

29th July, 2022

Ref. No. 30/2022-2023

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

Ref: Scrip Code: BSE - 500279, NSE - MIRCELECTR**Sub: Compliance under Regulation 30(2), 34(1), 42 and 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is to inform you that 41st Annual General Meeting (AGM) of the Company is scheduled to be held on Monday, 22nd August, 2022 at 3:00 p.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"). In this regard and in compliance with the provisions 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 AGM Notice dated 27th July, 2022 and Annual Report for the financial year 2021-2022.

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 Both days inclusive | | Record Date | Purpose |
|--------------------------------|------------------|--|--|-------------|------------------------------|
| | | From | To | | |
| NSE: MIRCELECTR BSE: 500279 | Equity | Monday, 15 th August, 2022 | Monday, 21 st August, 2022 | N.A. | Annual General Meeting |

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 31st March, 2022 is being sent electronically to those members whose e-mail IDs are registered with the Company/Depository Participant on 22nd July, 2022 in compliance

MIRC ELECTRONICS LIMITED

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

Tel.: +91-22-6697 5777, 2820 0435 Fax: +91-22-28202002

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



with Ministry of Corporate Affairs Circular No. 02/2022 dated 5th May, 2022 read together with Circular No. 21/2021 dated 14th December, 2021, Circular No. 19/2021 dated 8th December, 2021, Circular No. 02/2021 dated 13th January, 2021, Circular No. 20/2020 dated 5th May, 2020, Circular No. 17/2020 dated 13th April, 2020 and Circular No. 14/2020 dated 8th April, 2020 and Securities and Exchange Board of India Circular no. No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 read together with Circular No. SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May, 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 Monday, 15th August, 2022 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 Friday, 19th August, 2022 at 09.00 a.m. and ends on Sunday, 21st August, 2022 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.

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

Thanking You.

for MIRC Electronics Limited

Prasad

Prasad Oak

Head - Legal, Corporate Affairs
& Company Secretary



Encl: A/a.

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Andheri (East), Mumbai:-400 093
CIN : L32300MH1981PLC023637
www.onida.com

NOTICE

NOTICE is hereby given that the **Forty-First Annual General Meeting** of the members of **MIRC Electronics Limited** will be held on **Monday, August 22, 2022 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, 2022, together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gulu Mirchandani (DIN: 00026664), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To approve the re-appointment of Mr. Gulu Mirchandani (DIN: 00026664), as a Chairman and Managing 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 the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of the Managerial Personnel) 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 May 25, 2022, the approval of members of the Company be and is hereby given to the re-appointment and remuneration of Mr. Gulu Mirchandani (DIN: 00026664), as a Chairman & Managing Director of the Company for a period of 3 (Three) years effective from December 01, 2022 to November 30, 2025 (both days inclusive) on such terms and conditions including remuneration as set out in Item No. 3 of the explanatory statement annexed to the Notice convening this Meeting."

4. To approve the re-appointment of Mr. Kaval Mirchandani (DIN: 01179978), 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 the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of the Managerial Personnel) 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 May 25, 2022, the approval of members of the Company be and is hereby given to the re-appointment and remuneration of Mr. Kaval Mirchandani (DIN: 01179978), as a Whole Time Director of the Company for a period of 3 (Three) years effective from May 26, 2022 to May 25, 2025 (both days inclusive) 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 increase in remuneration of Mr. Lokesh Sikka (DIN: 08665841), Whole Time Director of the Company for the period from August 01, 2022 to February 12, 2023 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 the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of the Managerial Personnel) 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 July 27, 2022, the approval of members of the Company be and is hereby given to increase in remuneration of Mr. Lokesh Sikka (DIN: 08665841) Whole Time Director of the Company for the period from August 01, 2022 to February 12, 2023 on such terms and conditions including remuneration as set out in Item No. 5 of the explanatory statement annexed to the Notice convening this Meeting."

6. To approve the re-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 the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of the Managerial Personnel) 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 May 25, 2022 and July 27, 2022, the approval of members of the Company be and is hereby given to the re-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, 2023 to February 12, 2026 (both days inclusive) on such terms and conditions including remuneration as set out in Item No. 6 of the explanatory statement annexed to the Notice convening this Meeting.”

7. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2023 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, 2023, be paid remuneration of Rs. 2,50,000/-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**

**Gulu Mirchandani
Chairman & Managing
Director**

**Place: Mumbai
Date: 27th July, 2022**

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its Circular No. 02/2022 dated May 05, 2022 read together with Circular No. 21/2021 dated December 14, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 02/2021 dated January 13, 2021, Circular No. 20/2020 dated May 5, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 14/2020 dated April 8, 2020 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 read together with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as “SEBI Circulars”), have permitted 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”), as amended from time to time and MCA Circulars, 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 Circulars, 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 authorised 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/ or power of attorney, (PDF/JPG Format) if any, authorizing its representative to attend and vote on their behalf at the AGM. 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 Circulars, Notice of the AGM along with the Annual Report for financial year 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for financial year 2021-22 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 e-mail address of the Company i.e. investors@onida.com. The Notice of AGM is also placed 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. 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.
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Members seeking any information/intend 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.
10. 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.
11. Notice is also given under Section 91 of the Act read with Regulation 42 of the SEBI (LODR) Regulations, 2015 as amended from time to time, that the Register of Members and Share Transfer Register of the Company will remain closed from Monday, August 15, 2022 to Monday, August 22, 2022 (both days inclusive).
12. 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.
13. 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.
14. 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.

15. 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 dematerialize their holdings at the earliest.
16. 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.
17. The members holding the shares in physical form can avail of 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 need to be lodged by the members with their Depository Participants.
18. 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 Company Secretarial Department of the Company or the Registrar and Share Transfer Agent of the Company.
19. As per Regulation 36(3) of SEBI (LODR) Regulations, 2015 as amended from time to time and Secretarial Standards (SS) -2 issued by the Institute of Company Secretaries of India (ICSI), details in respect of a director seeking appointment/re-appointment at the Annual General Meeting are separately annexed to this Notice.
20. The AGM will be held through VC/OAVM and hence Route Map and Attendance Slip are not annexed to this Notice.
21. After the AGM, the recorded transcript of the Meeting shall also be uploaded on the website of the Company, i.e. www.onida.com.
22. 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, May 05, 2020 and January 13, 2021, the Company is pleased to provide its members with facility of 'remote e-voting' to exercise their right to vote at the Forty-First 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 already cast their vote by remote e-voting prior to the AGM 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, Practising 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 Friday, August 19, 2022 (9.00 a.m.) and ends on Sunday, August 21, 2022 (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 Monday, August 15, 2022 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

In order to increase the efficiency of the voting process, all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories/ Depository Participants would be able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovementioned SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
- The shareholders should log on to the e-voting website www.evotingindia.com;
 - Click on "Shareholders" module;
 - Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - Next enter the Image Verification as displayed and Click on Login;
 - If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used;
 - If you are a first time user follow the steps given below:

| | |
|-----|---|
| | For Shareholders holding shares in Demat Form other than individual 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. |
|--|--|

- After entering these details appropriately, click on "SUBMIT" tab;
- Members holding shares in physical form will then directly reach the Company selection screen. However, the 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 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;
- For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
- Click on the EVSN for the relevant MIRC Electronics Limited on which you choose to vote;
- 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;
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details;
- 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;
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote;
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page;
- 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;

(xvi) Facility for Non – Individual Shareholders and Custodians-Remote Voting:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@onida.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xvii) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

23. 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. Monday, August 15, 2022;
24. 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. Monday, August 15, 2022, 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
25. 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 and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.

Instructions for Shareholders attending the AGM through VC/OAVM and e-voting during meeting are as under:

1. The shareholders will be provided with a facility to attend the AGM through VC/OAVM, the procedure for attending meeting is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. The Members can join the Meeting through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM 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.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
5. The Shareholders are encouraged to join the AGM through Laptops / IPads for better experience;
6. Further Shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the AGM;
7. 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.
8. 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.
9. Only those shareholders, who are present in the AGM/EGM 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 EGM/AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Process for those Shareholders whose E-mail ID/Mobile no. are not registered with the Company/Depositories:

1. For Physical shareholders- 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 Aadhar Card) by email to Registrar and Transfer Agent at rnt.helpdesk@linkintime.co.in or Company at investors@onida.com.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

Item No. 3:

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their Board Meeting held on May 25, 2022, approved the re-appointment and remuneration to Mr. Gulu Mirchandani (DIN: 00026664), as Chairman & Managing Director of the Company for a period of 3 (Three) years with effect from December 01, 2022, subject to the approval of members of the Company.

In accordance with the provisions of Section 196 and Schedule V of the Companies Act, 2013 (the 'Act'), a person who has attained the age of 70 years can be appointed / continued as managing director only by passing a special resolution, in which case, the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person. It is

proposed to re-appoint Mr. Gulu Mirchandani as Chairman & Managing Director of the Company who has crossed the age of 70 years, for a further period of three years considering his more than 40 years' experience in consumer electronic industry and he has been Promoter Director of the Company since its inception.

The material terms and conditions as approved by the Board of Directors and contained in the agreement entered into between Mr. Gulu Mirchandani and the Company are as follows:

- I] A] The Chairman & Managing Director shall perform his duties and exercise substantial powers of management within the applicable provisions of law. He will be subject to the overall supervision and control of the Board of Directors of the Company.
B] The Chairman & Managing Director shall maintain secrecy during the continuance of his employment.

II] PERIOD OF RE-APPOINTMENT: -

The tenure of re-appointment shall be for a period of three years effective from December 01, 2022 to November 30, 2025.

III

[A] REMUNERATION: -

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

a) Basic Salary

Basic: Rs. 6,80,000/- per month.

b) Commission

In case of Company having profit in a financial year, in addition to Salary and Perquisites, Commission shall be paid to Mr. Gulu Mirchandani, Chairman & Managing Director, which shall not exceed the limits specified in Section 197 of the Companies Act 2013.

c) Perquisites

In addition to the above, the Chairman & Managing Director shall be entitled to the following perquisites:

This will comprise inter-alia of House Rent Allowance, Leave Travel Concession, Medical re-imbusement and Personal Accident Insurance. This will be provided as under:

(1) Housing

- i) The Company shall provide a rent free furnished accommodation to the Chairman & Managing Director according to his choice of location and preference of premises.
- ii) In case Company owns the accommodation, the Company shall deduct 10% of the basic Salary of the Chairman & Managing Director.

- iii) In case no accommodation is provided by the Company, the Chairman & Managing Director shall be entitled to a House Rent Allowance subject to ceiling of 60% of his basic salary.

(2) Leave Travel Allowance:

For self and family, once in each year, in accordance with the Rules of the Company.

(3) Medical and Personal Accident Insurance

Personal Accident Insurance and reimbursement of Medical expenses incurred by Mr. Gulu Mirchandani and his family, subject to a ceiling of Rs. 24,000 p.a. (For the purpose, 'Family' means spouse, dependent children and dependent parents of Mr. Gulu Mirchandani). In the event medical bills are not submitted, Mr. Gulu Mirchandani will be entitled to medical allowance upto the above ceiling.

The total remuneration by way of salary and perquisites shall not be exceeding Rs. 120 lacs p.a. as per effective capital of the Company computed as per Schedule V to the Companies Act, 2013.

[B] PERQUISITES NOT INCLUDED IN MANAGERIAL REMUNERATION:

The following perquisites shall not be included in the computation of above ceiling as per Schedule V to the Companies Act, 2013.

(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.

(3) Encashment of Leave:

At the end of the tenure and it shall not be included in the computation of above ceiling.

[C] OTHER BENEFITS:

Fully maintained Cars for use on Company's business, telephone, mobile, internet, facsimile and other communication facilities. Personal long distance calls on telephone and use of car for private purpose shall be reimbursed to the Company.

[D] ANNUAL INCREMENTS:

In case of Company making profits, the Chairman & Managing Director will be entitled to an annual increment as may be decided by the Nomination and Remuneration Committee however the total remuneration payable to the Chairman & Managing Director in any financial year shall not exceed 5% of the Net Profits of the Company as computed under Section 198 of the Companies Act, 2013.

[E] 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 Chairman & Managing 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 Chairman & Managing 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. Gulu Mirchandani (DIN: 00026664) is available for inspection by the members of the Company in physical or in electronic form at its registered office of the Company situated at G-1, Onida House, M.I.D.C., 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.

Mr. Gulu Mirchandani (DIN: 00026664) is relative of Mr. Kaval Mirchandani (DIN: 01179978), Whole Time Director and both of them and their respective relatives are deemed to be directly or indirectly concerned or interested in the re-appointment and remuneration of Mr. Gulu Mirchandani (DIN: 00026664), as stated in the resolution and are not entitled to vote on this resolution. Further no member of the Company shall vote on above special resolution, if such member is a related party.

The Board recommends the above resolution to be passed as Special Resolution.

