tax litigations.</p> <p>The accounting for these uncertain tax positions comprise significant judgement by the Management mainly in the area whether to recognize these uncertain positions as a contingent liability or as a provision and also the recoverability of outstanding tax receivable. Given the high level of management judgement, tax laws interpretations and significant amount of litigations involved, we considered this area to be important for our audit.</p>	<ul style="list-style-type: none"> <li>• We Obtained the list of tax litigations from the Company</li> <li>• We have read the orders issued by tax authorities and the appeals filed by tax department/company.</li> <li>• We have obtained and read Company's submissions to tax authorities on these litigation matters. We have also read the tax opinions of management's experts, wherever available</li> <li>• We involved our tax specialists who evaluated material tax litigations for past precedents and for compliance with tax laws.</li> <li>• We have assessed the accounting / disclosures related to these litigations in the financial statements.</li> </ul>

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

## INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 purposes 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, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the

## INDEPENDENT AUDITOR'S REPORT

- provisions of section 197 read with Schedule V to the Act;
- (h) 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, as amended 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 Ind AS financial statements – Refer Note 36 to the Ind AS 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 S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi  
Partner  
Membership Number: 037924  
UDIN: 20037924AAAADW9843  
Place of Signature: Mumbai  
Date: June 26, 2020

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

**Annexure 1 to the Independent Auditor's Report referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Ind AS financial statements of MIRC Electronics Limited**

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, manufacture or service of consumer appliances and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it. The payment of Goods and Services Tax for the month of March 2020 has been paid on 24th June, 2020 as allowed by Notification Nos.31/2020 and 32/2020 dated 03.04.2020 issued by the Govt. of India, Ministry of Revenue (Department of Revenue), Central Board of Indirect Taxes and Customs.
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

**Statement of Arrears of Statutory Dues Outstanding for More than Six Months:**

Name of the statute	Nature of the dues	Amount (₹ In lakhs)	Period to which the amount relates	Due Date	Date of payment
The Employees Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	5.16	August 2017 to August 2018	September 15, 2017 To September 15, 2018	Not yet paid

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

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

Name of the statute	Nature of Dues	Amount of dispute in lakhs	Period to which the amount relates*	Forum where the dispute is pending
The Income-tax Act, 1961	Income Tax	217.05	2009-10, 2011-12 & 2012-13	ITAT
		92.78	2015-16	CIT(A)
		539.52	2000-01, 2001-02, 2003-04, 2005-06, 2007-08, 2010-11	High Court
The Finance Act, 1994	Service Tax	5,971.85	2005-2015	CESTAT
		129.31	2016	High Court
		7.96	Jan 16 to Jun 17	Commissioner (Appeals)
The Central Excise Act, 1944	Excise Duty	230.75	March 2012 to December 2012 (2012-13), Dec 2007 - Dec 2015	Commissioner (Appeals)
		10.00	1998-99	HIGH COURT
		215.93	December 2007 to March 2016	CESTAT
		2.02	1997-98, 1999-00	Commissioner of Central Excise
Customs Duty	Customs Duty	22.40	2013	CESTAT
		50.88	2013, 2014	Commissioner of Customs
		0.10	2016	Commissioner of Customs (Appeals)
		88.74	2015, 2016	Deputy Commissioner of Customs
The Sales Tax Act (Centre and state)	Sales Tax (Centre and state)	0.03	2009-10, 2011-12	AA Shrinagar/ Jammu circle J
		0.87	2011	Additional Commissioner (Appeals)
		18.81	2011-12, 2013-14	Appellate Authority
		672.48	2011-13	Assessing Authority
		269.90	2011-15	Assistant Commissioner
		9.72	1998	Board of Madhya Pradesh Commercial Taxes, Bhopal
		83.38	2007-09	Commissioner
		410.20	2000-01, 2008-09	Deputy Commissioner (Appeals)
		128.52	1993, 1994, 1996 to 2010, 2013	Deputy excise and taxation Commissioner/ Commercial Taxes/Sales tax
		167.22	2011, 2016	Deputy Commissioner
		4.09	2009	Excise & Taxation officer
		217.77	2003- 2005, 2011	High Court
		32.17	2001-02, 2003-04, 2005-06, 2008-09, 2010-11, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17	Joint Commissioner
		5,156.99	2005-06, 2006-07, 2007-08, 2009-10, 2011-12 2012-13, 2013-14, 2014-15, 2015-16	Joint Commissioner (Appeals)
		450.71	2006-11	Revisional Board
		18.35	2011-13	VAT Officer
1.69	2013	Sr. Joint commissioner		
1,080.17	2008, 2010, 2011	Supreme Court		
162.90	2002-03, 2003-04, 2005-06, 2006-07	Tribunal		

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

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company did not have any loans or borrowing in respect of debentures during the year.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised any money way of initial public offer / further public offer / debt instruments.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, 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 Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi  
Partner  
Membership Number: 037924  
UDIN: 20037924AAAADW9843  
Place of Signature: Mumbai  
Date: June 26, 2020

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

### **Annexure 2 to the Independent Auditor's Report of Even Date on the Ind AS 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, 2020 in conjunction with our audit of the Ind AS 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 Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements 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 Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements 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 over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial

reporting with reference to these Ind AS financial statements, 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 over financial reporting with reference to these Ind AS financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements 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 With Reference to these Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi  
Partner  
Membership Number: 037924  
UDIN: 20037924AAAADW9843  
Place of Signature: Mumbai  
Date: June 26, 2020



## IND AS BALANCE SHEET AS AT 31ST MARCH, 2020

	Notes	As at 31st March, 2020 ₹ in lakhs	As at 31st March, 2019 ₹ in lakhs
<b>I. Assets</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2	9,525.81	10,100.64
(b) Capital work-in-progress		29.50	-
(c) Other Intangible assets	3	29.14	34.68
(d) Financial Assets			
(i) Investments	4	432.52	388.73
(ii) Others	5	1,073.28	996.27
(e) Tax Assets (Net)	6	110.45	107.49
(f) Other non-current assets	7	3,645.96	3,500.69
(g) Deferred tax assets (Net)	16	-	-
<b>Total non-current assets</b>		<b>14,846.66</b>	<b>15,128.50</b>
<b>Current assets</b>			
(a) Inventories	8	32,905.13	21,491.75
(b) Financial Assets			
(i) Trade receivables	9	7,872.46	11,960.21
(ii) Cash and cash equivalents	10A	89.67	713.00
(iii) Bank balances (other than note (ii) above)	10B	523.88	586.33
(iv) Others	11	322.92	353.95
(c) Other current assets	12	1,185.72	1,049.25
<b>Total current assets</b>		<b>42,899.78</b>	<b>36,154.49</b>
<b>Total Assets</b>		<b>57,746.44</b>	<b>51,282.99</b>
<b>II. Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	13	2,311.39	2,311.39
(b) Other Equity	14	19,880.47	19,243.88
(c) Money received against share warrants	33	-	1,801.44
<b>Total equity</b>		<b>22,191.86</b>	<b>23,356.71</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	1,318.30	1,756.96
(b) Provisions	17	554.98	588.82
<b>Total Non current liabilities</b>		<b>1,873.28</b>	<b>2,345.78</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	6,134.51	4,780.70
(ii) Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		120.76	7.48
Total outstanding dues of creditors other than micro enterprises and small enterprises		24,685.44	17,900.60
(iii) Others	20	1,446.06	1,639.49
(b) Other current liabilities	21	822.19	680.69
(c) Provisions	22	472.34	571.54
<b>Total current liabilities</b>		<b>33,681.30</b>	<b>25,580.50</b>
<b>Total Equity and Liabilities</b>		<b>57,746.44</b>	<b>51,282.99</b>
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the Ind AS 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 June, 2020

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

G.L. Mirchandani  
Chairman and Managing Director  
DIN : 00026664

Lalit Chendvankar  
Head Corporate Affairs,  
Legal and Company Secretary

V.J.Mansukhani  
Managing Director  
DIN : 01041809

Karthi Chandramouli  
Chief Financial Officer

## IND AS STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Notes	For the year ended 31st March, 2020 ₹ in lakhs	For the year ended 31st March, 2019 ₹ in lakhs
<b>Income</b>			
Revenue from operations	23	60,431.37	64,445.50
Other Income	24	254.81	363.00
<b>Total Income</b>		<b>60,686.18</b>	<b>64,808.50</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	25	21,971.93	21,307.08
Purchases of Traded Goods	26	31,159.92	26,401.57
Changes in inventories of Finished Goods, Work-in-progress and Stock in Trade	27	(7,385.87)	(421.08)
Employee benefits expense	28	6,076.90	6,774.37
Finance Cost	29	1,197.87	1,479.82
Depreciation and amortisation expenses	30	661.35	826.87
Other Expenses	31	8,151.05	8,719.87
<b>Total Expenses</b>		<b>61,833.15</b>	<b>65,088.50</b>
<b>Loss before exceptional items and tax</b>		<b>(1,146.97)</b>	<b>(280.00)</b>
Exceptional items	32	-	(160.22)
<b>Loss before tax</b>		<b>(1,146.97)</b>	<b>(440.22)</b>
<b>Tax Expense</b>			
Current Tax	16	-	-
Deferred Tax	16	-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Loss for the year</b>		<b>(1,146.97)</b>	<b>(440.22)</b>
<b>Other Comprehensive Income (net of tax)</b>			
Items that will not be reclassified to Profit or Loss		-	-
Remeasurement of the defined benefit plans		(17.88)	56.73
<b>Total Other Comprehensive Income (net of tax)</b>		<b>(17.88)</b>	<b>56.73</b>
<b>Total Comprehensive Income for the year (net of tax)</b>		<b>(1,164.85)</b>	<b>(383.49)</b>
Earnings per Equity Share [Face Value of share Re. 1 each (31 March, 2019: Re. 1 each)]	39		
- Basic (₹)		(0.50)	(0.19)
- Diluted (₹)		(0.50)	(0.19)

The accompanying notes are an integral part of the Ind AS 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 June, 2020