None of the Directors other than Mr. Gulu Mirchandani (DIN: 00026664) himself and Mr. Kaval Mirchandani (DIN: 01179978), being relative, 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 the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their Board Meeting held on May 25, 2022, approved the reappointment and remuneration of Mr. Kaval Mirchandani (DIN: 01179978), Whole-Time Director of the Company, for a period of 3 (three) years w.e.f. May 26, 2022, 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. Kaval Mirchandani (DIN: 01179978) 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 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 RE-APPOINTMENT: -

The tenure of re-appointment shall be for a period of three years effective from May 26, 2022 to May 25, 2025.

III]

[A] REMUNERATION: -

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

- i] Salary: Rs. 1,20,000/- per month.
- ii] Accommodation: Rent free furnished accommodation or upto 50% of salary as House Rent Allowance in lieu of accommodation.
- iii] Other allowances and Perquisites (Special Allowance, Education Allowance, LTA, Bonus etc.) upto 100% of the salary and as determined by the Board of Directors from time to time.
- iv] Performance/Variable pay: As per his performance evaluated by Nomination & Remuneration Committee.

The above remuneration and perquisites shall not exceed Rs. 45,00,000/- per annum and as revised annually.

In addition to the above he would be entitled to following perquisites and benefits as per the policy of the Company in force. This will be exempt perquisites and will not be considered in above limits.

- a. Company maintained car with driver
- b. Telephone and other communication facilities
- c. Mediclaim for self and family
- d. Company's contribution to Provident Fund
- e. Payment of Gratuity and other retirement benefits
- f. Encashment of leave

[B] ANNUAL INCREMENTS: -

The remuneration payable to Mr. Kaval Mirchandani would be on a time scale basis to be revised annually on the 1st of April every year, for the term of his re-appointment, at the discretion of the Nomination and Remuneration Committee and Board of Directors of the Company and subject to the performance of Mr. Kaval Mirchandani.

[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. Kaval Mirchandani (DIN: 01179978), is available for inspection by the members of the Company at its 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.

Mr. Kaval Mirchandani (DIN: 01179978) is relative of Mr. Gulu Mirchandani (DIN: 00026664), Chairman and Managing Director of the Company and both of them and their respective relatives are deemed to be directly or indirectly concerned or interested in the re-appointment and remuneration of Mr. Kaval Mirchandani (DIN: 01179978), as stated in the resolution and are not entitled to vote on this resolution. Further no member of the Company shall vote on above special resolution, if such member is a related party.

The Board recommends the above resolution to be passed as Special Resolution.

None of the Directors other than Mr. Kaval Mirchandani (DIN: 01179978) himself and Mr. Gulu Mirchandani (DIN: 00026664), being relative 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. 4 of the Notice.

Item No. 5:

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their Board Meeting held on July 27, 2022, approved the increase in remuneration of Mr. Lokesh Sikka (DIN: 08665841), Whole-Time Director of the Company, for the period from August 01, 2022 to February 12, 2023, 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 REMUNERATION: -

The remuneration shall be effective from August 01, 2022 to February 12, 2023.

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 Salary: Rs. 15,84,000/- (Rupees Fifteen Lakhs Eight Four Thousand only) per annum.

b) Special Allowance

Special Allowance: Rs. 9,25,966/- (Rupees Nine Lakhs Twenty-Five Thousand Nine Hundred and Sixty Six only) per annum.

c) Performance Pay

Performance Pay: Rs. 7,70,000/- (Rupees Seven Lakhs Seventy Thousand 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: Rs. 2,400/- (Rupees Two Thousand Four Hundred only) per annum.

e) Lunch Allowance

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

f) Bonus/ Ex-Gratia

Bonus/Ex-Gratia: Rs. 3,16,800/- (Rupees Three Lakhs Sixteen 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:

Rs. 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 Rs. 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 Rs. 9,00,000/- (Rupees Nine Lakhs only) per annum.
- b) Driver Allowance/Reimbursement Rs. 3,84,000/- (Rupees Three Lakhs Eighty-Four Thousand only) per annum.
- c) Fuel Reimbursement Rs. 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 Rs. 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 its 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. 5 of the Notice.

Item No. 6:

Pursuant to recommendation of the Nomination and Remuneration Committee, the Board of Directors in their Board meeting held on May 25, 2022 and July 27, 2022, approved the re-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, 2023, 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 three years effective from February 13, 2023 to February 12, 2026 (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 Salary: Rs. 15,84,000/- (Rupees Fifteen Lakhs Eight Four Thousand only) per annum.

b) Special Allowance

Special Allowance: Rs. 9,25,966/- (Rupees Nine Lakhs Twenty-Five Thousand Nine Hundred and Sixty Six only) per annum.

c) Performance Pay

Performance Pay: Rs. 7,70,000/- (Rupees Seven Lakhs Seventy Thousand 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: Rs. 2,400/- (Rupees Two Thousand Four Hundred only) per annum.

e) Lunch Allowance

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

f) Bonus/ Ex-Gratia

Bonus/Ex-Gratia: Rs. 3,16,800/- (Rupees Three Lakhs Sixteen 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:

Rs. 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 Rs. 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 Rs. 9,00,000/- (Rupees Nine Lakhs only) per annum.
- b) Driver Allowance/Reimbursement Rs. 3,84,000/- (Rupees Three Lakhs Eighty-Four Thousand only) per annum.
- c) Fuel Reimbursement Rs. 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 Rs. 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 its 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. 6 of the Notice.

Item No. 7:

On the recommendation of the Audit Committee, the Board of Directors in their meeting held on May 25, 2022 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, 2023 on an audit fees of Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand 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. 7 of the Notice for approval of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2023.

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. 7 of the Notice.

STATEMENT OF DISCLOSURE PURSUANT TO SCHEDULE V TO THE COMPANIES ACT, 2013 IN RELATION TO ITEM NO. 3 To 6 OF THE NOTICE:

I. General Information

- Nature of Industry:

The Company is engaged in the business of manufacture and marketing of consumer electronics goods primarily under the brand named 'Onida' and 'IGO'. The Company has three manufacturing plants viz, Wada (Maharashtra), Lote-Parshuram, Chiplun (Maharashtra) and Roorkee-II (Uttarakhand).

- Date of commencement of commercial production: The commercial production started at Wada plant in July, 1994 and Roorkee Plant -II in October, 2009 respectively.
- Financial performance of the Company

Amount (in Cr.)

| Particulars | Financial Year | | |
|--------------------------|----------------|-----------|-----------|
| | 2021-2022 | 2020-2021 | 2019-2020 |
| Gross Turnover | 1190.61 | 762.69 | 603.11 |
| Profit/(Loss) before Tax | (2.96) | (5.95) | (11.46) |
| Profit/(Loss) after Tax | (20.07) | 1.89 | (11.46) |
| Dividend | --- | --- | --- |

- Export performance and net foreign exchange collaborations:

Export performance and total foreign exchange earnings for the financial year 2021-2022 is Rs. 5.67 Lacs.

- Foreign investment or collaborators : NIL

However as on March 31, 2022, the total Foreign Shareholding is 45,87,854 equity shares constituting 1.99% of the paid-up share capital which includes Foreign portfolio investor (Corporate) holding of 31,39,261 equity shares and NRI holding of 14,48,593 equity shares.

II. Information about the appointees:

A. Mr. Gulu Mirchandani (DIN: 00026664):

- Background details: Mr. Gulu Mirchandani is one of the main promoters of the Company and is associated with the Company since its inception. Mr. Gulu Mirchandani is an alumnus of BITS, Pilani and holds a degree in BE (Mechanical).

- Past Remuneration: As stated below

Amount (in ₹)

| Particulars | Financial Year | | |
|--|--------------------|--------------------|--------------------|
| | 2021-2022 | 2020-2021 | 2019-2020 |
| Salary, Allowance & Perquisites | 1,11,84,000 | 98,07,740 | 1,11,84,000 |
| Provident Fund & Superannuation / Gratuity | 9,79,200 | 8,16,450 | 9,79,200 |
| Total | 1,21,63,200 | 1,06,24,190 | 1,21,63,200 |

Note: - Contribution to Provident Fund & Superannuation / Gratuity payable shall not be included in the computation of the ceiling on managerial remuneration specified in Schedule V to the Companies Act, 2013.

- Recognition or awards: The Company has won the award for excellence in electronics under the leadership of Mr. Gulu Mirchandani in the year 1999 from the Ministry of Information Technology, Government of India. Mr. Gulu Mirchandani has held several key positions in the industry. He was appointed as the President of Consumer Electronics and TV Manufacturers Association (CETMA) for two consecutive years in 1992 and 1994. He has vast experience in electronic industry and proven expertise in driving the organizational growth through the enhancement of existing growth areas and developing potential opportunities.
- Job profile and suitability: Mr. Gulu Mirchandani is a Chairman & Managing Director of the Company. He is a key member in devising and implementing corporate growth strategy of the Company.
- Remuneration proposed: As stated in agenda item no. 3.
- Comparative remuneration profile with respect to Industry, size of the 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. Gulu Mirchandani.
- Pecuniary relationship or relationship with managerial person: Mr. Gulu L. Mirchandani is brother in law of Mr. Vijay Mansukhani, Managing Director of the Company and father of Mr. Kaval Mirchandani, Whole Time Director of the Company.

B. Mr. Kaval Mirchandani (DIN: 01179978):

- Background details: Mr. Kaval Mirchandani is a M.B.A. in International Management from Thunderbird American Graduate School of International Management, U.S.A. and is associated with the Company since the year 2005 in the Management Cadre and was promoted as a Vice-President-Corporate Strategy during the financial year 2010-2011.

- Past Remuneration: As stated below

Amount (in ₹)

| Particulars | Financial Year | | |
|--|------------------|------------------|------------------|
| | 2021-2022 | 2020-2021 | 2019-2020 |
| Salary, Allowance & Perquisites | 30,20,172 | 30,08,122 | 31,42,572 |
| Provident Fund & Superannuation / Gratuity | 1,72,800 | 1,72,800 | 1,72,800 |
| Total | 31,92,972 | 31,80,922 | 33,15,372 |

Note: - Contribution to Provident Fund & Superannuation / Gratuity payable shall not be included in the computation of the ceiling on managerial remuneration specified in Schedule V to the Companies Act, 2013.

- Recognition or awards: He has vast experience in electronics 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 the 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. Kaval Mirchandani.
- Pecuniary relationship or relationship with managerial person: Mr. Kaval Mirchandani is son of Mr. Gulu L. Mirchandani, Chairman and Managing Director of the Company.

C. 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: As stated below

Amount (in ₹)

| Particulars | Financial Year | | |
|--|------------------|------------------|-----------------|
| | 2021-2022 | 2020-2021 | 2019-2020* |
| Salary, Allowance & Perquisites | 47,48,247 | 44,46,700 | 4,23,862 |
| Provident Fund & Superannuation / Gratuity | 1,61,280 | 1,61,280 | 21,151 |
| Total | 49,09,527 | 46,07,980 | 4,45,013 |

* Appointed w.e.f 13-02-2020

Note: - Contribution to Provident Fund & Superannuation / Gratuity payable shall not be included in the computation of the ceiling on managerial remuneration specified in Schedule V to the Companies Act, 2013.

- Recognition or awards: He has vast experience in various industries.
- 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. 5 and 6.
- 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 substantial interest in the capital or any relation with the managerial personnel of the Company.

III. Other Information:

- Reasons of loss or inadequate profit:

Financial Year 2021-2022 was a year of challenges for most of the businesses in India including consumer durables segment due to second wave of COVID-19 outbreak and lockdown situation in whole of India. The contraction in demand and severe liquidity crisis affected most of the companies including the Company thus impacting the top line and bottom line of the Company.

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

The Company has plans towards brand building through advertising in the print and non-print medium/ media to keep up the brand visibility. The Company has embarked on a series of strategic and operational measures that is expected to result in improvement in the present position. The inherent strengths of the Company, especially its reputation, powerful brands and deep distribution network are also expected to enable the Company to position itself during adversities. The Company has strategically planned to address the issue of productivity and service and increase profits and has put in place measures to reduce cost and improve the bottom line.

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

**Place: Mumbai
Date: 27th July, 2022**

**Gulu Mirchandani
Chairman & Managing Director**

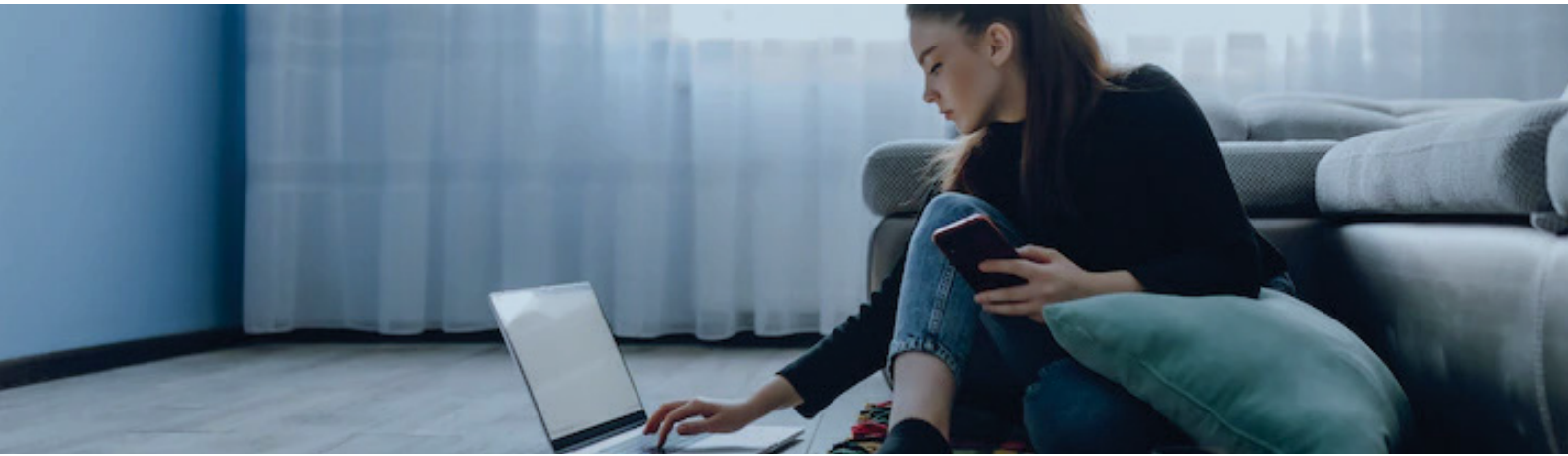
Details of directors seeking appointment/re-appointment in the Forty-First Annual General Meeting

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

| Name of Director | Mr. Kaval Mirchandani | Mr. Gulu Mirchandani | Mr. Lokesh Sikka |
|--|--|---|--|
| Date of Birth (age) | 11-06-1975 (47 years) | 12-06-1943 (79 years) | 08-02-1984 (38 years) |
| Nationality | Indian | Indian | Indian |
| Date of first Appointment on the Board | 26-05-2016 | 01-01-1981 | 13-02-2020 |
| Shareholding in the Company (as on March 31, 2022) | 49,300 (0.02%) | 4,70,95,753 (20.39%) | 1 (0.00%) |
| Board Meetings attended during the financial year 2021-22 | 6 | 6 | 6 |
| Qualification | M.B.A. in International Management from Thunderbird American Graduate School of International Management, U.S.A. | BE (Mechanical) and alumnus of BITS, Pilani | M.B.A. (Human Resources) from Institute of Management Technology, Ghaziabad. |
| Expertise in specific functional areas | Implementing various corporate strategies for the Company. | Development of corporate strategy and formulating, incubating and delivering emerging technologies and services in the area of televisions and other electronic products. | Vast experience in Human Resources. |
| Last drawn remuneration (including sitting fees and commission) F.Y. 2021-22 | ₹31,92,972 p.a. | ₹1,21,63,200 p.a. | ₹49,09,527 p.a. |
| Directorship held in other listed entities along with listed entities from which the director has resigned in the past three years | None | a. KEC International Ltd. b. VIP Industries Limited (Resigned w.e.f. 19-07-2019) | None |
| Membership of Committees of the Board of other listed entities along with listed entities from which the director has resigned in the past three years | None | a. KEC International Ltd. - None b. VIP Industries Limited (Resigned w.e.f. 19-07-2019) - i) Member – Audit Committee ii) Chairman – Stakeholders Relationship Committee | None |
| Relationship, if any between Directors inter-se. | Mr. Kaval Mirchandani is son of Mr. Gulu L. Mirchandani, Chairman & Managing Director of the Company. | Mr. Gulu L. Mirchandani is brother in law of Mr. Vijay Mansukhani, Managing Director of the Company and father of Mr. Kaval Mirchandani, Whole Time Director of the Company. | None |

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

ACCEPT • ADAPT • ACCELERATE



About Us



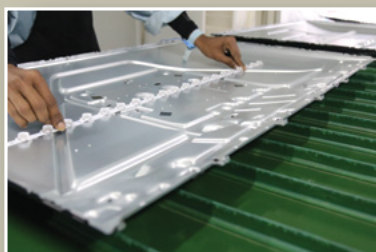
With 41 years of Innovation and Excellence, MIRC Electronics Limited (ONIDA) has always been known TV or high quality innovative and futuristic products.

Being an Indian company and the pride of India for 41 years, Onida has always strategically kept Indians and their needs as the main priority and developed products as per these needs. The company understands the unique requirements of the Indian consumer more than any other company does. This has found expression in many of the innovative products that have been launched over the years. This understanding of the consumer is one of the core strengths of the company that has enabled it to compete in the market in categories like Air Conditioners, LED Panel Displays, Washing Machines, Microwaves and recently introduced Refrigerators, Air coolers and Dishwashers.

Having won the trust of millions of consumers in the Indian Durable space, the brand has been instrumental in introducing new technologies and innovative products and has been communicating about these innovations to consumers in the right way and through the right mediums.

This trust bestowed upon us by our consumers is truly a reflection of our continued success. We always believe in offering the best quality products with high-end specifications at affordable prices, thereby, empowering users with luxury at an attractive price. Taking forward the same approach, we present yet another exemplary range of Air Conditioners that will provide you with an unparalleled experience.

Our Air Conditioners are designed for Indian Climates and with great Pride we will continue to carry on this magnificent legacy to serve you and forever will be **#IndiaKaOnida**.





VISION

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

CORPORATE INFORMATION

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

Company Secretary and Compliance Officer

Mr. Prasad Oak

CFO

Mr. Deepak Sarawagi

Statutory Auditors

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

BANKERS

- State Bank of India
- HDFC Bank
- IDBI Bank
- Canara 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.399 to 401 & 405 to 410, 158 KMS Milestone, Delhi-Roorkee Highway – NH 58, Village- Mundiyaiki, 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 accepted the situation that we were facing due to the pandemic and adapted to it by introducing our 2nd growth engine - Electronic Manufacturing Service (EMS). By leveraging on our design, supply chain and manufacturing capabilities, that we have developed over the past 41 years, so as to ensure that it helps our business grow further. Going ahead we will accelerate full throttle.

In times of adversity and change, we really discover who we are and what we're made of - Howard Schultz.

It's been 2 years of uncertainty and surely we have discovered what we are made of. As I had said last year too, 'When The Going Gets Tough, The Tough Get Going', and sure we got going. In spite of all the adversities that we had to face, be the challenges faced in the market due to the pandemic, or the supply of chipsets from China, we weathered it all and came out strongly.

We Accepted the situation and the challenge that was thrown at us. We Adapted ourselves in a manner to overcome the situation. We introduced our EMS business to the World and the same bore fantastic fruits for all of us. Our EMS business has grown in leaps and bounds as we work closely with our customers to design products to suit their requirements. This has led us to being very well accepted by many well-known brands in the market. We look forward to Accelerate the same in a manner that it becomes the 2nd engine of MIRC Electronics Limited. This 2nd engine will boost the company to take it to newer heights of success and glory.

In brand Onida, we launched technologically advanced products into the market like the new range of Smart LED televisions. These televisions were launched on a new platform which is the fastest growing Smart TV platform that poses a tremendous challenge to well established platforms like Android, Tizen, WebOS, Linux etc.

During the year we also launched 5 Star series of 6.5 kg & 7 Kg Fully automatic with glass top and hydraulic door opening which commanded a very good customer response in both online and offline markets.

This spirit of Never Say Die, has ensured that Onida celebrates its 41st year in the industry. Over the past 4 decades we have kept Indians at the core of anything that we have done. Keeping their needs in mind we have come up with products that have always set a new bench mark in the industry. We have been trusted by the Indian consumers for providing them Innovative Technologically Advanced products time and again.

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 4 decades. This year we have improved brand visibility with investment in advertising. Onida's, #IndiaKaOnida Campaign has found resonance with Indian consumers. With your continued support we will be able to achieve newer heights of success in the coming years.



MR. GULU MIRCHANDANI
Chairman & Managing Director



MANAGING DIRECTOR NOTE

Dear Stakeholders

We are a resilient company and over the years have faced many challenges and I am convinced that we will overcome the current crisis also.

As we slowly emerge from the pandemic I would like to review the past and also look into the future. The great sense of uncertainty that was prevalent is gradually easing and we are confident of overcoming all the obstacles that we faced. In 2020 as the pandemic raged across the world we took a call to revamp the company. Customers no longer wanted to visit retailers to shop for consumer goods when they could simply download prices of various brands on their computers and order the same online. We then focused on increasing the online business besides conventional offline business. We also made special products which were sold only online and this helped us grow our business considerably, helping company to grow its top line.

Due to the pandemic we faced many supply chain and logistic problems. We also used our manufacturing facilities to manufacture for others.

The pandemic has dented hierarchies to some extent and this trend will continue as we return to a flexible and hybrid working style. We hope to continue this trend in the current financial year and record a healthy growth in the annual turnover of the company.

Onida enjoys a very high unaided brand recall and has a cult of followers. We hope to leverage the brand with extensions into other consumer products. I am confident these actions will be sustainable and profitable and we can look forward to a great future.

I would like to thank all our employees for what they have done to weather the pandemic and get our company prepared to cope with any future challenging situations. Their commitment has made all the difference.



MR. VIJAY MANSUKHANI
Managing Director



TELEVISION

Bigger Screen | Smarter Experience
Larger Entertainment



#IndiaKaOnida



Another OS, Another Innovation, An All New Range, Introducing an all new operating system.

Onida launched Version 2 of the Fire TV Series after the success of its predecessor which is currently selling on amazon and offline stores. Furthermore, the fire TV was launched in multiple variants covering almost all the TV segment Sizes right from 32 to 55. But that was not enough because since innovation is in the Brand's DNA, Onida once again saw an opportunity to improvise and meet the ever so demanding needs of Indian consumers with another operating system delivering speed and efficiency with an all new visual experience like no other called Vidaa OS.

The all new operating system has become a strong global contender, with over 20 million installs globally. The updated platform with a completely new user interface and integration of content providers, puts the user and their habits at the center of the TV experience. With that in mind, the platform incorporates a centralized user management, advertising and billing systems, which simplifies the user experience, providing the customer a more direct way of accessing the content they enjoy. Onida has launched this lighter OS in different TV size segments right from 32 to 65 catering to the masses.

Due to pandemic people were forced to stay at home, making them switch to OTT content which was more interesting and engaging than the GEC content. Smart TVs with Superior Picture and Sound Clarity were therefore in demand. On the footsteps of the success of Fire TV 2020-21 edition, Onida is also gearing up to launch another upgrade in the coming months. As Onida is known to explore new horizons and develop futuristic innovative products, the Company will be announcing the launch of Fire TV Version 3 soon.

#IndiaKaOnida

AIR CONDITIONERS

INDIA'S FIRST SURROUND COOL HEAVY DUTY INVERTER AC COOLS EVEN AT 55°C



Extrême Heat calls for Extreme solutions and Onida has hit the nail on the head with the launch of "India's First Heavy Duty Surround Cool Inverter Air Conditioner."

Heavy Duty cooling and a Durable Air Conditioner is the need of the hour with temperatures soaring year after year. Onida launched Magnus 2.0, India's First Heavy Duty Surround Cool Inverter which cools even at most extreme conditions. For the first time, Onida has also introduced Flexi 5 Inverter Technology which provides 5 Modes of personalized cooling. It controls the cooling in real time & optimizes energy consumption accordingly. Another Unique technology introduced by Onida is the I-feel Sensor corner to corner cooling. The I-feel sensor senses the temperature around the remote and delivers the most comfortable temperature as per your space, giving you corner to corner cooling.

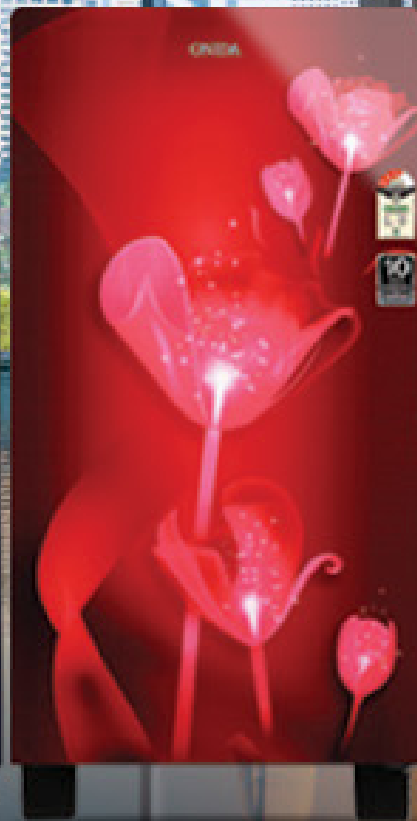
As Durability of Air Conditioners is a must, Onida's Inverter ACs come with Tanzanite Protekt. Tanzanite Protekt is an anti-corrosion blue coating, applied on copper tubes of the Cooling coil which provides exceptional durability especially in typical Indian regions affected from moisture, salt, industrial smoke, pollutants and improves the life by 3 times.

In the World of Pandemic, taking into consideration the health safety of Indians, Onida launched Air Conditioners that would take care of this aspect on priority. Thus introduced Plasmapure Technology, a technology that has a unique air purification process which helps in removing Viruses, bacteria, VOC and other airborne particles from the air and hence makes it healthier for breathing.