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

G.L. Mirchandani  
Chairman and Managing Director  
DIN : 00026664

Lalit Chendvankar  
Head Corporate Affairs,  
Legal and Company Secretary

V.J.Mansukhani  
Managing Director  
DIN : 01041809

Karthi Chandramouli  
Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	For the year ended 31st March, 2020 ₹ in lakhs	For the year ended 31st March, 2019 ₹ in lakhs
<b>Cash flow from Operating Activities</b>		
<b>Loss before tax</b>	<b>(1,146.97)</b>	<b>(440.22)</b>
<b>Adjustments to reconcile loss before tax to net cash flows :</b>		
Depreciation of property, plant and equipment	655.81	825.69
Amortization and impairment of intangible assets	5.54	1.18
Loss / (Gain) on disposal of property, plant and equipment	7.88	(470.41)
Provision on Inventory	-	141.75
Net Unrealised Foreign exchange difference	242.47	(182.73)
Provision for doubtful debts	153.88	284.23
Liabilities written back	(31.82)	(150.33)
Finance expenses	1,197.87	1,479.82
Finance income	(198.33)	(196.86)
Dividend received	(4.67)	(3.00)
<b>Working capital adjustments :</b>		
Increase/(Decrease) in trade payables	6,646.11	(3,377.65)
Decrease in Current provision	(99.20)	(150.01)
Decrease in Current financial liabilities	(237.07)	(63.98)
Increase/(Decrease) in Other current liabilities	173.32	(373.37)
(Decrease)/Increase in Non Current provision	(51.72)	78.60
Decrease in trade receivables	3,927.49	1,165.60
(Increase)/Decrease in inventories	(11,413.38)	840.82
Decrease/(Increase) in Current financial assets	5.70	(208.39)
(Increase)/Decrease in other current assets	(136.47)	179.71
Decrease in Non Current financial assets	30.62	317.53
(Increase) in other Non Current assets	(145.27)	(1,197.64)
	<b>(418.21)</b>	<b>(1,499.66)</b>
Income tax paid	(2.96)	(14.46)
<b>Net cash flow used in operating activities (A)</b>	<b>(421.17)</b>	<b>(1,514.12)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(123.36)	(389.78)
Sale of property plant and equipment	4.33	569.98
Decrease in bank fixed deposits not considered as Cash and Cash Equivalents	62.45	31.66
Interest received	56.79	66.34
Dividend received	4.67	3.00
Purchase of investments	(4.66)	(93.17)
<b>Net cash from investing activities (B)</b>	<b>0.22</b>	<b>188.03</b>
<b>Financing activities</b>		
Proceeds from long term borrowings	-	1,727.31
Repayment of long term borrowings	(387.10)	(222.22)
Proceeds from short term borrowings	1,353.81	248.02
Finance Expenses including interest (paid)	(1,169.09)	(1,486.02)
Unclaimed dividend transferred to IEPF account	-	(23.85)
<b>Net cash (used in)/from financing activities (C)</b>	<b>(202.38)</b>	<b>243.24</b>
Net (decrease) in cash and cash equivalents (A + B + C)	(623.33)	(1,082.85)
Cash and cash equivalents at the beginning of the year	713.00	1,795.85
<b>Cash and cash equivalents at year end</b>	<b>89.67</b>	<b>713.00</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	7.04	16.73
With banks- on current account	29.73	29.12
Cheques, drafts on hand	52.90	667.15
<b>Total cash and cash equivalents</b>	<b>89.67</b>	<b>713.00</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

### Reconciliation of Liabilities from financing activities

Particulars	As at 31st March, 2019	Cash Flows		Non Cash Transaction	As at 31st March, 2020
		Proceeds	Payment		
Long Term Borrowing (including current maturities)	2,179.18	-	387.10	19.61	1,772.47
Short Term Borrowing	4,780.70	1,353.81	-	-	6,134.51
	<b>6,959.88</b>	<b>1,353.81</b>	<b>387.10</b>	<b>19.61</b>	<b>7,906.98</b>

Particulars	As at 31st March, 2018	Cash Flows		Non Cash Transaction	As at 31st March, 2019
		Proceeds	Payment		
Long Term Borrowing (including current maturities)	509.72	1,927.31	222.22	35.63	2,179.18
Short Term Borrowing	4,532.68	248.02	-	-	4,780.70
	<b>5,042.40</b>	<b>2,175.33</b>	<b>222.22</b>	<b>35.63</b>	<b>6,959.88</b>

The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

As per our report of even date  
For **S R B C & COLL P**  
ICAI Firm Regn. No. 324982E/E300003  
Chartered Accountants

per Jayesh Gandhi  
Partner  
Membership No. 037924

Place : Mumbai  
Date : 26th June, 2020

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

G.L. Mirchandani  
Chairman and Managing Director  
DIN : 00026664

Lalit Chendvankar  
Head Corporate Affairs,  
Legal and Company Secretary

V.J.Mansukhani  
Managing Director  
DIN : 01041809

Karthi Chandramouli  
Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020.

### EQUITY SHARE CAPITAL (Refer Note 13)

Equity Shares of INR 1 each issue, subscribed and fully paid	No. in lakhs	₹ in lakhs
<b>At 1st April, 2019</b>	2,312.01	2,311.39
Issue of share capital	-	-
<b>At 31st March, 2020</b>	<b>2,312.01</b>	<b>2,311.39</b>

Equity Shares of INR 1 each issue, subscribed and fully paid	No. in lakhs	₹ in lakhs
<b>At 1st April, 2018</b>	2,312.01	2,311.39
Issue of share capital	-	-
<b>At 31st March, 2019</b>	<b>2,312.01</b>	<b>2,311.39</b>

### OTHER EQUITY

For the year ended 31st March, 2020							₹ in lakhs
	Capital Reserve	Reserve & Surplus Capital Redemption Reserve	Securities Premium Account	General Reserve	Retained earnings	Other Comprehensive Income	Total Other Equity
<b>Balance as at 1st April, 2019</b>	214.62	1,990.74	11,748.64	7,092.91	(1,715.44)	(87.59)	19,243.88
Money received against share warrants forfeited (Refer Note 33)	1,801.44	-	-	-	-	-	1,801.44
Loss for the year	-	-	-	-	(1,146.97)	-	(1,146.97)
Other Comprehensive Income for the year	-	-	-	-	-	(17.88)	(17.88)
<b>Total Comprehensive Income</b>	<b>2,016.06</b>	<b>1,990.74</b>	<b>11,748.64</b>	<b>7,092.91</b>	<b>(2,862.41)</b>	<b>(105.47)</b>	<b>19,880.47</b>
<b>Balance as at 31st March, 2020</b>	<b>2,016.06</b>	<b>1,990.74</b>	<b>11,748.64</b>	<b>7,092.91</b>	<b>(2,862.41)</b>	<b>(105.47)</b>	<b>19,880.47</b>

For the year ended 31st March, 2019							₹ in lakhs
	Capital Reserve	Reserve & Surplus Capital Redemption Reserve	Securities Premium Account	General Reserve	Retained earnings	Other Comprehensive Income	Total Other Equity
<b>Balance as at 1st April, 2018</b>	214.62	1,990.74	11,748.64	7,092.91	(1,275.22)	(144.32)	19,627.37
Loss for the year	-	-	-	-	(440.22)	-	(440.22)
Other Comprehensive Income for the year	-	-	-	-	-	56.73	56.73
<b>Total Comprehensive Income</b>	<b>214.62</b>	<b>1,990.74</b>	<b>11,748.64</b>	<b>7,092.91</b>	<b>(1,715.44)</b>	<b>(87.59)</b>	<b>19,243.88</b>
<b>Balance as at 31st March, 2019</b>	<b>214.62</b>	<b>1,990.74</b>	<b>11,748.64</b>	<b>7,092.91</b>	<b>(1,715.44)</b>	<b>(87.59)</b>	<b>19,243.88</b>

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

As per our report of even date

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

ICAI Firm Regn. No. 324982E/E300003

Chartered Accountants

per Jayesh Gandhi  
Partner  
Membership No. 037924

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

G.L. Mirchandani  
Chairman and Managing Director  
DIN : 00026664

V.J.Mansukhani  
Managing Director  
DIN : 01041809

Place : Mumbai  
Date : 26th June, 2020

Lalit Chendvankar  
Head Corporate Affairs,  
Legal and Company Secretary

Karthi Chandramouli  
Chief Financial Officer

# NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

## Corporate information

MIRC Electronics Limited ("the Company") is a listed entity incorporated in India. The address of registered office and principal place of business is Onida House, G-1, MIDC, Mahakali Caves Road, Andheri(East), Mumbai 400093. The Company is principally engaged in manufacturing and trading of electronic items.

The Ordinary (Equity) shares of the Company are listed on the National Stock Exchange ("NSE") and the Bombay Stock Exchange ("BSE").

### 1 Significant accounting policies

#### a Statement of Compliances and basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

#### b Basis of Measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities (including derivative instruments), which have been measured at fair value amount.

Company's financial statements are presented in Indian Rupees which is also its functional currency and all values are rounded to the nearest lakhs (INR 00,000) except when otherwise stated.

These financial statements were approved by the Company's Board of Directors and authorized for issue on 26th June, 2020.

#### c Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value."

### d Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in following notes :

- i) **Useful lives of - Property, plant and equipment** - The Company reviews the useful lives of property, plant and equipment at the end of each reporting period. The useful life of property plant and equipment is determined by the Company based on past experience and internal technical evaluation.
- ii) **Provision for product warranty** : The company recognises provision for warranties in respect of the products that it sells. These are reviewed at each balance sheet date and adjusted to reflect the current estimates. A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs. It is expected that most of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties are based on current sales levels and past trend of the warranty expenses.
- iii) **Estimation of defined benefit obligation** : A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

#### iv) **Provision against obsolete and slow-moving inventories**

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value which is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale for such inventories. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

#### v) **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

### e **Property, Plant and Equipment**

Property, Plant and Equipment including Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if 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.

Capital work in progress includes cost of property , plant and equipment under installation / under development as at the balance sheet date.

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is provided on Straight Line basis for Property, Plant and Equipment's i.e. the cost less estimated residual value over its estimated useful lives which is same as useful life specified in Schedule II of the Companies Act, 2013. The estimated useful lives and residual values are reviewed regularly and the effect of any changes in estimates is accounted on prospective basis.

Leasehold Land is amortised on a straight line basis over the period of lease.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 de-recognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate."

The Company has elected to measure items of property plant and equipment at its carrying value at the date of transition.

### **f Impairment of Non- Financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their 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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

### **g Intangible Assets**

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

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

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

The Company has elected to measure intangible assets at its carrying value at the date of transition.

### **h Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.



## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

### **Company as a lessee**

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

### **i 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 initial estimate of such warranty-related costs is revised annually.

### **j Foreign Currency Transactions and Translation**

These financial statements are presented in Indian rupees, which is the functional currency of MIRC Electronics Limited.

### **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**

At the end of each reporting period, 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.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

The Company has not applied paragraph 46A of AS 11 under Indian GAAP. Consequently, it does not have the option of using deferral/ capitalization policy under Ind AS.

### **k Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

### **Sale of Goods**

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, which generally coincides with the delivery of goods.

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

### **Interest**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### **Dividends**

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### **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.

### **l Employee retirement and other 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 expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

### **Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees upto the reporting date.

### **m Taxes**

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income.

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

### **n Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. 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 in which they occur.

### **o Inventories**

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, raw materials held for 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 weighted average basis.

Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

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 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 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.

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

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

### p Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

#### Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

#### Impairment of investments

The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### **Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. "

#### **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### **Derivative financial instruments**

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately. "

#### **Reclassification of financial assets and liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

### **Leasing arrangement**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement."

### **q Earnings per Share**

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

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

### **r Current versus non-current classification :** The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

#### **An asset is treated as current when it is**

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading, or
- It is due to be settled within twelve months after the reporting period."
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### **s 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 FORMING PART OF THE IND AS FINANCIAL STATEMENTS

### **t Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### **u Change in accounting policies and disclosures**

#### **Ind AS 116 – Leases**

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

The Company has applied Ind AS 116 only to the contracts that were previously identified as leases. As a practical expedient, contracts previously identified as lease under Ind AS 17 have not been reassessed as to whether a contract is, or contains, a lease under Ind AS 116.

The Company has used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the exemption not to recognize right-of-use asset and liabilities for leases with remaining lease term of 12 months or less.
- Excluded initial direct costs from measuring the right-of-use asset at the date of application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Company has Operating leases for office premises, godowns and residential accommodation. In all such leases the lessee has the option to terminate the lease by giving 90 days notice. The Company has applied the 'short-term lease' recognition exemption and accordingly the Company has not recognized any right-of-use assets and lease liabilities in the Ind AS financial statements.

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

## NOTE 2 - PROPERTY, PLANT AND EQUIPMENT

Particulars	₹ in lakhs										TOTAL	
	Leasehold land	Freehold land	Buildings	Plant and Machinery and Electrical Fittings	Furniture and Fixtures	Office Equipment's	Motor Vehicles	R & D - Building	R & D - Plant and Machinery and Electrical Fittings	R & D - Furniture and Fixture		R & D - Office Equipment
<b>Cost</b>												
As at 1st April, 2018	589.41	1,776.68	10,684.17	20,744.50	748.60	553.29	274.80	157.08	663.05	87.05	47.87	36,326.50
Additions	-	-	127.73	254.75	12.53	50.99	-	-	-	-	-	446.00
Disposals	38.04	-	72.99	1,600.30	-	-	4.43	-	-	-	2.36	1,718.12
<b>As at 31st March, 2019</b>	<b>551.37</b>	<b>1,776.68</b>	<b>10,738.91</b>	<b>19,398.95</b>	<b>761.13</b>	<b>604.28</b>	<b>270.37</b>	<b>157.08</b>	<b>663.05</b>	<b>87.05</b>	<b>45.51</b>	<b>35,054.38</b>
Additions	-	-	-	74.69	1.56	16.94	-	-	-	-	-	93.19
Disposals	-	-	-	235.34	97.51	84.86	-	-	5.59	-	1.34	424.64
<b>As at 31st March, 2020</b>	<b>551.37</b>	<b>1,776.68</b>	<b>10,738.91</b>	<b>19,238.30</b>	<b>665.18</b>	<b>536.36</b>	<b>270.37</b>	<b>157.08</b>	<b>657.46</b>	<b>87.05</b>	<b>44.17</b>	<b>34,722.93</b>
<b>Depreciation</b>												
As at 1st April, 2018	142.64	-	5,235.44	18,225.30	685.44	509.85	157.67	105.41	562.42	82.41	40.02	25,746.60
Charge for the year	6.93	-	305.60	436.80	10.71	12.53	32.86	1.10	17.08	0.62	1.46	825.69
Disposals	6.04	-	32.61	1,573.45	-	-	4.21	-	-	-	2.24	1,618.55
<b>As at 31st March, 2019</b>	<b>143.53</b>	<b>-</b>	<b>5,508.43</b>	<b>17,088.65</b>	<b>696.15</b>	<b>522.38</b>	<b>186.32</b>	<b>106.51</b>	<b>579.50</b>	<b>83.03</b>	<b>39.24</b>	<b>24,953.74</b>
Charge for the year	6.62	-	305.96	283.06	10.55	16.10	15.17	1.10	15.60	0.19	1.46	655.81
Disposals	-	-	-	230.79	93.50	81.94	-	-	4.93	-	1.27	412.43
<b>As at 31st March, 2020</b>	<b>150.15</b>	<b>-</b>	<b>5,814.39</b>	<b>17,140.92</b>	<b>613.20</b>	<b>456.54</b>	<b>201.49</b>	<b>107.61</b>	<b>590.17</b>	<b>83.22</b>	<b>39.43</b>	<b>25,197.12</b>
<b>Net block</b>												
As at 31st March, 2019	407.84	1,776.68	5,230.48	2,310.30	64.98	81.90	84.05	50.57	83.55	4.02	6.27	10,100.64
As at 31st March, 2020	401.22	1,776.68	4,924.52	2,097.38	51.98	79.82	68.88	49.47	67.29	3.83	4.74	9,525.81

## NOTE 3 - INTANGIBLE ASSETS

Particulars	₹ in lakhs			TOTAL
	R&D Software	Other Software		
<b>Cost</b>				
As at 1st April, 2018	66.92	-	-	66.92
Additions	-	31.10	-	31.10
Disposals	-	-	-	-
<b>As at 31st March, 2019</b>	<b>66.92</b>	<b>31.10</b>	<b>-</b>	<b>98.02</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As at 31st March, 2020</b>	<b>66.92</b>	<b>31.10</b>	<b>-</b>	<b>98.02</b>
<b>Depreciation</b>				
As at 1st April, 2018	62.16	-	-	62.16
Charge for the year	1.17	0.01	-	1.18
Disposals	-	-	-	-
<b>As at 31st March, 2019</b>	<b>63.33</b>	<b>0.01</b>	<b>-</b>	<b>63.34</b>
Charge for the year	0.62	4.92	-	5.54
Disposals	-	-	-	-
<b>As at 31st March, 2020</b>	<b>63.95</b>	<b>4.93</b>	<b>-</b>	<b>68.88</b>
<b>Net block</b>				
As at 31st March, 2019	3.59	31.09	-	34.68
As at 31st March, 2020	2.97	26.17	-	29.14

Intangible assets comprises of software used in Research and development.



## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

## NOTE 4 - NON-CURRENT INVESTMENTS

	31st March, 2020		31st March, 2019	
	Nos.	₹ in lakhs	Nos.	₹ in lakhs
<b>Investment carried at amortised cost</b>				
Adonis Electronics Pvt. Ltd. (0.01% Cumulative redeemable preference shares of ₹ 10 each, fully paid up)	2,648	334.69	2,648	295.56
<b>Investment carried at fair value through Profit and Loss</b>				
Aditya Birla Sun Life Mutual Fund Investment	97,673.92	97.83	92,866.71	93.17
Kongarar Textiles Limited (Face value ₹ 10 each, fully paid up)	2,600	-	2,600	-
Onida Finance Limited (Face value ₹ 10 each, fully paid up)	468,400	-	468,400	-
		<b>432.52</b>		<b>388.73</b>
Investment carried at amortised cost		334.69		295.56
Investment carried at fair value through Profit and Loss		97.83		93.17

## NOTE 5 - NON CURRENT - FINANCIAL ASSETS

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
<b>Unsecured, considered good</b>		
Security Deposits carried at amortised cost	1,073.28	996.27
	<b>1,073.28</b>	<b>996.27</b>

## NOTE 6 - TAX ASSETS (NET)

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Advance Income-tax (Net of Provisions)	110.45	107.49
	<b>110.45</b>	<b>107.49</b>

## NOTE 7 - OTHER NON-CURRENT ASSETS

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
<b>Unsecured, considered good</b>		
Deferred rent expenses	37.06	143.88
Capital advance	7.12	-
<b>Other Advances</b>		
Balance with Government Authorities	2,613.00	2,170.03
Prepaid Expenses	10.19	13.55
Advance paid to Vendors	978.59	1,173.23
	<b>3,645.96</b>	<b>3,500.69</b>

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

**NOTE 8 - INVENTORIES (at cost or net realisable value, whichever is lower)**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Raw materials and components [includes Goods in transit ₹ 3,698.58 lakhs (31st March, 2019 ₹ 375.74 lakhs)]	9,311.98	5,270.04
Stores and Spares	241.87	256.30
Work-in-Progress	819.67	688.35
Finished Goods	5,823.79	3,604.71
Traded Goods [includes Goods in transit ₹ 10,448.42 lakhs (31st March, 2019 ₹ 6,553.59 lakhs)]	16,707.82	11,672.35
	<b>32,905.13</b>	<b>21,491.75</b>

The Company has availed working capital facilities and other non fund based facilities viz. bank guarantees, and letter of credits, which are secured by hypothecation of inventories.