This means that Onida's Plasmapure air purifier is not only able to reduce/eliminate viruses and bacteria but also stops it from reproducing and spreading. Plasmapure also protects the air from other harmful particles, such as dust, smoke, and pollen.

Keeping the tech world in mind, Onida has also launched a Smart AC which is Alexa and Google compatible so talking to your AC has never been easier with both Voice assistants at your service.

#IndiaKaOnida



Direct Cool Refrigerator was launched in the year 2020-21 and within one year the brand got fabulous response from the consumers. This gave us the confidence to expand the category with new variants of 190L, 195L and 215 L to give a wide range of choice to the consumers.

We also launched a sub 100L segment in the form of 92L refrigerator which caters to a small family, students and big houses as a bedroom refrigerator. This can be used to store medicines for elderly people who want ease of access to their medicines that need to be stored at a particular temperature.

Based on our success of the past 2 years we are excited to launch new segments with varying capacities and glass door options targeting various segment of customers.

WASHING MACHINES

THINK 5 STAR. THINK ONIDA

The 5 Star Washing Machines Specialist

● S95GS1



● S85GS1



● T75CGN



● T65CGN



Washing Machines Designed for Indian Wash needs

During the pandemic the importance of Washing machine surged multifold. To cater to the varying demands of Indian consumers Onida introduced a wide range of 5 star washing machines giving the consumer effective and efficient wash programs. Onida launched the largest 5 star Semi-Automatic range starting from 6.5 Kg - 9.5 Kg and 6.5 Kg - 7.5 Kg Fully automatic.

Keeping in mind the Indian customers' need for constant upgradation to the latest technology and aesthetic products, Onida launched semi-automatic 8.5 / 9.5 Kg Washing Machines with superior glass lid floral designs, a powerful motor, super drum wash with dual waterfall technology. This is the only semi-automatic glass machine with 5 wash programs and both wash and spin side hydraulic door. To give customers an elegant looking machine to suit their home decor and a powerful and superior hygienic wash.

During the year we launched 5 Star series of 6.5 kg & 7 Kg Fully automatic Washing Machines with glass top and hydraulic door opening which commanded a very good customer response in both online and offline markets.

#IndiaKaOnida



A microwave oven is a quintessential appliance in every household. Not only does it render the happiness of enjoying warm food at any time of the day, but you can also try out a variety of new cuisines. From grilling to making a sandwich, a microwave oven is indeed a lifesaver, especially for working individuals. Besides, if you are a bachelor, a microwave is a time saver to cook and warm food after a tiring day at the workplace. Onida has always seen market opportunity and introduced various models that will reduce your time spent in the kitchen. Onida's Black Beauty Supreme and Black Beauty Neo has been the top selling microwaves in the category. This Microwave Oven has a 265 Easy Cook menus, Convection Temperature Settings, Multistage Cooking, Deodorize and many more features in the 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, makes it the perfect choice for all your cooking solutions and fit for one's kitchen.

AIR COOLERS



Onida launches a new range of Air Coolers to beat the heat and maintain room freshness.

Onida saw a tremendous opportunity in the Air Cooler space with the market size expected to exhibit a CAGR of 7.4% during 2022-2027.

Having already introduced Air coolers last year, the company saw a growth in its overall performance. With that in mind, Onida recently launched 2 more variants of Air coolers called Zypher in 65 and 75 litres. India can have rough summers, so it is necessary to find ways to keep yourself cool and avoid heat waves. Analyst estimates forecast a double-digit growth this summer for categories such as Air Conditioners, Air coolers etc.

Air coolers are one of the greatest cooling options for regions where the summers are hot and dry. They're popular since they're both cost-effective and environmentally beneficial and Onida staying true to its core, in a desire to serve Indian masses especially in hinterland, launched Air Coolers which are purely Made in India. Gearing up for a strong summer season, especially as sales last year were impacted by the second wave of Covid. Onida launched Air Coolers with 2 variants and in 2 capacities to cater to both, Online and Offline markets. We have already seen tremendous conversions with the Online model and are proud to say that this new introduction of Air Coolers into the Onida Range of Products is well received. Our Air coolers are designed with powerful Air Throw technology to keep you cool even in large spaces and in extreme climatic conditions.

#IndiaKaOnida

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3 YEAR HIGHLIGHTS

BALANCE SHEET

(₹ in Crores)

| | As at 31st March 2022 | As at 31st March 2021 | As at 31st March 2020 |
|--------------------------------------|--------------------------|--------------------------|--------------------------|
| I. Assets | | | |
| Non-current assets | | | |
| (a) Property, Plant and Equipment | 89.52 | 86.30 | 95.26 |
| (b) Capital work-in-progress | 0.41 | 5.23 | 0.29 |
| (c) Right of use assets | 2.41 | - | - |
| (d) Other Intangible assets | 0.20 | 0.24 | 0.29 |
| (e) Financial Assets | | | |
| (i) Investments | 1.36 | 1.04 | 4.33 |
| (ii) Others | 9.35 | 1.73 | 10.73 |
| (f) Income Tax Assets (Net) | 2.77 | 1.72 | 1.10 |
| (g) Other non-current assets | 26.63 | 26.57 | 36.46 |
| (h) Deferred Tax Assets (Net) | - | - | - |
| Total non-current assets | 132.65 | 122.83 | 148.46 |
| Current assets | | | |
| (a) Inventories | 424.28 | 354.44 | 329.05 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 102.22 | 114.79 | 78.72 |
| (ii) Cash and cash equivalents | 5.64 | 8.13 | 0.90 |
| (iii) Bank balances | 12.14 | 20.78 | 5.24 |
| (iv) Others | 3.79 | 13.26 | 3.23 |
| (c) Other current assets | 23.69 | 31.14 | 11.86 |
| Total current assets | 571.76 | 542.54 | 429.00 |
| Total Assets | 704.41 | 665.37 | 577.46 |
| II. Equity and Liabilities | | | |
| Equity | | | |
| (a) Equity Share capital | 23.11 | 23.11 | 23.11 |
| (b) Other Equity | 180.14 | 200.39 | 198.81 |
| Total equity | 203.25 | 223.50 | 221.92 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 14.63 | 8.40 | 13.18 |
| (ii) Lease liabilities | 0.38 | - | - |
| (iii) Others | 0.47 | 3.99 | - |
| (b) Provisions | 7.34 | 6.40 | 5.55 |
| Total Non current liabilities | 22.82 | 18.79 | 18.73 |
| Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 53.08 | 69.22 | 61.35 |
| (ii) Trade payables | 383.45 | 323.71 | 248.06 |
| (iii) Lease liabilities | 0.25 | - | - |
| (iv) Others | 18.81 | 20.79 | 14.46 |
| (b) Other current liabilities | 17.63 | 4.28 | 8.22 |
| (c) Provisions | 5.12 | 5.08 | 4.72 |
| Total current liabilities | 478.34 | 423.08 | 336.81 |
| Total Equity and Liabilities | 704.41 | 665.37 | 577.46 |

3 YEAR HIGHLIGHTS

STATEMENT OF PROFIT AND LOSS

(₹ in Crores)

| | As at 31st March 2022 | As at 31st March 2021 | As at 31st March 2020 |
|---|--------------------------|--------------------------|--------------------------|
| Income | | | |
| Revenue from operations | 1,192.17 | 765.84 | 604.31 |
| Other Income | 5.33 | 2.19 | 2.55 |
| Total Income | 1,197.50 | 768.03 | 606.86 |
| Expenses | | | |
| Cost of raw materials and components consumed | 863.25 | 460.46 | 219.72 |
| Purchases of Traded Goods | 199.13 | 122.68 | 311.60 |
| Changes in inventories of Finished Goods, Work-in-progress and Stock in Trade | (18.81) | 57.47 | (73.86) |
| Employee benefits expense | 60.68 | 51.09 | 60.77 |
| Freight and forwarding expenses | 22.36 | 19.66 | 24.21 |
| Advertisement | 7.79 | 1.48 | 7.44 |
| Other Expenses | 44.20 | 39.51 | 49.86 |
| Total Expenses | 1,178.60 | 752.35 | 599.74 |
| Profit before depreciation, finance cost and tax | 18.90 | 15.68 | 7.12 |
| Finance Cost | 14.08 | 14.94 | 11.98 |
| Profit before depreciation and tax | 4.82 | 0.74 | (4.86) |
| Depreciation and amortisation expense | 7.77 | 6.69 | 6.61 |
| Profit before exceptional items and tax | (2.95) | (5.95) | (11.47) |
| Exceptional items | (17.12) | 7.84 | - |
| Profit / (Loss) before tax | (20.07) | 1.89 | (11.47) |
| Tax Expense | | | |
| Current Tax | - | - | - |
| Deferred Tax | - | - | - |
| Total tax expense | - | - | - |
| Profit / (Loss) for the year | (20.07) | 1.89 | (11.47) |
| Other Comprehensive Income (net of tax) | - | - | - |
| Items that will not be reclassified to Profit or Loss | - | - | - |
| Remeasurement of the defined benefit plans | (0.19) | (0.30) | (0.18) |
| Total Other Comprehensive Income (net of tax) | (0.19) | (0.30) | (0.18) |
| Total Comprehensive Income for the year (net of tax) | (20.26) | 1.59 | (11.65) |
| Equity dividend paid | - | - | - |
| Year end price (₹) | 19.05 | 13.35 | 3.99 |
| Market capitalisation | 439.96 | 308.32 | 92.15 |

Dear Members,

Your Directors are pleased to present the Forty-First Annual Report along with the Audited Financial Statements of the Company for the financial year ended 31st March, 2022.

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

Results of Operations

(₹ in Crores)

| Particulars | Financial year ended 31 st March, 2022 | Financial year ended 31 st March, 2021 |
|--|---|---|
| Gross Turnover | 1190.61 | 762.69 |
| Gross Profit (before interest, depreciation, tax and writing off of preliminary expense) | 18.90 | 15.69 |
| Interest | 14.08 | 14.94 |
| Depreciation | 7.77 | 6.69 |
| Net Profit/(Loss) before tax | (2.96) | (5.95) |
| Exceptional Profit/(Loss) | (17.12) | 7.84 |
| Profit/(Loss) After Tax | (20.07) | 1.89 |
| Balance in Profit & Loss A/c carried forward from the last year | (28.09) | (29.68) |

Financial Performance:

During the year under review, your Company has made gross turnover of ₹ 1190.61 crores as against ₹ 762.69 crores for the previous year. The Company has incurred loss of ₹ 20.07 crores.

The financial statements are prepared in accordance with Indian Accounting Standards for the financial year ended March 31, 2022 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 on Financial Statements for the same.

Dividend and Transfer to General Reserves:

Considering the financial requirement for business growth and debt servicing, your Directors do not propose any dividend for the year ended March 31, 2022. 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 - 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 - Independent Director

* Mr. Gulu Mirchandani, Chairman & Managing Director, was re-appointed by the Board of Directors of the Company in its Board meeting held on May 25, 2022 as a Chairman & Managing Director for a further period of three (3) years with effect from December 01, 2022, subject to approval of the members of the Company at the ensuing Annual General Meeting.

** Mr. Kaval Mirchandani, Whole Time Director, was re-appointed by the Board of Directors of the Company in its Board meeting held on May 25, 2022 as a Whole Time Director for a further period of three (3) years with effect from May 26, 2022, subject to approval of the members of the Company at the ensuing Annual General Meeting.

*** Mr. Lokesh Sikka, Whole Time Director, was re-appointed by the Board of Directors of the Company in its Board meeting held on May 25, 2022 as a Whole Time Director for a further period of three (3) years with effect from February 13, 2023, subject to 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. Gulu L. Mirchandani, Chairman & 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 notice convening the Annual General Meeting includes the proposal for 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:

- a) in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards read with the requirements set out under Schedule III to the Companies Act, 2013, have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems 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 Mr. Mahesh M. Darji, Practising Company Secretary, 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 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 material 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 Company has already constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013.

The statutory provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 with respect to spending in CSR activities are not applicable to the Company as on March 31, 2022.

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.

Annual Return:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return in Form MGT-7 for the financial year ended March 31, 2022 is available on the Company's website at www.onida.com.

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. Lokesh Sikka | Whole-Time Director |
| 5. | Mr. G. Sundar | Chief Executive Officer |
| 6. | Mr. Sanjay Jhavar * | Chief Financial Officer |
| 7. | Mr. Deepak Sarawagi ** | Interim Chief Financial Officer |
| 8. | Mr. Sailesh Raj Kedawat *** | Chief Financial Officer |
| 9. | Mr. Lalit Chendvankar # | Head - Corporate Affairs, Legal & Company Secretary |
| 10. | Mr. Prasad Oak ## | Head - Legal, Corporate Affairs & Company Secretary |

* Mr. Sanjay Jhavar has resigned as Chief Financial Officer of the Company w.e.f. 3rd June, 2021.

** Mr. Deepak Sarawagi was appointed as Interim Chief Financial Officer of the Company w.e.f. 1st December, 2021 and resigned from the position of Interim Chief Financial Officer from the close of business hours on 25th May, 2022.

*** Mr. Sailesh Raj Kedawat appointed as Chief Financial Officer of the Company w.e.f. 26th May, 2022 by the Board of Directors of the Company in its Board meeting held on 25th May, 2022.

Mr. Lalit Chendvankar has resigned as Head - Corporate Affairs, Legal & Company Secretary of the Company w.e.f. 26th June, 2021.

Mr. Prasad Oak was appointed as Head – Legal, Corporate Affairs & Company Secretary of the Company w.e.f. 24th December, 2021.

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 expressed their satisfaction with the evaluation process.

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

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

- a) Policy on remuneration of directors, key managerial personnel and other senior management employees (**Annexure – B-I**); and
- b) Policy on criteria for appointment & evaluation of executive directors and independent directors (**Annexure – B-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 42nd (Forty-Second) Annual General Meeting of the Company to be held for the financial year 2022-2023.

Statutory Auditors Report:

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

Cost Auditors:

Pursuant to the provisions of the Section 148 of the Companies Act, 2013 read with 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 2022-2023. The remuneration of Cost Auditor needs to be approved by the members of the Company at the ensuing Annual General Meeting. The Board recommends passing of the resolution for the same.

Secretarial Auditors:

M/s. Ragini Chokshi & Co., Practising 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 2021-2022 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 31st March, 2022 is annexed herewith marked as **Annexure - C** 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 2021-2022 for all applicable compliances as per the provisions of 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 stipulated time in compliance with the Regulation 24A (2) of SEBI (LODR) Regulations, 2015 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 6 (six) 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.

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.

Risk Management Committee

The Risk Management Committee comprises of Mr. Gulu Mirchandani, Chairman, Mr. Vijay Mansukhani and Mr. Lokesh Sikka as the members.

The details of the 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. <https://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. <https://www.onida.com/policies>.

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 2022-2023 for both the stock exchanges has been paid by the Company.

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 31st March, 2022 are 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 | 4667 | 100085 |
| 2 | Number of shareholders who approached issuer for transfer of shares from unclaimed suspense account during the financial year | 0 | 0 |
| 3 | Number of shareholders to whom shares were transferred from unclaimed suspense account during the financial year | 0 | 0 |
| 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 dividend as lying unpaid or unclaimed 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 are appended as **Annexure - D** 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. 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 Centre in Mumbai,

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 as amended from time to time, are set out in the **Annexure - E**.

Environment

The E-Waste (Management) Rules, 2016 (hereinafter referred to as "E-Waste Rules") are in force as applicable to the company. 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.

The manufacturing plant situated at Wada, Maharashtra has more than 10 acres of Green Cover. 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. <https://www.onida.com/policies> 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.

Applications under the Insolvency and Bankruptcy Code, 2016:

There were no applications made by the Company or upon the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review. There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016 by / against the Company as on March 31, 2022.

The details of difference between amount of the valuation:

During the year under review, there were no settlements made by the Company for any loan / borrowing taken from the Banks or Financial Institutions and hence no comment with regard to the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

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 Ministry of Electronics and Information Technology, Income Tax Department, Ministry of Commerce, Ministry of Finance, Ministry of Corporate Affairs, the Reserve Bank of India, respective 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:00026664

Place : Mumbai
Date : 25th May, 2022

MIRC

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, 2022

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 options | 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 options, 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 Earnings Per Share Net Income Add: Intrinsic Value Compensation Cost Less: Fair Value Compensation Cost Adjusted Pro Forma Net Income Earnings Per Share: Basic As Reported Adjusted Pro Forms Earnings Per Share: Diluted As Reported Adjusted Pro Form | N.A. |

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

Date: 25th May, 2022
 Place: Mumbai

Gulu Mirchandani
Chairman and Managing Director
DIN: 00026664

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-B-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, KMPs and SMPs involves a balance between fixed and variable pay reflecting short and long term performance objectives and goals set by the Company.
 - (d) Remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.
 - (e) The pay structures are appropriately aligned across levels in the Company.

2. APPLICABILITY:

- (i) This Remuneration Policy shall apply to all existing and future appointment agreements with Managing and Whole Time Director, KMPs and SMPs and also with the Non-Executive Directors.
- (ii) The Remuneration Policy shall be subject to overall guidance of the Board of Directors.
- (iii) Any change or amendment in the 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;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or

ANNEXURE TO THE DIRECTORS' REPORT

- (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;
 - (iii) The Whole-time Director; and
 - (iv) The Chief Financial Officer.
- iv) Non-Executive Director shall mean director who is 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 a 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 KMPS/SMPs.
6. Special consideration for attracting top notch hi flier in case of KMPS/SMPs.
7. Past performance, past remuneration and special accreditation or meritorious performance.
8. Bring a balance between the interest of the Company and the stakeholders.

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

ANNEXURE TO THE DIRECTORS' REPORT

in excess of the limits prescribed by the Act or without prior sanction of the Central Government where it is required, he/she shall refund such sums to the Company and until such sums are refunded held in trust for the Company.

3.1 REMUNERATION TO NON EXECUTIVE DIRECTORS (NED)

a) Non Independent

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

b) Independent Directors (ID)

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

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

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

(iii) Remuneration shall be evaluated annually and annual increase shall be decided considering the performance of the individual / and also of the Company. Industry practices / trends companies, which are similar in size and complexity to the Company. Benchmark information shall be obtained from recognized compensation service consultancies shall also be given due consideration.

(iv) Remuneration can be reset at any time keeping with the meritorious performance or for special work assignment or recognition. Benchmark information shall be obtained from recognized compensation service consultancies and shall also be given due consideration.

(v) The remuneration to be paid to KMP/SMP shall be recommended by the NRC considering relevant qualification and experience of the individual as well as the prevailing market condition.

(vi) The NRC may consider to grant Stock Options to KMP and SMPs pursuant to a Stock Option Plan adopted by the Company, if any.

4.0 DIRECTOR AND OFFICERS LIABILITY INSURANCE:

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

5.0. DISCLOSURES:

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

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

ANNEXURE TO THE DIRECTORS' REPORT

6. The relatives of such person should not have had any pecuniary relationship or transaction with the Company or its subsidiaries or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or ₹ 50 lacs or such higher amount as may be prescribed, whichever is less, during the two immediately preceding financial years or in the current financial year;
7. He or his relatives must not:
 - (i) hold or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company; or
 - (v) is not a material supplier, service provider or customer or a lessor or lessee of the Company; 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-C

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 of Managerial Personnel) Rules, 2014]

(For the Financial Year Ended 31st March 2022)

To,

**The Members,
MIRC ELECTRONICS LIMITED**

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MIRC ELECTRONICS LIMITED (CIN: L32300MH1981PLC023637)** (hereinafter called the "Company") for the financial year ended 31st March, 2022. 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 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 1st April, 2021 to 31st March, 2022 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 audit period **1st April, 2021 to 31st March, 2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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; **(Not Applicable to the Company during the Audit Period)**
- (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, 2009; **(Not Applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issued any debt securities 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 as the Company is not Registrar to an Issue and Share Transfer Agent during the financial year)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable as the Company has not delisted its equity shares from any stock exchange during the Audit Period)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not Applicable as the Company has not bought back any of its securities during the Audit Period)**
- (i) Securities and Exchange Board of India (Depositories & Participants) Regulation ,2018 **(To the extend applicable)**
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

ANNEXURE TO THE DIRECTORS' REPORT

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI (LODR)".

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

We further report that

- The Board of Directors of the Company is duly constituted and the changes in the composition of the Board of Directors that took place during the period under review were carried out in the compliance with the provision of the Act. 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.
- 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.
- As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were with requisite majority.

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.

The Compliance by the company of applicable Financial Laws like Direct & Indirect Tax Laws, Goods and Service Tax has not been reviewed in the audit since the same has been subject to the review by the statutory financial audit and other designated professionals.

We further report that during the audit period, the company had no specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

1. Mr. Sanjay Jhavar, Chief Financial Officer of the Company, resigned with effect from 3rd June, 2021.

2. Mr. Lalit Chendvankar resigned as the Company Secretary and Compliance Officer of the Company with effect from 26th June, 2021.
3. Mr. Vijay Mansukhani (DIN: 01041809), was re-appointed as the Managing Director of the Company for a period of 3 years at the Annual General Meeting held on 27th September, 2021.
4. Mr. Arvind Sharma (DIN: 01229072) was appointed as an Independent Director of the Company for a second term of 5 years at the Annual General Meeting held on 27th September, 2021.
5. Mr. Deepak Sarawagi was appointed as Interim Chief Financial Officer of the Company with effect from 1st December, 2021.
6. Mr. Prasad Oak was appointed as the Company Secretary and Compliance Officer of the Company with effect from 24th December, 2021.

FOR RAGINI CHOKSHI & CO.

**RAGINI CHOKSHI
(PARTNER)**

**Membership No: 2390
CP No: 1436**

**UDIN: F002390D000389546
PR Certificate No: 659/2020**

**Date: 25th May, 2022
Place: Mumbai**

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-D

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 | 20:1 |
| | | B | Mr. Vijay J. Mansukhani Managing Director | 26:1 |
| | | C | Mr. Kaval G. Mirchandani Whole Time Director | 8:1 |
| | | D | Mr. Lokesh Sikka Whole Time Director | 11:1 |
| 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. Lokesh Sikka Whole Time Director | No Increase |
| | | E | Mr. G. Sundar Chief Executive Officer | No Increase |
| | | G | Mr. Lalit Chendvankar Head - Corporate Affairs, Legal & Company Secretary (up to 26.06.2021) | - |
| | | H | Mr. Sanjay Jhawar Chief Financial Officer (up to 03.06.2021) | - |
| | | I | Mr. Deepak Sarawagi (Appointed as Interim Chief Financial Officer w.e.f. 01.12.2021) | No Increase |
| | | J | Mr. Prasad Oak Head – Legal, Corporate Affairs and Company Secretary (Appointed w.e.f. 24.12.2021) | 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 6%. (Due to re-instatement of Annual CTC) | | |
| 4 | The number of permanent employees on the rolls of the Company. | 563 employees as on 31 st March, 2022. | | |
| 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 increase in the remuneration of both, the managerial personnel and the other employees of the Company during the financial year of around 12% (due to re-instatement of Annual CTC) | | |
| 6 | Affirmation that the remuneration is as per the remuneration policy of the Company. | Yes, it is confirmed. | | |

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-E

**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, 2022 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: -

- As per practice direction issued by Maharashtra Electricity Regulatory Commission (MERC) on 26.05.21, for online Contract demand changing benefit, wada plant had implemented on line changing in contract demand as per the plant requirement. It had resulted in saving of Rs 697,471/- for FY 21-22.
- 58 tubelights of SKD 3 line is replaced by Led lighting. Saving of Rs18,000/- for FY 21-22.
- Mercury Lamp 250W replaced by 10 nos of 50W LED lights. Saving of 48,000/- for FY 21-22 in dispatch area other store areas.
- Replacement of 250W sodium vapour lamps with 80W LED flood lights of 8 nos. Saving of Rs. 33,000/- for FY 21-22.
- Energy efficiency improvement of centralized AC systems by descaling of condenser units leading to energy efficiency improvements.
- Solar roof top energy plant of 540 kw is utilized 100% self use and contribution to non conventional energy use with 50% contribution to overall energy use of Wada plant. The green energy to reduce carbon foot print a step towards huge contribution in protecting environment and global warming.

b) For plant situated at Roorkee, Uttarakhand:-

- Plant floor ceiling light has been replaced from 56W tube light to 24W LED Tube light conserving 32W per tube light. At present 250 Nos Tube light replaced with LED light and another 100 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 Exit, working as Search Light and using whenever required only which is beneficial 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 (125W) to LED Light (40W).
- New proposals are in process for solar roof top and for optimization of contract demand.
- Installed/Cabling & Service 40 KVA D.G. set received from Noida plant. Which is to be used for office & factory boundary light during power failure, Because we are using bigger KVA D.G. during power fail for emergency and for office operation in production off day. We can reduce diesel consumption approx 95% (Bigger DG 500 KVA consumption @ 80 to 90 ltr's per hour and 40KVA DG consumption @ 3 to 6 ltr's per hour's)

ANNEXURE TO THE DIRECTORS' REPORT

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.

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

Proposals are taken for wada plant energy audit and expansion for solar roof top.

MIRC is taking initiatives for green energy in reducing the usage of fossil fuels.

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 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 2021-2022.

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. After it has introduced second generation Fire TV, we have taken pre production trials of Third generation of Fire TV, with more RAM memory and integrated IR blaster in Remote control. 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 second generation FireTV has addition feature like controlling of external set top boxes to enhance the lay back experience of TV's.

We have also introduced new Vidda series of HD/FHD/UHD TVs. These are bezel less TVs. The UHD TV series are with DOLBY ATMOS & DOLBY VISION Technologies with very good picture & Sound quality.

We will also be starting voluntary BEE certification for UHD TVs in near future.

You will be happy to know all our TV meet the national standards like set by Bureau of Indian Standards (BIS) and Bureau of Energy Efficiency (BEE).