**NOTE 9 - TRADE RECEIVABLES**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Secured considered good	-	-
Unsecured considered good	7,872.46	11,960.21
Credit impaired	2,652.18	2,498.30
Less : Allowance for credit loss	2,652.18	2,498.30
	<b>7,872.46</b>	<b>11,960.21</b>

Trade receivables are generally on terms of 28 days of credit period.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

Ageing	Expected Credit loss (%)
Within the credit period	1.00
1-90 days past due	1.00
91-180 days past due	5.00
181 to 365 days	10.00
More than 1 year	40.00
More than 2 year	75.00
More than 3 year	100.00

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

**Age of receivables**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Within the credit period	2,267.66	7,293.78
1-90 days past due	3,950.22	3,204.92
91-182 days past due	600.13	977.67
181-365 days	666.62	371.13
More than 1 year	628.07	697.50
More than 2 year	470.01	468.05
More than 3 year	1,941.94	1,445.46

**Movement in the expected credit loss allowance**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Balance at the beginning of the year	2,498.30	2,214.07
Movement in expected credit loss allowance on trade receivables	(25.71)	45.97
Add : Specific allowance on trade receivables for the year	179.59	238.26
Balance at the end of the year	2,652.18	2,498.30

Certain customers are unable to make payments for outstanding amounts as the amounts are disputed. Consequently the management believes it is prudent to provide for the specific allowance.

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person nor any trade receivable are due from firms or private companies respectively in which any director is a partner and a director or a member.

**NOTE 10A - CASH AND CASH EQUIVALENTS**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Cash in hand	7.04	16.73
Cheques on hand	52.90	667.15
Balance with Banks		
On Current Account	29.73	29.12
	<b>89.67</b>	<b>713.00</b>

**NOTE 10B - OTHER BANK BALANCES**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Balance with Banks on margin accounts	523.88	586.33
	<b>523.88</b>	<b>586.33</b>

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

**NOTE 11 - OTHER CURRENT FINANCIAL ASSETS - At amortised cost, unless otherwise stated**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
<b>Unsecured, considered good</b>		
Insurance claims receivable	27.50	110.19
Interest accrued	17.12	22.34
Derivative contracts receivable - Fair value through P&L	-	1.08
Other receivables	278.30	220.34
	<b>322.92</b>	<b>353.95</b>

**NOTE 12 - OTHER CURRENT ASSETS**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
<b>Unsecured, considered good</b>		
Balance with Government Authorities	107.05	161.65
Prepaid expenses	210.83	184.69
Advance paid to vendors	757.01	590.39
Deferred rent expenses	110.83	112.52
	<b>1,185.72</b>	<b>1,049.25</b>

**NOTE 13 - SHARE CAPITAL**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
<b>Authorised :</b>		
57,80,20,000 Equity Shares of Re.1 each (Refer Note 33) (31st March, 2019 57,80,20,000 Equity Shares of Re.1 each)	5,780.20	5,780.20
10,000 8% Cumulative Redeemable Preference Shares of ₹ 100 each (31st March, 2019 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 (31st March, 2019 10,00,000 11% Non-Cumulative Redeemable Preference Shares of ₹ 100 each)	1,000.00	1,000.00
<b>Issued, Subscribed and Paid Up :</b>		
23,09,52,619 Equity Shares of Re.1 each fully paid up (31st March, 2019 23,09,52,619 Equity Shares of Re.1 each fully paid up)	2,309.53	2,309.53
Add : 2,48,000 Forfeited Equity Shares of Re.1 each partly paid up (31st March, 2019 2,48,000 Forfeited Equity Shares of Re.1 each partly paid up)	1.86	1.86
	<b>2,311.39</b>	<b>2,311.39</b>
	<b>2,311.39</b>	<b>2,311.39</b>

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

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

	31st March, 2020		31st March, 2019	
	No. in lakhs	₹ in lakhs	No. in lakhs	₹ in lakhs
<b>Fully paid up shares</b>				
At the beginning of the year	2,309.53	2,309.53	2,309.53	2,309.53
At the end of the year	2,309.53	2,309.53	2,309.53	2,309.53
<b>Forfeited Equity shares</b>				
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>2,312.01</b>	<b>2,311.39</b>	<b>2,312.01</b>	<b>2,311.39</b>

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.

The Company has not issued any equity shares as bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding 31st March, 2020.

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

	31st March, 2020		31st March, 2019	
	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class
Mr. Gulu L. Mirchandani	470.96	20.39	463.96	20.09
Gulita Securities Limited	272.27	11.79	272.27	11.79
Mr. V.J. Mansukhani	263.36	11.40	259.86	11.25
Bennett Coleman and Company Limited	153.51	6.65	153.51	6.65
IIFL Investment Adviser & Trustee Services Limited (Formerly IIFL Trustee Services Limited) (Beneficial owner Mr. Vijay J. Mansukhani)	141.75	6.14	141.75	6.14

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 14 - OTHER EQUITY****Nature and purpose of Reserves**

**Capital Reserve :** The amount is largely on account of forfeiture of money received againsts share warrants and reduction in share capital.

**Capital Redemption Reserve :** The capital redemption reserve was created for buyback / redemption of shares.

**Securities Premium Account :** Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

**General Reserve :** The general reserves comprises of transfer of profits from retained earnings for appropriation purposes. The reserves can be distributed / utilised by the Company in accordance with the Companies Act, 2013.

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Capital Reserve		
Balance as per last Balance Sheet	214.62	214.62
Add : Money received againsts share warrants forfeited (Refer Note 33)	<u>1,801.44</u>	<u>-</u>
	2,016.06	214.62
Capital Redemption Reserve	1,990.74	1,990.74
Securities Premium Account	11,748.64	11,748.64
General Reserve	7,092.91	7,092.91
Retained earnings		
Balance as per last Balance Sheet	(1,803.03)	(1,419.54)
Add : Loss for the year	(1,146.97)	(440.22)
Add : Other comprehensive income (net of tax)	<u>(17.88)</u>	<u>56.73</u>
	(2,967.88)	(1,803.03)
	<u><b>19,880.47</b></u>	<u><b>19,243.88</b></u>

**NOTE 15 - NON CURRENT BORROWINGS - At amortised cost**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
<b>Secured</b>		
Term Loan from Indusind Bank	-	76.40
Term Loan from Aditya Birla Finance Limited	<u>1,318.30</u>	<u>1,680.56</u>
	<u><b>1,318.30</b></u>	<u><b>1,756.96</b></u>

**Security and rate of interest**

Term loan from Indusind bank is secured by exclusive charge by way of equitable mortgage on the commercial property situated at Phase -II, Okhla industrial development authority area, Ghaziabad (U.P.). Rate of interest 10.70% per annum.

Term loan from Aditya Birla Finance Ltd. is secured by Pari Pasu charge in favour of ABFL by mortgage of company's immovable properties situated at Andheri East named as Mukund Mahal. Long Term Reference Rate of ABFL (LTRR) +/- spread. Rate of Interest as on 31st March, 2020 is 12.75%.

**Repayment terms**

Monthly in equal instalments of ₹ 18.51 lakhs payable over a period of five years. Last instalment is due on 25th August, 2020

Quarterly in equal instalments of ₹ 50 lakhs upto 15th September, 2020 there after in quarterly equal instalment of ₹133.33 lakhs upto 15.9.2023. Last instalment is due on 15th September, 2023

<b>Terms of Payment</b>	₹ in lakhs	₹ in lakhs
Year		
2019 - 20	-	422.22
2020 - 21	454.17	443.07
2021 - 22	533.33	533.33
2022 - 23	533.33	533.33
2023 - 24	251.64	247.23
<b>Total</b>	<u><b>1,772.47</b></u>	<u><b>2,179.18</b></u>

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

## NOTE 16 DEFERRED TAX ASSETS (NET)

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Deferred tax liability ('DTL')	1,737.16	1,822.91
Deferred tax asset ('DTA')	(1,737.16)	(1,822.91)
	-	-

The following is the analysis of deferred tax liabilities/(assets) presented in the Balance sheet

Deferred Tax Liability / (asset) in relation to	Opening Balance	On Transaction Recognised in Statement of Profit & Loss Account	Closing Balance
<b>2018-19</b>			
<b>DTL</b>			
Fixed Assets:- Impact of difference between tax Depreciation and Depreciation / amortisation charged for the financial reporting	1,898.19	(91.13)	1,807.06
Ind AS impact on other assets	6.92	8.93	15.85
<b>DTA</b>			
Discounting of Financial Assets	(816.90)	84.54	(732.36)
Impact of expenditure charged to the statement of Profit and loss but allowed for tax purposes on payment basis	(338.94)	121.29	(217.65)
Allowance on trade receivables	(749.27)	(123.63)	(872.90)
	-	-	-

Deferred Tax Liability / (asset) in relation to	Opening Balance	On Transaction Recognised in Statement of Profit & Loss Account	Closing Balance
<b>2019-20</b>			
<b>DTL</b>			
Fixed Assets:- Impact of difference between tax Depreciation and Depreciation / amortisation charged for the financial reporting	1,807.06	(78.46)	1,728.60
Ind AS impact on other assets	15.85	(7.29)	8.56
<b>DTA</b>			
Discounting of Financial Assets	(732.36)	(75.91)	(808.27)
Impact of expenditure charged to the statement of Profit and loss but allowed for tax purposes on payment basis	(217.65)	215.43	(2.22)
Allowance on trade receivables	(872.90)	(53.77)	(926.67)
	-	-	-

Since the Company has been incurring losses in the past period and due to absence of reasonable certainty of future taxable profit, DTA is not recognised on the carried forward income tax losses.