ANNEXURE TO THE DIRECTORS' REPORT

Air Conditioner:

The complete range of Air conditioner (1.0T to 2.0T and 3/4/5 Energy star) was developed and manufactured in India (Make in India), with Environment friendly, R32 Refrigerant.

The following new consumer relevant features, integrated in to new product launches to enhance technology superiority

- Flexi 5 – 5 Modes of cooling capacity to provide the required comfort, combined with energy savings
- Heavy Duty – Designed for Super tropical conditions, to provide required cooling even at 55 deg C

Plasma Pure : Plasma Shield with unique air purification technology helps in removing Viruses, bacteria, VOC and other airborne particles from the air and hence make it healthier for breathing.

Refrigerator:

195L & 92L models introduced for the 2022 season apart from already existing 14 models of 190L & 215 L

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:

(Amount in ₹ lakhs)

| Particulars of expenditures | | Financial year 2021-2022 | Financial year 2020-2021 |
|-----------------------------|--|-----------------------------|-----------------------------|
| A | Capital | 0 | 0 |
| B | Recurring | 313.67 | 261.54 |
| C | Total | 313.67 | 261.54 |
| D | * Total Expenditure as a % of total Turnover | 0.26 | 0.34 |

* 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.

(Amount in ₹ lakhs)

| Particulars | | Financial year 2021-2022 | Financial year 2020-2021 |
|-------------|---------------------------|-----------------------------|-----------------------------|
| A | Foreign exchange earnings | 5.67 | 24.10 |
| B | Foreign exchange outgo | 243.31 | 515.84 |

MANAGEMENT DISCUSSION AND ANALYSIS

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

The recent events is testing the resilience of our business model, people and financial strength. After effects of COVID 19 pandemic are yet not over with always threat of next wave. Apart from health, the pandemic has impacted mindset and financial behavior of the people. The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. Global growth is projected to slow down from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

In 2022-23, India's GDP is expected to rise by 8.0-8.5%, owing to broad vaccine coverage, gains from supply-side reforms and regulatory ease, healthy export growth, and the availability of fiscal space to ramp up capital spending. The Production Linked Incentive (PLI) schemes in 14 sectors will further encourage private investment in order to boost export growth and allow for feasible import substitution in the country. The India consumer electronics market size is expected to reach USD 124.94 billion by 2030 and is expected to expand at a CAGR of 6.5% from 2022 to 2030.

The pandemic marks two years of its presence and amidst multiple lockdowns, hybrid formats of work have become the norm. More people are keen on rearranging their homes to make it more utilitarian as those rigid boundaries between a separate workplace and living space are becoming blurred. Consumers can be present anywhere – remotely, and yet can have access to their preferred goods and services through online platforms. Consumers today are tech-savvy and often refer to aggregator platforms to purchase consumer durables. With increased access to affordable data packs and smartphone availability, shopping is literally just a click away through Apps or websites. Due to these multiple factors the demand for Air conditioners, refrigerators, washing machines TVs and other consumer durable products are rising. Also marketing in the present times is more holistic, and integrated through the right mix of channels – both online and offline.

LED TVs:

Onida launched Version 2 of the Fire TV Series after the success of its predecessor which is currently selling on Amazon and also at various offline stores across India. Furthermore, the Fire TV was launched in multiple variants covering almost all the TV segment Sizes right from 32 to 55. We didn't stop at that, as innovation is in the brand's DNA, Onida once again saw an opportunity to improvise and meet the ever so demanding needs of Indian consumers with another operating system delivering Speed and Efficiency with an all new visual experience like no other called Vidaa OS.

Vidaa OS has become a strong global contender, with over 20 million installs globally. The updated platform with a completely new user interface and integration of content providers, puts the user and their habits at the center of the TV experience. With that in mind, the platform incorporates a centralized user management, advertising and billing systems, which simplifies the user experience, providing the customer a more direct way of accessing the content they enjoy. Onida has launched Vidaa OS in different TV size segments right from 32 to 65 catering to the varying needs of the masses.

Since a large number of users were switching to OTT content, Smart TVs with Superior Picture and Sound Clarity were the need of the hour. Onida is also gearing up to launch another upgrade of the Successful Fire TV Edition in the coming months. As Onida is known to explore new horizons and develop futuristic innovative products, the Company will be announcing the launch of Fire TV version 3 soon.

Air Conditioners:

Extreme Heat calls for Extreme solutions and Onida has hit the nail on the head with the launch of "India's First Heavy Duty Surround Cool Inverter Air Conditioner."

Heavy Duty cooling and a Durable Air Conditioner is the need of the hour with temperatures soaring year after year. Onida launched Magnus 2.0, India's First Heavy Duty Surround Cool Inverter which cools even at most extreme conditions. For the first time, Onida has also introduced Flexi 5 Inverter Technology which provides 5 Modes of personalized cooling. It controls the cooling in real time & optimizes energy consumption accordingly. Another Unique technology introduced by Onida is the i-feel Sensor, Corner to Corner cooling. The i-feel sensor, senses the temperature around the remote and delivers the most comfortable temperature as per your space, giving you corner to corner cooling.

MANAGEMENT DISCUSSION AND ANALYSIS

As Durability of Air Conditioners is a must, Onida's Inverter ACs come with Tanzanite Protekt. Tanzanite Protekt is an anti-corrosion blue coating, applied on copper tubes of the Cooling coil which provides exceptional durability especially in typical Indian regions affected from moisture, salt, industrial smoke, pollutants and improves the life by 3 times.

In the World of Pandemic, taking into consideration the health safety of Indians, Onida launched Air Conditioners that would take care of this aspect on priority. Thus introduced Plasmasure Technology, a technology that has a unique air purification process which helps in removing Viruses, bacteria, Volatile Organic Compounds and other airborne particles from the air and hence makes it healthier for breathing.

This means that Onida's Plasmasure air purifier is not only able to reduce/eliminate viruses and bacteria but also stops it from reproducing and spreading. Plasmasure also protects the air from other harmful particles, such as dust, smoke, and pollen.

Keeping the tech world in mind, Onida has also launched a Smart AC which is Alexa and Google compatible so talking to your AC has never been easier with both Voice assistants at your service.

Washing Machines:

As consumer convenience has become the top most priority in the age of the pandemic, 2021-22 saw introductions of a wide range of 5 star rated washing machines giving the consumer effective and efficient wash programs. Onida launched the largest 5 star Semi-Automatic range starting from 6.5 Kg – 9.5 Kg and 6.5 Kg – 7.5 Kg Fully automatic.

Onida launched high-end semi-automatic 8.5 / 9.5 Kg with superior glass lid floral designs, a powerful motor, super drum wash with dual waterfall technology. This is the only semi-automatic glass machine with 5 wash programs and both wash and spin side hydraulic door. To give customers an elegant looking machine to suit their home decor and a powerful and superior hygienic wash.

During the year we launched 5 Star series of 6.5 kg & 7 Kg Fully automatic with glass top and hydraulic door opening which commanded a very good customer response in both online and offline markets.

Microwave Oven:

A microwave oven is a quintessential appliance in every household. Not only does it render the happiness of enjoying warm food at any time of the day, but you can also

try out a variety of new cuisines. From grilling to making a sandwich, a microwave oven is indeed a lifesaver, especially for working individuals. Besides, if you are a bachelor, a microwave is a time saver to cook and warm food after a tiring day at the workplace. Onida has always seen market opportunity and introduced various models that will reduce your time spent in the kitchen. Onida's Black Beauty Supreme and Black Beauty Neo has been the top selling microwaves in the category. This Microwave Oven has a 265 Easy Cook menus, Convection Temperature Settings, Multistage Cooking, Deodorize and many more features in the list. The uniqueness of this oven is its beautiful aesthetics with a new redefined colour which enhances the beauty of one's kitchen. As the name defines, the black colour 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, makes it the perfect choice for all your cooking solutions and fit for one's kitchen.

Refrigerator:

Direct Cool Refrigerator was launched in the year 2020-21 and within one year the brand got fabulous response from the consumers. This gave us the confidence to expand the category with new variants of 190L, 195L and 215 L to give a wide range of choice to the consumers.

We also launched a sub 100L segment in the form of 92L refrigerator which caters to a small family, students and big houses as a bedroom refrigerator. This can be used to store medicines for elderly people who want ease of access to their medicines that need to be stored at a particular temperature.

Based on our success of the past 2 years we are excited to launch new segments with varying capacities and glass door options targeting various segment of customers.

Air Cooler:

"India Air Cooler Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2022-2027," finds that the **India Air Cooler market size** is expected to exhibit a CAGR of 7.4% during 2022-2027.

With the launch of Air coolers and its good performance last year, Onida recently launched 2 more variants of Air coolers called Zypher in 65 and 75 litres. India can have rough summers, so it is necessary to find ways to keep yourself cool and avoid heat waves. Analyst estimates forecast a double-digit growth this summer for categories such as Air Conditioners, Air coolers etc.

MANAGEMENT DISCUSSION AND ANALYSIS

Air coolers are one of the greatest cooling options for regions where the summers are hot and dry. They're popular since they're both cost-effective and environmentally beneficial and Onida staying true to it's core, in an intention to serve Indian masses especially in hinterland, launched Air Coolers which are purely Made in India. Gearing up for a strong summer season, especially as sales last year were impacted by the second wave of Covid. Onida launched Air Coolers with 2 variants and in 2 capacities to cater to both, Online and Offline markets. We have already seen tremendous conversions with the Online model and are proud to say that this new introduction of Air Coolers into the Onida Range of Products is well received. Our Air coolers are designed with powerful Air Throw technology to keep you cool even in large spaces and in extreme climatic conditions.

2. OPPORTUNITIES AND THREATS

Opportunities

- (a) India is expected to have the 5th largest consumer durable market by 2025.
- (b) Favourable demographic indicators like urbanisation, young aspirational population, increase in disposable income of individuals, aspiration for good quality branded products, nuclear families etc. are expected to catalyse the growth for electronic goods.
- (c) The Company has long-standing relationships with customers across products. Strong customer base will be a strong driver of the Company's future growth and help expand market share, develop new products and enter newer markets.

Threats

- (a) Rapid changes in technology.
- (b) Manifold increase in competition from International players.
- (c) An increase in the customs duty for any of the raw materials will also increase the cost of production. Thus, a huge change in tax rate or customs duty can have a negative effect on the electronics industry.
- (d) Impact due to Covid like Pandemics.

3. RISKS & CONCERNS

- (a) The Management Team periodically reviews the major risks and concerns which could impact the business and accordingly formulate the mitigation plans.
- (b) Deterioration in supply chain and demand due to pandemic such as COVID-19 have emerged as a significant business risk.

- (c) Slowdown in the Indian economy could adversely impact disposable income resulting in low consumer sentiment.

4. PRODUCT-WISE PERFORMANCE DURING THE FINANCIAL YEAR 2021-22

- (a) **Washing Machine:** This segment has witnessed a de-growth of 3.8 percent.
- (b) **Air Conditioner:** This segment has witnessed a de-growth of 5.5 percent.
- (c) **LED/Panel:** This segment has witnessed a de-growth of 21.9 percent.

5. OUTLOOK

Consumer goods companies have always faced the challenge of staying ahead of disruptive forces. The pandemic intensified this challenge. Due to which, the changes in demand is apparent from two groups of people: those affected by the pandemic financially and those whose habits changed due to physical distancing and other pandemic control measures.

These changes in consumer behaviour have an impact on the consumer goods industry in three ways: encouraged greater savings, increased consumption at home and reduced spending on discretionary expenses.

While many consumer behaviour shifts are almost certain to be temporary, there are strong indicators that there will be some permanent changes to consumer behaviour. Possible changes might include a shift to brand value away from private-label, budget and generic products, and a general tendency to consume more at home.

We expect brands to become even more important in the consumer goods sector than they have been in the past as companies differentiate themselves in a market increasingly reliant on online sales and marketing and distribution direct to consumers. Companies with already established brands with loyal followings are at an advantage. More innovative companies that are more attuned to understand consumer preferences are also more likely to take advantage of multi-distribution channels to connect with their customers

We at Onida are well placed to manufacture home products in India to provide the customers with innovate products through our well established multi-distribution channels. We remain positive supported by Production Linked Incentive (PLI) scheme, a stable tax policy, and low-interest rates, growing working population, higher disposable income, easier access to credit and improving standard of living.