The Company has recognised DTA only to the extent of the DTL due to uncertainty of future taxable profit. Accordingly, DTA of ₹ 413.10 lakhs is not recognised in respect of expenditure charged to the Statement of Profit and Loss but allowed for tax purposes on payment

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

basis. Further, the Company has also not recognised DTA on tax losses and unabsorbed depreciation of ₹18,402.17 lakhs. Out of these losses, ₹5,999.25 lakhs does not have any expiry and ₹12,402.92 lakhs will expire over a period of next eight years. During assessment, the Company has preferred an appeal towards total amount of disallowance of expenses / addition to income pertaining to FY 2014-15, FY 2015-16 and FY 2016-17 amounting to ₹ 3,129.42 lakhs. The tax losses and unabsorbed depreciation of ₹18,402.17 lakhs may reduce to the extent to ₹ 15,875 lakhs on receipt of the unfavourable final appellate order.

Reconciliation of estimated income tax expense at statutory Income-tax rate to income tax expense reported in statement of profit and loss is as follows:

Particulars	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Loss for the year	(1,146.97)	(440.22)
Indian statutory tax rate	34.94%	34.94%
Income tax expected expense calculated at corporate tax rate	-	-
Tax effect of adjustments to reconcile the expected tax expense to reported income- tax expense:		
Effect of Difference in Depreciation As per Books & As Per Income Tax	(81.38)	(73.98)
Provision for Doubtful Debt Not Allowed as Deduction	53.76	99.31
Expenses Disallowed u/s 43B (Net off)	30.68	66.10
Disallowance under section 40A(3) & under section 40(a)(ia)	(4.16)	-
Additional Deduction u/s 35(2AB) under income tax	(67.83)	(77.71)
Others (net)	68.92	(13.72)
	<u>-</u>	<u>-</u>

## NOTE 17 - PROVISIONS

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Provision for employee benefits		
Provision for gratuity (Refer Note 37)	554.98	588.82
	<u>554.98</u>	<u>588.82</u>

## NOTE 18 - SHORT-TERM BORROWINGS - At amortised cost

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
<b>Secured :</b>		
Cash Credit Facility from banks	5,264.73	3,837.78
Aditya Birla Finance Limited - Line of Credit	869.78	942.92
	<u>6,134.51</u>	<u>4,780.70</u>

## Security and rate of interest

Cash Credit Facility, 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, Onida House and Roorkee and immovable properties at Vasai and Chiplun. The interest on cash credit ranges from 10.65% to 12.90% , Line of credit facility taken from Aditya Birla Finance Limited is @ of 12.50% p.a., which is based on Short Term Reference Rate (STRR) +/- spread and secured by Registered mortgage of Mahal Industrial Estate property of Company.



## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

## NOTE 19 - TRADE PAYABLES

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Acceptances	2,398.80	3,388.29
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 44)	120.76	7.48
Total outstanding dues of creditors other than micro enterprises and small enterprises	22,286.64	14,512.31
	<b>24,806.20</b>	<b>17,908.08</b>

## NOTE 20 - OTHER FINANCIAL LIABILITIES

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Current maturities of Long-term borrowings from Indusind Bank (Refer Note 15)	87.51	222.22
Current maturities of Long-term borrowings from NBFC (Refer Note 15)	366.66	200.00
Interest accrued on borrowings	52.99	24.21
Others payables		
Dealer Deposits	59.41	59.61
Employee Benefits	878.52	1,115.39
Creditors for Capital items	0.97	18.06
	938.90	1,193.06
	<b>1,446.06</b>	<b>1,639.49</b>

## NOTE 21 - OTHER CURRENT LIABILITIES

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Advances from Customers	640.65	310.43
Statutory Dues	168.32	354.00
Others	13.22	16.26
	<b>822.19</b>	<b>680.69</b>

## NOTE 22 - PROVISIONS

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Provision for employee benefits (Refer Note 37)		
Gratuity	109.09	121.96
Leave encashment	242.11	251.91
Provision for warranty	121.14	197.67
	<b>472.34</b>	<b>571.54</b>
Provision for warranty		
<b>Opening</b>	<b>197.67</b>	<b>343.31</b>
Add : Provision during the year	121.14	197.67
Less : Utilised during the year	197.67	343.31
<b>Closing</b>	<b>121.14</b>	<b>197.67</b>

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

The Company recognises provision for warranties in respect of the products that it sells. These are reviewed at each balance sheet date and adjusted to reflect the current estimates. A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs. It is expected that most of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties are based on current sales levels and past trend of the warranty expenses.

**NOTE 23 - REVENUE FROM OPERATIONS**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
<b>Revenue from operations</b>		
Sale of Products (net of discounts and rebates)		
Finished Goods	28,260.63	32,757.28
Traded Goods	32,050.14	31,484.07
	<u>60,310.77</u>	<u>64,241.35</u>
<b>Other operating revenue</b>		
Sale of Scrap	79.36	25.13
Others	41.24	179.02
	<u>120.60</u>	<u>204.15</u>
<b>REVENUE FROM OPERATIONS (NET)</b>	<b><u>60,431.37</u></b>	<b><u>64,445.50</u></b>

**NOTE 24 - OTHER INCOME**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
<b>Interest Income on :</b>		
Financial Assets held at Amortised cost		
Interest income on financial assets	107.63	122.51
Financial Assets carried at fair value through P&L		
Interest income on investments	39.13	34.46
Interest income on insurance claim	-	4.11
Other interest	51.20	35.78
Dividend received	4.67	3.00
Liabilities written back	31.82	150.33
Profit on sale of property, plant and equipment (other than profit considered as exceptional item )	2.36	12.81
Others	18.00	-
	<b><u>254.81</u></b>	<b><u>363.00</u></b>

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

## NOTE 25 - COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Inventory at the beginning of the year	5,270.04	6,410.72
Add : Purchases	26,013.87	20,519.44
	31,283.91	26,930.16
Less : Inventory at the end of the year	9,311.98	5,270.04
	21,971.93	21,660.12
Less : CTV provision disclosed under exceptional item*	-	353.04
	<b>21,971.93</b>	<b>21,307.08</b>

\* Refer Note 32

## NOTE 26 - PURCHASES OF TRADED GOODS

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Display Devices	171.52	419.41
Washing Machines	3,516.09	1,988.04
Air Conditioners	26,677.92	23,709.04
Microwave Ovens	671.55	230.87
Others	122.84	54.21
	<b>31,159.92</b>	<b>26,401.57</b>

## NOTE 27 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
<b>Inventory at the beginning of the year</b>		
Finished Goods	3,604.71	4,998.09
Work in Progress	688.35	662.62
Traded Goods	11,672.35	10,158.42
	15,965.41	15,819.13
<b>Less : Inventory at the end of the year</b>		
Finished Goods	5,823.79	3,604.71
Work in Progress	819.67	688.35
Traded Goods	16,707.82	11,672.35
	23,351.28	15,965.41
Less : CTV provision disclosed under exceptional items*	-	274.80
	<b>(7,385.87)</b>	<b>(421.08)</b>

\* Refer Note 32

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

**NOTE 28 - EMPLOYEE BENEFITS EXPENSE**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Salaries, Wages and Bonus	5,167.23	5,922.05
Contribution to Provident Fund and Other Funds	275.25	295.41
Gratuity expense	95.40	86.27
Staff Welfare Expenses	539.02	470.64
	<b>6,076.90</b>	<b>6,774.37</b>

**NOTE 29 - FINANCE COST**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Interest Expense	1,069.92	1,193.70
Other Borrowing costs	127.95	286.12
	<b>1,197.87</b>	<b>1,479.82</b>

**NOTE 30 - DEPRECIATION AND AMORTISATION EXPENSES**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Depreciation of property, plant and equipment	655.81	825.69
Amortisation of intangible assets	5.54	1.18
	<b>661.35</b>	<b>826.87</b>

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

## NOTE 31 - OTHER EXPENSES

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
Power and Fuel	344.42	318.25
Rent	533.50	631.45
Rates and Taxes	131.12	151.42
Repairs to		
Plant and Machinery	47.46	68.76
Building	5.07	15.07
Others	246.78	269.79
	299.31	353.62
Insurance Charges	43.24	35.90
Freight and Forwarding Charges	2,421.49	2,501.48
Advertisement	743.92	1,254.70
Service Charges	1,176.94	1,150.49
Travelling and Conveyance	363.51	441.24
Provision for Doubtful Debts and advances	153.88	284.23
Research and Development Expenses	388.24	444.80
Exchange loss (Net)	445.73	(3.67)
Miscellaneous Expenses	1,105.75	1,155.96
	<b>8,151.05</b>	<b>8,719.87</b>

## Miscellaneous expenses includes

## Remuneration to Auditors:

Payment to auditor	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
As auditor (excluding Goods and Service Tax )		
Audit fees	20.50	20.50
Tax audit fees	4.00	4.00
Limited reviews	9.00	9.00
In other capacity		
Reimbursement of expenses	1.82	1.90
	<b>35.32</b>	<b>35.40</b>

## 32 Exceptional items -

The Company had recognised total expenses of ₹ 160.22 lakhs for the year ended 31st March, 2019 as exceptional items on account of the following reasons;

- The Company had sold land and building located at Noida resulting in to a profit of ₹ 467.62 lakhs.
- The board of directors approved discontinuation of CTV business due to non-availability of major input components and technological changes. Accordingly, provision of ₹ 627.84 lakhs for the year ended 31st March, 2019 was made in respect of inventories used for CTV business.

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

- 33** In the financial year 2017-18 the Company had allotted 1,92,00,000 Equity Shares and 1,92,00,000 Convertible Share Warrants (Convertible into 1 Equity Share each) at an issue price of ₹ 37.53 per equity share (including a premium of ₹ 36.53 per equity share) to the non-promoters on preferential basis in accordance with the provision of chapter VII of SEBI ICDR regulations. Consequent to the issue of equity shares, the paid up equity share capital of the Company increased from ₹ 2,119.39 lakhs to ₹ 2,311.39 lakhs and securities premium account has increased from ₹ 4,734.88 lakhs to ₹ 11,748.64 lakhs as on 31st March, 2018. The Company had received an amount of ₹ 1,801.44 lakhs being 25% of the value of warrants as per provisions of SEBI (ICDR) Regulations, 2009. Since the option to acquire equity shares was not exercised within 18 months from the date of issue of warrants, the amount received has been forfeited by the Company during the current year and has been transferred to Capital Reserve.
- 34** The Company at its extraordinary general meeting dated 29th March, 2017 have approved an Employee Stock option Scheme 2017. However the scheme is not yet offered to employees as on date and hence no effect is considered in the Ind AS financial statements for the year ended 31st March, 2020.
- 35** The Company considers entire business under one segment i.e. Consumer Durable products. Further, there is no separately identifiable geographical segment and hence no reporting is made for segment.

**36 Contingent Liabilities and Commitments :**

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
<b>Contingent Liabilities</b>		
a) Guarantees given by Bank against which ₹ 64.43 lakhs (31st March, 2019 ₹ 113.83 lakhs) has been deposited as margin money.	712.43	751.83
b) Income tax demands in respect of which appeals have been filed	323.16	847.81
c) Excise Duty, Service Tax, VAT and Custom Duty in respect of which appeals have been filed	16,112.18	16,977.22
d) Claims made against the Company not acknowledged as debts	2,793.36	4,327.19
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2.88	1.32

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

Future cash flows in respect of above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

**37 Employee Benefits :****a) Defined contribution plans**

The Company has recognised an expense of ₹ 240.11 lakhs (previous year ₹ 236.55 lakhs) towards defined contribution plans, in respect of Provident Fund.

**b) Defined benefit plans****Gratuity**

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date. 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.

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

		Valuation as at	
		31st March, 2020	31st March, 2019
	Employee Attrition Rate	6.00%	12.50%
	Discount rate(s)	6.04%	7.22%
	Expected rate(s) of salary increase	3.36%	3.40%
	Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

		Funded Plan Gratuity	
		31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
I	1	Expense recognised in the Statement of Profit and Loss for the year ended	
		Service Cost	
		Current Service Cost	33.92
		Net interest expense	51.32
		Components of defined benefit costs recognized in profit or loss	85.24
		Less : Transferred to Research and Development expenses	1.83
		Add : Gratuity paid not provided for earlier	11.99
		Net Gratuity expenses disclosed under employee benefits expense.	95.40
	2	Included in other Comprehensive Income	
		Actuarial (Gain) / Loss recognized for the period	20.57
		Return on Plan Assets excluding net interest	(2.69)
		Actuarial (Gain) / Loss recognized in OCI	17.88
II		Net Asset / (Liability) recognised in the Balance Sheet as at	
	1	Present value of defined benefit obligation as at	(888.82)
	2	Fair value of plan assets as at	224.75
	3	Surplus / (Deficit)	(664.07)
	4	Current portion of the above	(109.09)
III		Change in the obligation during the year ended 31 March	
	1	Present value of defined benefit obligation at the beginning of the year	825.16
	2	Expenses Recognised in Profit and Loss Account	
		- Current Service Cost	33.92
		- Interest Expense (Income)	59.57
	3	Recognised in Other Comprehensive Income	
		Remeasurement gains / (losses)	
		Actuarial Gain / (Loss)	
		i. Demographic Assumptions	(28.21)
		ii. Financial Assumptions	31.67
		iii. Experience Adjustments	17.12
	4	Benefit payments	(50.41)
	5	Present value of defined benefit obligation at the end of the year	888.82
IV		Change in fair value of assets during the year ended 31 March	
	1	Fair value of plan assets at the beginning of the year	114.37
	2	Interest Income	8.26
	3	Return on Plan Assets, Excluding Interest Income	2.69
	4	Contributions by employer (including benefit payments recoverable)	149.84
	5	Benefit payments	(50.41)
	6	Fair value of plan assets at the end of the year	224.75

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

Composition of the plan assets is as follows:

Plan asset is maintained with Life Insurance Corporation of India. In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is

₹ in lakhs

Principal Assumptions		Changes in assumption	Impact on defined benefit obligation	
			Increase in assumptions	Decrease in assumptions
Discount Rate	31st March, 2020	1.00%	(27.99)	30.86
	31st March, 2019	1.00%	(15.93)	17.24
Salary growth Rate	31st March, 2020	1.00%	31.38	(28.96)
	31st March, 2019	1.00%	17.72	(16.65)
Withdrawal Rate	31st March, 2020	1.00%	3.93	(4.32)
	31st March, 2019	1.00%	2.59	(2.81)

The above sensitivity analysis are based on a change and assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumption used in preparing the sensitivity analysis did not change compared to prior period.

Maturity profile of projected benefit obligations

₹ in lakhs

Particulars	31st March, 2020	31st March, 2019
Within 1 year	339.56	445.53
1-2 years	65.21	60.29
2-3 years	72.70	85.74
3-4 years	158.12	64.57
4-5 years	50.07	63.11
Above 5 years	219.47	170.23
	<b>905.13</b>	<b>889.47</b>

The weighted average duration of the projected benefit obligation is approximately 5 years (31st March, 2019 - 3 years). The Expected contribution to be made by the Company during the financial year 2020-21 is ₹ 109.09 lakhs (Previous year ₹ 121.96 lakhs).

#### Risk exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

#### Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk, the plan assets have been deployed in high grade insurer managed funds.



## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

**Inflation rate risk:**

Higher than expected increase in salary and medical cost will increase the defined benefit obligation.

**Demographic risk:**

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterion.

**38 Fair Value measurements**

Financial Assets and Financial Liabilities

The carrying value and fair value of financial instruments by categories as at 31st March, 2020 is as follows:

Particulars	₹ in lakhs				
	Fair Value through P&L	Fair Value through OCI	Amortised cost	Total carrying value	Total fair value
<b>Financial Assets</b>					
<b>Non current</b>					
Investments	97.83	-	334.69	432.52	432.52
Security Deposits	-	-	1,073.28	1,073.28	1,073.28
<b>Current</b>					
Trade receivables	-	-	7,872.46	7,872.46	7,872.46
Cash and cash equivalents	-	-	89.67	89.67	89.67
Bank balances	-	-	523.88	523.88	523.88
Others					
Insurance claims receivable	-	-	27.50	27.50	27.50
Interest accrued	-	-	17.12	17.12	17.12
Other Receivables	-	-	278.30	278.30	278.30
<b>Total</b>	<b>97.83</b>	<b>-</b>	<b>10,216.90</b>	<b>10,314.73</b>	<b>10,314.73</b>
<b>Financial liabilities</b>					
<b>Non current</b>					
Borrowings	-	-	1,318.30	1,318.30	1,318.30
<b>Current</b>					
Borrowings	-	-	6,641.67	6,641.67	6,641.67
Trade payables	-	-	24,806.20	24,806.20	24,806.20
Others					
Others	-	-	938.90	938.90	938.90
<b>Total</b>	<b>-</b>	<b>-</b>	<b>33,705.07</b>	<b>33,705.07</b>	<b>33,705.07</b>

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

The carrying value and fair value of financial instruments by categories as at 31st March, 2019 is as follows:

Particulars	₹ in lakhs				
	Fair Value through P&L	Fair Value through OCI	Amortised cost	Total carrying value	Total fair value
<b>Financial Assets</b>					
<b>Non current</b>					
Investments	93.17	-	295.56	388.73	388.73
Security Deposits	-	-	996.27	996.27	996.27
<b>Current</b>					
Trade receivables	-	-	11,960.21	11,960.21	11,960.21
Cash and cash equivalents	-	-	713.00	713.00	713.00
Bank balances	-	-	586.33	586.33	586.33
Others					
Insurance claims receivable	-	-	110.19	110.19	110.19
Interest accrued	-	-	22.34	22.34	22.34
Other Receivables	-	-	220.34	220.34	220.34
Derivative contracts	1.08	-	-	1.08	1.08
<b>Total</b>	<b>94.25</b>	<b>-</b>	<b>14,904.24</b>	<b>14,998.49</b>	<b>14,998.49</b>
<b>Financial liabilities</b>					
<b>Non current</b>					
Borrowings	-	-	1,756.96	1,756.96	1,756.96
<b>Current</b>					
Borrowings	-	-	5,227.13	5,227.13	5,227.13
Trade payables	-	-	17,908.08	17,908.08	17,908.08
Others					
Others	-	-	1,193.06	1,193.06	1,193.06
<b>Total</b>	<b>-</b>	<b>-</b>	<b>26,085.23</b>	<b>26,085.23</b>	<b>26,085.23</b>

**Fair Value hierarchy**

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

Level 1: Fair value measurement are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1 and Level 2 during the year.

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

₹ in lakhs

Particulars	Fair value hierarchy as at 31st March, 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
<b>Non current</b>				
Investments	97.83	-	334.69	432.52
<b>Total</b>	<b>97.83</b>	<b>-</b>	<b>334.69</b>	<b>432.52</b>
<b>Financial liabilities</b>				
<b>Non current</b>				
Borrowings	-	1,318.30	-	1,318.30
<b>Current</b>				
Borrowings	140.50	6,501.17	-	6,641.67
<b>Total</b>	<b>140.50</b>	<b>7,819.47</b>	<b>-</b>	<b>7,959.97</b>

Particulars	Fair value hierarchy as at 31st March, 2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
<b>Non current</b>				
Investments	93.17	-	295.56	388.73
<b>Current</b>				
Derivative contracts	-	1.08	-	1.08
<b>Total</b>	<b>93.17</b>	<b>1.08</b>	<b>295.56</b>	<b>389.81</b>
<b>Financial liabilities</b>				
<b>Non current</b>				
Borrowings	76.40	1,680.56	-	1,756.96
<b>Current</b>				
Borrowings	246.43	4,980.70	-	5,227.13
<b>Total</b>	<b>322.83</b>	<b>6,661.26</b>	<b>-</b>	<b>6,984.09</b>

## Reconciliation of level 3 fair value measurements

For the year ended 31st March, 2020

₹ in lakhs

Particulars	Unlisted shares valued at amortised cost
Opening Balance	295.56
Total Profit/(loss) in Profit and Loss	39.13
Closing Balance	334.69

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

For the year ended 31st March, 2019

Particulars	Unlisted shares valued at amortised cost
Opening Balance	261.10
Total Profit / (loss) in Profit and Loss	34.46
Closing Balance	295.56

**Description of significant unobservable inputs to valuation**

	Valuation techniques	Significant unobservable inputs	Sensitivity of the input to fair value
Investment in unquoted Preference Shares	Discounted cash flow	Discount rate 13.20%	1% variation in discount rate results in P&L impact of ₹3.18 lakhs

**Capital Management and Gearing ratio**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return capital to shareholders or fresh issue of shares. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio below 30%. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents as detailed in the notes below.