MANAGEMENT DISCUSSION AND ANALYSIS

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 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, 2022 on comparable basis: -

a. INCOME

The total income for the year ended March 31, 2022 was ₹1197.51 crores as compared to ₹768.03 crores in the previous year, an increase of 55.92 %.

b. COST OF SALES

The cost of sales for the year ended March 31, 2022 was ₹1043.58 crores as compared to ₹640.61 crores in the previous year. This cost was 87.54 % of the Revenue from operations in the current year as compared to 83.65 % in the previous year.

c. EMPLOYEE REMUNERATION AND BENEFITS

Employee cost for the year at ₹60.68 crores increased by 18.79 % as compared to ₹51.09 crores in the previous year. The employee cost was 5.07 % of the total Income in the current year as compared to 6.65 % in the previous year.

d. OPERATING AND GENERAL EXPENSES

Operating and general expenses in current year decreased to ₹74.35 crores from ₹60.65 crores in the previous year. As a percentage of total Income, the operating and general expenses for the year were at 6.21 % as compared to 7.90% in the previous year.

e. FINANCIAL EXPENSES

Financial expenses for the year was at ₹14.08 crores as compared to ₹14.94 crores in the previous year. The financial cost for the year is 1.18% of the total Income as compared to 1.95 % in the previous year.

f. DEPRECIATION

Depreciation charge for the year increased to ₹7.77 crores as compared to ₹ 6.69 crores in the previous year.

g. PROFIT/LOSS BEFORE TAX AND EXCEPTIONAL ITEMS

Loss before tax and exceptional items for FY 2021-22 is ₹ 2.96 Crores as compared to ₹5.95 Crores in FY 2020-21. Loss before tax and exceptional items was 0.25 % of the total Income as compared to 0.77 % in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

h. EXCEPTIONAL ITEMS

Exceptional loss for the year was ₹17.12 crores.

i. PROFIT/LOSS BEFORE TAX AND AFTER EXCEPTIONAL ITEMS

Loss before tax and after exceptional items for FY 2021-22 is ₹20.07 Cr. as compared to a profit of ₹1.89 Cr. in FY 2020-21. Loss before tax and after exceptional items was 1.68% of the total Income in the current year as compared to a profit of 0.25% in the previous years.

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

The Human Resources philosophy is to attract the best talent in the industry and retain high potential talent. The Company considers its people as the brand ambassadors and success partners.

The Company continued to play a pivotal role in supporting employees to build resilience and adaptability to manage personal and professional disruptions experienced due to the COVID-19 pandemic. The Company calibrated its policies related to managing work remotely along with organizing wellness workshops. Safeguarding the health of employees in the light of the pandemic persuaded risks while ensuring business continuity remained the top priority.

The organization structure was redesigned in order to have a clear focus on branded business and new emerging business. This gave an improved perspective of overall business performance, leading teams to perform individually as well as collaborate together to meet business objectives.

The Company's Learning and Development cell – Onida Learning Academy hosted technical training programs for sales field team, in-shop promoters, service engineers to upskill and re-skill employees of new product introduction and enhanced product features. Alongside various people specific trainings were conducted through e-learning modules. The Company facilitated Digital HR initiatives to enrich employee experience; various processes were driven digitally through the in-house portal.

The company is committed to creating a professional culture to nurture and enable people to grow in their career alongside Company's success.

Your Company has 563 employees on its payroll as on March 31, 2022.

9. MATERIAL FINANCIAL & COMMERCIAL TRANSACTIONS INVOLVING SENIOR MANAGEMENT

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

Cautionary Statement

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

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : 25th May, 2022

Gulu Mirchandani
Chairman and Managing Director
DIN:00026664

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report, as applicable for the year ended March 31, 2022 is set out below for the information of shareholders, investors and other stakeholders of MIRC Electronics Limited (hereinafter referred to as the “Company”).

I. Company’s philosophy on code of Corporate Governance

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

- Integrity & ethics in all our dealings.
- Have a simple and transparent corporate structure driven solely by business needs.
- Be transparent with a high degree of disclosure & adequate control system.
- Make a clear distinction between 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 stakeholders’ 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, 2022, the Board of Directors of the Company comprises of eight directors, out of which three directors are Promoters cum Executive Directors, one Non-Promoter Executive Director and four are Non-Executive Independent Directors. The Chairman is a Promoter and Executive Director.

During the financial year 2021-2022, 6 (Six) meetings of the Board of Directors were held. These 6 (Six) meetings were held on June 14, 2021, August 13, 2021, November 10, 2021, December 01, 2021, December 23, 2021 and February 10, 2022. The maximum time gap between any two board meetings was less than 120 days except for first meeting which was held within 180 days from the date of the previous meeting, as per the relaxation provided by the Ministry of Corporate Affairs (“MCA”) vide its General Circular bearing no. 08/2021 dated May 03, 2021. 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] | 6 | 6 | Yes | 4 | 1 | 2 | 0 | 1 |
| Mr. Vijay Mansukhani | Promoter [MD] | 6 | 6 | Yes | 2 | 0 | 1 | 0 | 1 |
| Mr. Kaval Mirchandani | Promoter [WTD] | 6 | 6 | Yes | 4 | 0 | 1 | 0 | 1 |
| Mr. Rafique Malik | I & NED* | 6 | 5 # | Yes | 3 | 1 | 3 | 1 | 4 |
| Mr. Carlton Pereira | I & NED* | 6 | 6 | Yes | 3 | 0 | 2 | 3 | 5 |
| Mr. Arvind Sharma | I & NED* | 6 | 5 ## | Yes | 1 | 0 | 1 | 0 | 1 |
| Mr. Lokesh Sikka | Non Promoter [WTD] | 6 | 6 | Yes | 1 | 0 | 1 | 0 | 0 |
| Ms. Mohita Arora | I & NED* | 6 | 4 ### | No | 1 | 0 | 1 | 0 | 1 |

* Independent & Non-Executive Director.

Leave of Absence was granted for the Board Meeting held on June 14, 2021.

Leave of Absence was granted for the Board Meeting held on December 23, 2021.

Leave of Absence was granted for the Board Meeting held on December 01, 2021 and December 23, 2021.

CORPORATE GOVERNANCE REPORT

Notes:

1. As detailed above, none of the Directors is a member of more than 10 Board level Committees of Public Companies in which they are Directors or as Chairman of more than five such committees;
2. Only directorship in public limited companies (listed or unlisted) has been considered;
3. Membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies have been considered;

| Dates on which Board Meetings were held | Total Strength of the Board | No. of Directors Present |
|---|-----------------------------|--------------------------|
| June 14, 2021 | 8 | 7 |
| August 13, 2021 | 8 | 8 |
| November 10, 2021 | 8 | 8 |
| December 01, 2021 | 8 | 7 |
| December 23, 2021 | 8 | 6 |
| February 10, 2022 | 8 | 8 |

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 |
| | | c. Metro Brands Limited | Whole-time 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. Mohita Arora | Mirc Electronics Limited | Independent Director |
| 8. | Mr. Lokesh Sikka | Mirc Electronics Limited | Whole-time Director |

C] Information placed before the Board of Directors

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.

CORPORATE GOVERNANCE REPORT

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. 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. 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.

Ms. Mohita Arora was appointed as an Independent Director for 5 (Five) years at the Thirty-Ninth Annual General Meeting of the Company.

Mr. Arvind Sharma was appointed as an Independent Director for second consecutive term of 5 (Five) years at the Fortieth Annual General Meeting of the Company.

All appointments were made pursuant to the provisions of the Section 149 read with Schedule IV of the Companies Act, 2013.

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. 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 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 10, 2022 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 and the link is <http://www.onida.com/policies>.

CORPORATE GOVERNANCE REPORT

G) Performance Evaluation Criteria for Independent Directors:

The criteria for evaluation of Independent Directors, *inter alia*, includes attendance at the meetings, 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, 2022 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 | Mohita Arora |
|---------|---|------------------|------------------|-------------------|--------------|-----------------|---------------|---------------|--------------|
| 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 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

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.

CORPORATE GOVERNANCE REPORT

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, 2022, 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 September 27, 2021 to reply to the queries raised by the members of the Company.

B] Meetings of Audit Committee

During the financial year 2021-2022, 5 (five) meetings of the members of the Audit Committee were held. These meetings were held on June 14, 2021, August 13, 2021, November 10, 2021, December 01, 2021 and February 10, 2022. Mr. Gulu Mirchandani, Chairman and Managing Director, Mr. Vijay Mansukhani, Managing Director, Mr. Kaval Mirchandani, Whole Time Director, Mr. Lokesh Sikka, 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 2021-2022) | |
|---|--|----------|
| | Held during tenure | Attended |
| Mr. Carlton Pereira (Chairman) I & NED* | 5 | 5 |
| Mr. Rafique Malik (Member) I & NED* | 5 | 4 # |
| Mr. Arvind Sharma (Member) I & NED* | 5 | 5 |

* Independent & Non-Executive Director.

Leave of Absence was granted for Audit Committee Meeting held on June 14, 2021.

| Dates on which Audit Committee Meetings were held | Total Strength of the Committee | No of Members Present |
|---|---------------------------------|-----------------------|
| June 14, 2021 | 3 | 2 |
| August 13, 2021 | 3 | 3 |
| November 10, 2021 | 3 | 3 |
| December 01, 2021 | 3 | 3 |
| February 10, 2022 | 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. Overview 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;

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14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the Whistle Blower mechanism;
19. approval of appointment of Chief Financial Officer (CFO) (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
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.
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

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, 2022, the Nomination and Remuneration Committee consists of the following members:

- 1) Mr. Rafique Malik, Chairman;
- 2) Mr. Carlton Pereira;
- 3) Ms. Mohita Arora.

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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 September 27, 2021 to reply to the queries raised by the members of the Company.

B] Meetings of Nomination and Remuneration Committee

During the financial year 2021-2022, 4 (Four) meetings of the members of the Nomination and Remuneration Committee were held. These meetings were held on June 14, 2021, December 01, 2021, December 23, 2021 and February 10, 2022. 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 2021-2022) | |
|--|--|----------|
| | Held during tenure | Attended |
| Mr. Rafique Malik, I & NED* (Chairman) | 4 | 3 |
| Mr. Carlton Pereira, I & NED* (Member) | 4 | 4 # |
| Ms. Mohita Arora, I & NED* (Member) | 4 | 2 ## |

* Independent & Non- Executive Director.

Leave of Absence was granted for Nomination & Remuneration Committee Meeting held on June 14, 2021.

Leave of Absence was granted for Nomination & Remuneration Committee Meeting held on December 01, 2021 and December 23, 2021

| Dates on which Nomination and Remuneration Committee Meetings were held | Total Strength of the Committee | No of Members Present |
|---|---------------------------------|-----------------------|
| June 14, 2021 | 3 | 2 |
| December 01, 2021 | 3 | 2 |
| December 23, 2021 | 3 | 2 |
| February 10, 2022 | 3 | 3 |

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.

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- To recommend to the Board a 'policy' relating to the remuneration of directors, key managerial personnel and other employees.
- To devise a policy on Board diversity.
- To carry out such other functions as delegated by the Board from time to time.
- 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, KMPs and SMPs 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 KMPs/SMPs.
6. Special consideration for attracting top notch hi flier in case of KMPs/SMPs.
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.

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

i) Executive Directors' Remuneration

The Nomination and Remuneration Committee and Board of Directors of the Company in their respective meeting held on 25th May , 2022 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 1st December , 2022 till 30th November , 2025 (both day inclusive) pursuant to the provisions of Section 196, 197 read with Schedule V to the Companies Act, 2013, subject to the approval of members of the Company at the ensuing Forty-First Annual General Meeting.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 11th February , 2021 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 1st April, 2021 till 31st March , 2024 (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 Fortieth Annual General Meeting of the Company held on 27th September , 2021.

The Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meetings held on 25th May , 2022 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 26th May , 2022 till 25th May , 2025 (both day inclusive), pursuant to the provisions of Section 196, 197 read with Schedule V to the Companies Act, 2013, subject to the approval of members of the Company at the ensuing Forty-First Annual General Meeting.

The Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meetings held on 25th May , 2022 approved the re-appointment and remuneration of Mr. Lokesh Sikka, Whole- time Director of the Company for a period of 3 (three) years with effect from 13th February , 2023 till 12th February , 2026 (both day inclusive), pursuant to the provisions of Section 196, 197 read with Schedule V to the Companies Act, 2013, subject to the approval of members of the Company at the ensuing Forty-First Annual General Meeting.

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.

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.

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The details of remuneration paid / payable to the Board of Directors for the financial year 2021-2022 are as follows:

(Amount in ₹)

| Sr. No. | Director | Relation with the Company | Inter-se Relation | Remuneration for Financial Year 2021-2022 | | | | | | 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 | 1,11,84,000 | Nil | 979200 | Nil | 1,21,63,200 | 4,70,95,753 |
| 2 | Mr. Vijay Mansukhani | Promoter [MD] | Brother in Law of sr. no.1 | Nil | 1,11,84,000 | Nil | 979200 | Nil | 1,21,63,200 | 2,63,35,774 |
| 3 | Mr. Kaval Mirchandani | Promoter [WTD] | Son of sr. no. 1 | Nil | 30,20,172 | Nil | 172800 | Nil | 31,92,972 | 49,300 |
| 4 | Mr. Lokesh Sikka | Non Promoter (WTD) | N.A. | Nil | 47,48,247 | Nil | 161280 | Nil | 49,09,527 | 1 |
| 5 | Mr. Rafique Malik | I & NED* | N.A. | 2,40,000 | N.A. | Nil | N.A. | Nil | 2,40,000 | -- |
| 6 | Mr. Carlton Pereira | I & NED* | N.A. | 2,60,000 | N.A. | Nil | N.A. | Nil | 2,60,000 | -- |
| 7 | Mr. Arvind Sharma | I & NED* | N.A. | 2,00,000 | N.A. | Nil | N.A. | Nil | 2,00,000 | -- |
| 8 | Ms. Mohita Arora | I & NED* | N.A. | 1,40,000 | N.A. | Nil | N.A. | Nil | 1,40,000 | -- |

* Independent & Non-Executive Director.