The Company's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its Capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

**Gearing ratio:**

The gearing ratio at the end of the reporting period was as follows:

Debt-to-equity ratio are as follows:

₹ in lakhs

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Debt (i)	7,906.98	6,959.88
Less : Cash and Bank balances	613.55	1,299.33
Net debt	7,293.43	5,660.55
Total Capital (ii)	22,191.86	23,356.71
Capital and net debt	29,485.29	29,017.26
<b>Net debt to Total Capital plus net debt ratio (%)</b>	<b>25%</b>	<b>20%</b>

- (i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding derivative and contingent considerations).
- (ii) Equity is defined as Equity share capital and other equity including reserves and surplus.

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

39 Earnings per share	As at 31st March, 2020 ₹ in lakhs	As at 31st March, 2019 ₹ in lakhs
Profit / (loss) attributable to equity shareholders	(1,146.97)	(440.22)
Number of equity shares for Basic EPS	230,952,619	230,952,619
Basic earnings per equity share (in Rupees)	(0.50)	(0.19)
Profit / (loss) attributable to equity shareholders for calculation of diluted EPS	(1,146.97)	(440.22)
Number of equity shares for Basic EPS	230,952,619	230,952,619
Effect of Dilution - Share warrant	-	-
Weighted average number of equity shares adjusted for the effect of dilution	230,952,619	230,952,619
Diluted earnings per equity share (in Rupees)	(0.50)	(0.19)
Face value per share	1.00	1.00

- 40** Research and development expenses consist of employee expenses and other expenses of ₹ 268.03 lakhs (previous year ₹ 353.54 lakhs), and ₹ 120.21 lakhs (previous year ₹ 91.25 lakhs) respectively. Depreciation on Research and Development assets is ₹ 18.97 lakhs (previous year ₹ 21.43 lakhs) shown under Property, Plant and Equipment's.

#### 41. Related Party Disclosure

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

1. Key Management Personnel	Mr. G.L. Mirchandani - Chairman and Managing Director Mr. V.J. Mansukhani - Managing Director Mr. Kaval Mirchandani - Executive Director Mr. S. K. Dhoot - Whole - time Director (upto 12th February, 2019) Mr. Sanjay Munshi - Whole - time Director (upto 13th February, 2020) Mr. Lokesh Sikka - Whole - time Director (from 13th February, 2020) Mr. Rafique Malik - Independent Director Mr. Carlton Pereira - Independent Director Mr. Arvind Sharma - Independent Director Ms. Sujata Deshmukh - Independent Director Mr. G. Sundar - Chief Executive Officer Mr. Lalit Chendvankar - Head Corporate Affairs, Legal and Company Secretary Mr. Subrat Nayak - Chief Financial Officer (upto 13th August, 2018) Mr. Vishal Barot - Chief Financial Officer (from 14th August, 2018 upto 15th March, 2019) Mr. Karthi Chandramouli - Chief Financial Officer (from 14th August, 2019)
2. Relatives of Key Management Personnel	Mrs. Gita Mirchandani ( Wife 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.

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ in lakhs

Nature of transactions	Year	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
		(1)	(2)	(3)
<b>Purchase / (purchase return) of goods, services, intangible assets and spares</b>				
Iwai Electronics Pvt.Limited	2020	-	-	38.37
	2019	-	-	42.91
Adino Telecom Limited	2020	-	-	-
	2019	-	-	3.76
<b>Sale of goods, spares and services</b>				
Iwai Electronics Pvt. Limited	2020	-	-	-
	2019	-	-	0.18
<b>Inter Corporate Deposits / Loan received</b>				
V.J. Mansukhani	2020	-	-	-
	2019	507.00	-	-
G.L.Mirchandani	2020	-	-	-
	2019	792.03	-	-
Kaval Mirchandani	2020	-	-	-
	2019	300.00	-	-
<b>Repayment of Inter Corporate Deposits / Loan received</b>				
V.J. Mansukhani	2020	-	-	-
	2019	507.00	-	-
G.L.Mirchandani	2020	-	-	-
	2019	792.03	-	-
Kaval Mirchandani	2020	-	-	-
	2019	300.00	-	-
<b>Rent paid</b>				
G.L.Mirchandani	2020	2.59	-	-
	2019	2.59	-	-
Gita Mirchandani	2020	-	10.42	-
	2019	-	10.42	-
Akshay Mansukhani	2020	-	0.89	-
	2019	-	0.89	-
Ayesha Mansukhani	2020	-	0.89	-
	2019	-	0.89	-

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ in lakhs

Nature of transactions	Year	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
		(1)	(2)	(3)
Gulita Wealth Advisors Private Limited	2020	-	-	30.00
	2019	-	-	30.00
Adino Electronics Ltd.	2020	-	-	5.21
	2019	-	-	2.60
<b>Refund of rent deposit</b>				
Gita Mirchandani	2020	-	10.42	-
	2019	-	-	-
<b>Remuneration of key management personnel</b>				
G.L. Mirchandani				
Remuneration including defined benefit contribution	2020	121.63	-	-
Post employment defined benefits	2020	3.92	-	-
Remuneration including defined benefit contribution	2019	121.63	-	-
Post employment defined benefits	2019	3.92	-	-
V.J.Mansukhani				
Remuneration including defined benefit contribution	2020	121.63	-	-
Post employment defined benefits	2020	3.92	-	-
Remuneration including defined benefit contribution	2019	121.63	-	-
Post employment defined benefits	2019	3.92	-	-
Kaval Mirchandani				
Remuneration including defined benefit contribution	2020	34.81	-	-
Post employment defined benefits	2020	0.45	-	-
Remuneration including defined benefit contribution	2019	42.38	-	-
Post employment defined benefits	2019	2.44	-	-
S.K. Dhoot				
Remuneration including defined benefit contribution	2020	-	-	-
Post employment defined benefits	2020	-	-	-
Remuneration including defined benefit contribution	2019	53.06	-	-
Post employment defined benefits	2019	1.00	-	-
G. Sundar				
Remuneration including defined benefit contribution	2020	233.99	-	-
Post employment defined benefits	2020	-	-	-
Remuneration including defined benefit contribution	2019	313.06	-	-
Post employment defined benefits	2019	19.43	-	-

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ in lakhs

Nature of transactions	Year	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
		(1)	(2)	(3)
<b>Lalit Mohan Chendvankar</b>				
Remuneration including defined benefit contribution	2020	40.23	-	-
Post employment defined benefits	2020	0.53	-	-
Remuneration including defined benefit contribution	2019	43.35	-	-
Post employment defined benefits	2019	0.70	-	-
<b>Subrat Nayak</b>				
Remuneration including defined benefit contribution	2020	-	-	-
Post employment defined benefits	2020	-	-	-
Remuneration including defined benefit contribution	2019	19.25	-	-
Post employment defined benefits	2019	-	-	-
<b>Vishal Barot</b>				
Remuneration including defined benefit contribution	2020	-	-	-
Post employment defined benefits	2020	-	-	-
Remuneration including defined benefit contribution	2019	43.12	-	-
Post employment defined benefits	2019	-	-	-
<b>Sanjay Munshi</b>				
Remuneration including defined benefit contribution	2020	63.78	-	-
Post employment defined benefits	2020	-	-	-
Remuneration including defined benefit contribution	2019	10.09	-	-
Post employment defined benefits	2019	0.45	-	-
<b>Karthi Chandramouli</b>				
Remuneration including defined benefit contribution	2020	25.66	-	-
Post employment defined benefits	2020	1.16	-	-
Remuneration including defined benefit contribution	2019	-	-	-
Post employment defined benefits	2019	-	-	-
<b>Lokesh Sikka</b>				
Remuneration including defined benefit contribution	2020	6.59	-	-
Post employment defined benefits	2020	2.60	-	-
Remuneration including defined benefit contribution	2019	-	-	-
Post employment defined benefits	2019	-	-	-



## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ in lakhs

Nature of transactions	Year	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
		(1)	(2)	(3)
<b>Sitting Fees</b>				
Mr. Rafique Malik	2020	2.38	-	-
	2019	1.70	-	-
Mr. Carlton Pereira	2020	1.95	-	-
	2019	1.80	-	-
Mr. Arvind Sharma	2020	1.64	-	-
	2019	1.60	-	-
Ms. Sujata Deshmukh	2020	0.31	-	-
	2019	0.70	-	-

**Terms and conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Loans to Related party**

There is no loan outstanding with any related party.

**Related party balances**

₹ in lakhs

Nature of transactions	Year	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
		(1)	(2)	(3)
<b>Receivable</b>				
Gita Mirchandani Rent Deposit given	2020	-	-	-
	2019	-	10.42	-
Akshay Mansukhani Rent Deposit given	2020	-	0.89	-
	2019	-	0.89	-
Ayesha Mansukhani Rent Deposit given	2020	-	0.89	-
	2019	-	0.89	-

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ in lakhs

Nature of transactions	Year	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
		(1)	(2)	(3)
<b>G.L.Mirchandani</b>				
Rent Deposit given	2020	2.59	-	-
	2019	2.59	-	-
<b>Gulita Wealth Advisors Private Limited</b>				
Rent Deposit	2020	-	-	1,000.00
	2019	-	-	1,000.00
<b>Adino Telecom Limited</b>				
Debtors	2020	-	-	-
	2019	-	-	0.63
Interest Receivable	2020	-	-	-
	2019	-	-	15.07
<b>Adino Electronics Limited</b>				
Debtors	2020	-	-	2.11
	2019	-	-	3.10
<b>Payable</b>				
<b>Remuneration payable</b>				
<b>G.L. Mirchandani</b>				
Remuneration	2020	7.64	-	-
Post employment defined benefits	2020	113.77	-	-
Remuneration	2019	7.64	-	-
Post employment defined benefits	2019	109.85	-	-
<b>V.J. Mansukhani</b>				
Remuneration	2020	10.14	-	-
Post employment defined benefits	2020	153.00	-	-
Remuneration	2019	10.14	-	-
Post employment defined benefits	2019	149.08	-	-
<b>Kaval Mirchandani</b>				
Remuneration	2020	2.66	-	-
Post employment defined benefits	2020	9.56	-	-
Remuneration	2019	2.66	-	-
Post employment defined benefits	2019	9.11	-	-

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ in lakhs

Nature of transactions	Year	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. Sundar				
Remuneration	2020	18.44	-	-
Post employment defined benefits	2020	130.00	-	-
Remuneration	2019	18.51	-	-
Post employment defined benefits	2019	131.75	-	-
Lalit Mohan Chendvankar				
Remuneration	2020	3.23	-	-
Post employment defined benefits	2020	2.43	-	-
Remuneration	2019	3.23	-	-
Post employment defined benefits	2019	1.90	-	-
Vishal Barot				
Remuneration	2020	-	-	-
Post employment defined benefits	2020	-	-	-
Remuneration	2019	0.79	-	-
Post employment defined benefits	2019	-	-	-
Sanjay Munshi				
Remuneration	2020	-	-	-
Post employment defined benefits	2020	-	-	-
Remuneration	2019	5.85	-	-
Post employment defined benefits	2019	0.45	-	-
Karthi Chandramouli				
Remuneration	2020	3.39	-	-
Post employment defined benefits	2020	1.16	-	-
Remuneration	2019	-	-	-
Post employment defined benefits	2019	-	-	-
Lokesh Sikka				
Remuneration	2020	3.93	-	-
Post employment defined benefits	2020	2.60	-	-
Remuneration	2019	-	-	-
Post employment defined benefits	2019	-	-	-

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ in lakhs

Nature of transactions	Balance As on	Key management Personnel	Relatives of key management personnel	Enterprise over which any person described in (1) & (2) is having significant influence
		(1)	(2)	(3)
<b>Sitting Fees Payable</b>				
Mr. Rafique Malik	2020	0.62	-	-
	2019	0.60	-	-
Mr. Carlton Pereira	2020	0.52	-	-
	2019	0.50	-	-
Mr. Arvind Sharma	2020	0.41	-	-
	2019	0.40	-	-
Ms. Sujata Deshmukh	2020	0.31	-	-
	2019	0.30	-	-
<b>Rent Payable</b>				
Gulita Wealth Advisors Private Limited	2020	-	-	5.00
	2019	-	-	2.25
G.L.Mirchandani	2020	-	-	0.22
	2019	-	-	-
Akshay Mansukhani	2020	-	-	0.07
	2019	-	-	-
Ayesha Mansukhani	2020	-	-	0.07
	2019	-	-	-

42. In accordance with the provisions of Section 135 (5) of the Companies Act, 2013, the Company is not required to provide / spend any amount under Corporate Social Responsibility during the year ended 31st March, 2020.

#### 43 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

##### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises two types of risk: currency rate risk and interest rate risk. Financial instruments affected by market risks include loans and borrowings, deposits and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at 31st March, 2020 and 31st March, 2019. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

**(i) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Companies operating activities that is buying of Raw Material and Finished Goods from international buyers. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of purchases. The Company hedges its exposure to fluctuations on the translation into INR of its imports operations. This foreign currency risk is hedged by using foreign currency forward contracts.

Following table analysis foreign currency assets and liabilities as on balance sheet date

	31st March, 2020		31st March, 2019	
	Foreign currency in lakhs	₹ in lakhs	Foreign currency in lakhs	₹ in lakhs
<b>Foreign currency liabilities</b>				
In USD	100.06	7,543.00	102.84	7,111.73
in RMB	-	-	3.16	32.60
<b>Foreign currency Assets</b>				
In USD	1.02	76.84	3.08	213.00

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company exposure to foreign currency as on 31st March, 2020 is tabulated below.

		Effect on profit before tax	Effect on pre tax equity
31st March, 2020	Rupee depreciates by Re.1 against USD	(99.04)	(99.04)
	Rupee appreciate by Re.1 against USD	99.04	99.04
31st March, 2019	Rupee depreciates by Re.1 against USD	(99.76)	(99.76)
	Rupee appreciate by Re.1 against USD	99.76	99.76

Notes :

1. +/- Gain / Loss
2. The impact of depreciation / appreciation on foreign currency other than USD on profit before tax of the Company is not material

**Derivative financial instruments**

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank. These derivative financial instruments are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace. The following table gives details in respect of outstanding foreign exchange forward and option contracts

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

## Outstanding Contracts

Particulars	31st March, 2020		
	Foreign currency in lakhs	Nominal value ₹ in lakhs	Fair value ₹ in lakhs
Forward contracts			
In USD	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	31st March, 2019		
	Foreign currency in lakhs	Nominal value ₹ in lakhs	Fair value ₹ in lakhs
Forward contracts			
In USD	55.00	3,865.72	1.08
<b>Total</b>	<b>55.00</b>	<b>3,865.72</b>	<b>1.08</b>

Fair value in bracket '()' denotes liability.

## (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial Instrument will fluctuate because of changes in market interest rates.

The Company's borrowings are commercial banks to meet the working capital requirements for operation of the business. The banks generally charge the card rate to the Company based on Annual appraisal by internal and external ratings. There is no major fluctuation on those interest rates charged by the bank during the period under audit.

If the interest rates had been 50 basic points higher or lower and all the other variables were held constant, the effect of interest expense for the respective financial years and consequent effect on company's profit in that financial year would have been as below

	31st March, 2020		31st March, 2019	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	904.57	833.67	1,015.67	941.97
Effect on profit before tax	35.45	(35.45)	36.85	(36.85)

## (b) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including foreign exchange transactions. The company generally deals with parties which has worthiness based on company's internal assessment.

Particulars	31st March, 2020	31st March, 2019
Trade receivable	7,872.46	11,960.21
Loans	-	-
Other financial assets	1,396.20	1,350.22

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

Refer Note 9 for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from the parties under normal course of the business and the Company has made provision as per ECL model. The Company has not acquired any credit impaired asset. There was no modification in any financial assets.

**Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Maturity Profile of Companies Financial Liabilities based on contractual undiscounted payments

	₹ in lakhs					
	On demand	Less than 3 Months	3 to 12 Months	1 to 5 years	> 5 years	Total
<b>Year Ended March 2020</b>						
Non Current Borrowings	-	-	-	1,318.30	-	1,318.30
Borrowings - Cash credit	6,134.51	-	-	-	-	6,134.51
Trade payables	-	20,090.53	2,316.87	-	-	22,407.40
Acceptance	-	2,398.80	-	-	-	2,398.80
Current maturities of Long-term borrowings from Indusind Bank	-	55.53	31.98	-	-	87.51
Current maturities of Long-term borrowings from ABFL	-	50.00	316.66	-	-	366.66
Interest accrued on borrowings	-	52.99	-	-	-	52.99
Others payables						
Dealer Deposits	59.41	-	-	-	-	59.41
Employee Benefits	-	878.52	-	-	-	878.52
Creditors for Capital items	-	0.97	-	-	-	0.97
	<b>6,193.92</b>	<b>23,527.34</b>	<b>2,665.51</b>	<b>1,318.30</b>	-	<b>33,705.07</b>
<b>Year Ended March 2019</b>						
Non Current Borrowings	-	-	-	1,756.96	-	1,756.96
Borrowings - Cash credit	4,780.70	-	-	-	-	4,780.70
Trade payables	-	8,405.91	6,088.68	25.20	-	14,519.79
Acceptance	-	3,388.29	-	-	-	3,388.29
Current maturities of Long-term borrowings from Indusind Bank	-	55.56	166.66	-	-	222.22
Current maturities of Long-term borrowings from ABFL	-	50.00	150.00	-	-	200.00
Interest accrued on borrowings	-	24.21	-	-	-	24.21
Others payables						
Dealer Deposits	59.61	-	-	-	-	59.61
Employee Benefits	-	1,115.39	-	-	-	1,115.39
Creditors for Capital items	-	10.64	7.42	-	-	18.06
	<b>4,840.31</b>	<b>13,050.00</b>	<b>6,412.76</b>	<b>1,782.16</b>	-	<b>26,085.23</b>

## NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

- 44 Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

	31st March, 2020 ₹ in lakhs	31st March, 2019 ₹ in lakhs
a) Principal amount remaining unpaid as	120.76	7.48
b) Interest due thereon as on	-	-
c) The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
d) The amount of Interest due and	1.29	-
e) The amount of Interest accrued and	-	-
f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	1.29	-

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Amounts unpaid to Micro and small enterprises vendors on account of retention money have not been considered for the purpose of interest calculation.

#### 45 Significant events during and after the reporting period

The spread of Covid 19 has affected the business from Mid-March 2020, which culminated into scaling down of the Company's operations, post the national lock down. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which includes closing of manufacturing facilities and warehouses.

Given the uncertainty of turnaround to normalcy, post lifting of the lock down, the Company has carried out assessment of possible impact on its business operations, financial assets and its overall liquidity position, based on reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of carrying value as at 31st March, 2020 of its assets or in meeting its financial obligations over next twelve months.

Pursuant to the relaxed guidelines, the Company has now resumed its manufacturing operations as allowed in keeping with Government advisories. Sales activities are being resumed with warehouses becoming functional for material movement. Since the situations are continuously evolving, the impact assessed may be different from the estimates made as at the date of approval 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 June, 2020

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

G.L. Mirchandani  
Chairman and Managing Director  
DIN : 00026664

Lalit Chendvankar  
Head Corporate Affairs,  
Legal and Company Secretary

V.J.Mansukhani  
Managing Director  
DIN : 01041809

Karthi Chandramouli  
Chief Financial Officer









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



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



[www.instagram.com/Onida.india](https://www.instagram.com/Onida.india)

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

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