Note:

1. The remuneration paid to Mr. Gulu Mirchandani, Chairman and Managing Director, Mr. Vijay Mansukhani, Managing Director, Mr. Kaval Mirchandani, 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
2. Contribution to Provident Fund & Superannuation / Gratuity payable shall not be included in the computation of the ceiling on managerial remuneration specified in Schedule V to the Companies Act, 2013; and
3. The Company has not granted any stock options to any directors.

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, 2022, the Stakeholders Relationship Committee consists of the following members:

1. Mr. Rafique Malik, Chairman;
2. Mr. Gulu Mirchandani;
3. Mr. Vijay Mansukhani; and
4. Ms. Mohita Arora.

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Mr. Lalit Chendvankar, Head - Corporate Affairs, Legal and Company Secretary was the Compliance Officer of the Company upto June 26, 2021.

Mr. Prasad Oak, Head – Legal, Corporate Affairs and Company Secretary was appointed as the Compliance Officer of the Company with effect from December 24, 2021.

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 September 27, 2021 to reply to the queries raised by the members of the Company.

B] Meetings of Stakeholders Relationship Committee

During the financial year 2021-2022, 4 (four) meetings of the members of Stakeholders Relationship Committee were held. These meetings were held on June 14, 2021, August 13, 2021, November 10, 2021 and February 10, 2022. 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 2021-2022) | |
|--|--|----------|
| | Held during tenure | Attended |
| Mr. Rafique Malik (Chairman) I & NED* | 4 | 3 |
| Mr. Gulu Mirchandani (Member) Promoter (CMD) | 4 | 4 |
| Mr. Vijay Mansukhani (Member) Promoter (MD) | 4 | 4 |
| Ms. Mohita Arora, I & NED* (Member) | 4 | 4 |

* Independent & Non-Executive Director.

| Dates on which Stakeholders Relationship Committee Meetings were held | Total Strength of the Committee | Number of Members Present |
|---|---------------------------------|---------------------------|
| June 14, 2021 | 4 | 3 |
| August 13, 2021 | 4 | 4 |
| November 10, 2021 | 4 | 4 |
| February 10, 2022 | 4 | 4 |

Status Report of investor queries and complaints for the period from April 01, 2021 to March 31, 2022 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 | 1 |
| 3 | Investor complaints disposed off during the year | 1 |
| 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.

CORPORATE GOVERNANCE REPORT

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 |
|----------------|---|--------------------|------------|--|
| 2020-2021 | Through Video Conferencing / Other Audio Visual Means ("OAVM") ** | September 27, 2021 | 03.00 p.m. | 2 |
| 2019-2020 | Through Video Conferencing / Other Audio Visual Means ("OAVM") * | September 24, 2020 | 03.00 p.m. | 1 |
| 2018-2019 | Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 | August 28, 2019 | 03.00 p.m. | 5 |

** The Annual General Meeting for the Financial year 2020-2021 was held through Video Conferencing / Other Audio Visual Means ("OAVM") in compliance with Circulars issued by the Ministry of Corporate Affairs ("MCA") vide circular bearing no. 20/2020 dated May 05, 2020 read with circulars bearing no. 02/2021 dated January 13, 2021 read together with circular 14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively (collectively referred to as "MCA Circulars") and by the Securities and Exchange Board of India ("SEBI") vide circular bearing no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read together with SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ("SEBI Circular") due to COVID-19 pandemic.

* The Annual General Meeting for the Financial year 2019-2020 was held through Video Conferencing / Other Audio Visual Means ("OAVM") in compliance with Circulars issued by the Ministry of Corporate Affairs ("MCA") vide 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 by the 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") due to COVID-19 pandemic.

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

B] Subsidiary

The Company do 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 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 and the link is <http://www.onida.com/policies>.

E] Risk Management Committee

The Board of Directors of the Company has voluntarily 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.

CORPORATE GOVERNANCE REPORT

J] Insider Trading Code

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

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 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 2021-2022 (₹ In Lakhs) |
|---|--|
| Audit fees (including quarterly audits) | 33.50 |
| For other services (certifications, etc.) | Nil |
| For taxation matters | 4.00 |
| For reimbursement of expenses | 1.50 |
| Total | 39.00 |

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 2021-2022. 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, 2022 was placed before the Board of Directors of the Company in their meeting held on May 25, 2022 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 requirement pursuant to Regulation 17(2) and 18(2) for holding of Board Meeting and Audit Committee Meeting within a maximum time gap of one hundred and twenty days between any two meetings for the first quarter wherein the gap between meetings was one hundred and twenty-two days. Although it may be noted that as per MCA Circular No. 08/2021 dated May 03, 2021, relaxation for gap between two consecutive meetings upto one hundred and eighty days was provided and as per SEBI Circular No. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated April 29, 2021, relaxation w.r.t. adopting audited annual financials for FY 2020-21 upto June 30, 2021 was provided which was duly complied with.

O] Compliance with Mandatory and Non-Mandatory Requirements

The Company has complied with 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 SEBI (LODR) Regulations, 2015, except the fulfilment of the criteria laid down under the Regulation 17(2) and Regulation 18(2) of the SEBI (LODR) Regulations, 2015 for holding of Board Meeting and Audit Committee Meeting within a maximum time gap of one hundred and twenty days between any two meetings for the first quarter wherein

CORPORATE GOVERNANCE REPORT

the gap between meetings was one hundred and twenty-two days. Although it may be noted that as per MCA Circular No. 08/2021 dated May 03, 2021, relaxation for gap between two consecutive meetings upto one hundred and eighty days was provided and as per SEBI Circular No. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated April 29, 2021, relaxation w.r.t. adopting audited annual financials for FY 2020-21 upto June 30, 2021 was provided which was duly complied with.

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

(a) Internal Audit:

The Internal Audit Report is submitted every quarter before the Audit Committee meeting and even partner / representative of internal auditor's firm 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'/'Navshakti' 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, 2022 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 May 25, 2022 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 no instances / complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. Number of complaints filed 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 2021-2022.

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 except requirement of Regulation 17(2) and 18(2) in respect of gap between two meetings as mentioned above.

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.

CORPORATE GOVERNANCE REPORT

U] Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

The Company has not provided any loans to firms / companies in which directors are interested.

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 last three quarters in financial year 2021-2022. In term of the circular no. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated April 29, 2021 issued by SEBI as amended from time to time, in respect of first quarter of financial year 2021-2022, the Company had to furnish the quarterly and annual audited financial results for year ended March 31, 2021 on or before June 30, 2021 and accordingly, the meeting of the Board of Directors of the Company for considering the annual audited financial results of Financial year 2020-2021 was held on June 14, 2021.

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" / "Navshakti", newspaper published in the language of the region where the registered office of the Company is situated. The audited annual results for financial year 2021-2022 were published in "Financial Express" and "Mumbai Lakshdeep"/"Navshakti".

In terms of Regulation 46 of the SEBI (LODR) Regulations, 2015, the Company is maintaining its website i.e. 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 within the prescribed time limit.

VII. General Shareholders Information

| | |
|---|--|
| Annual General Meeting Day, Date, Time and Mode | Monday, 22nd August , 2022 at 3.00 p.m. through Video Conferencing / Other Audio Visual Means |
| Financial year | 1 st April – 31 st March |
| Book Closure | Monday, August 15, 2022 to Monday, August 22, 2022 (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 2022-2023 for both the stock exchanges have been paid by the Company. |
| Address of Stock Exchange | BSE Limited: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. National Stock Exchange of India Limited: 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 Email ID | www.onida.com investors@onida.com |
| Corporate Identification No. (CIN) | L32300MH1981PLC023637 |
| Details of securities suspended | Not Applicable |

CORPORATE GOVERNANCE REPORT

Unclaimed Dividends

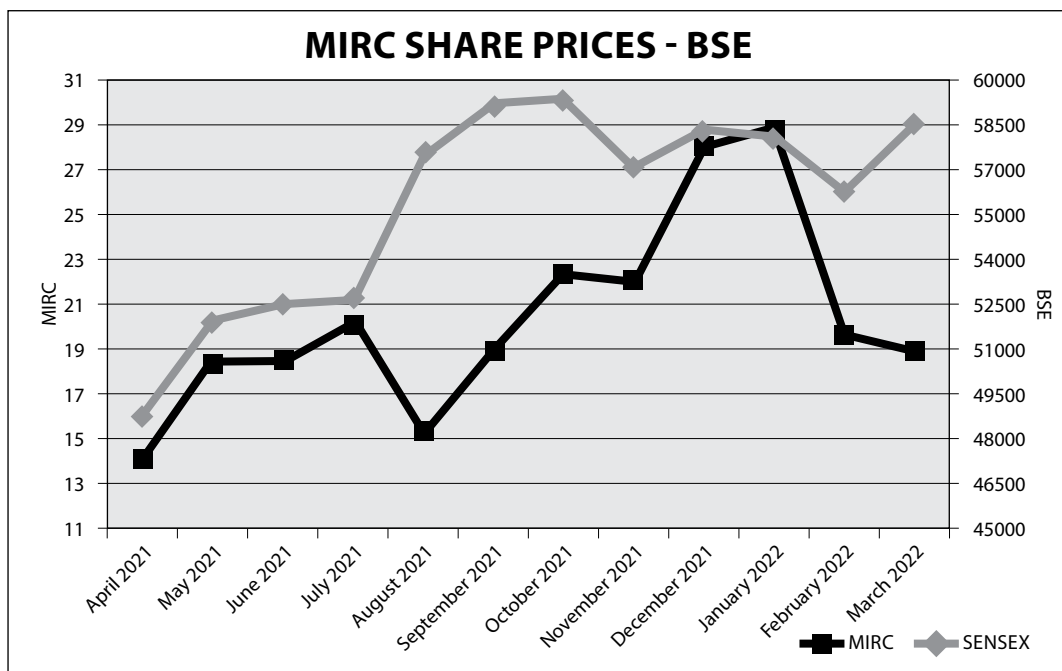
Since there was no dividend declared and paid from financial year 2011-2012, your Company did not have any funds as lying unpaid or unclaimed for a period of seven (7) years in terms of provisions of the Section 124 of the Companies Act, 2013. Therefore, there is no funds which required to be transferred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

Market Price Data: (Financial Year 2021-2022)

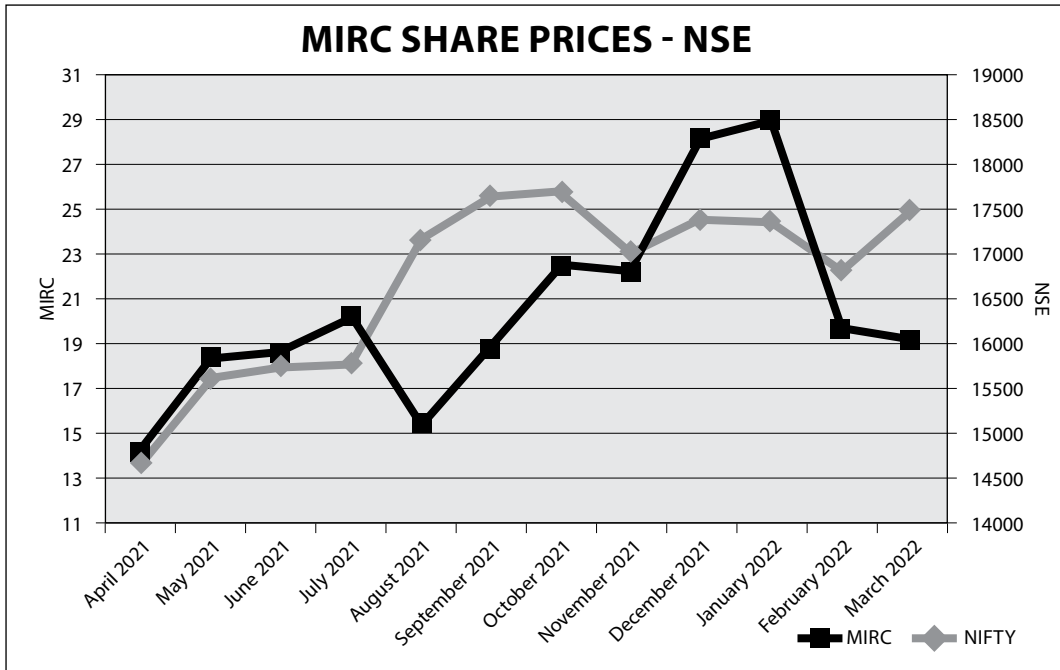
| Month | STOCK EXCHANGE | | | | | | | |
|----------------|------------------|---------|----------|----------|---------------------------------------|---------|----------|----------|
| | BSE Ltd. | | | | National Stock Exchange of India Ltd. | | | |
| | MIRC Share Price | | Sensex | | MIRC Share Price | | Nifty | |
| | High (₹) | Low (₹) | High (₹) | Low (₹) | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April 2021 | 14.85 | 11.16 | 50375.77 | 47204.50 | 14.85 | 10.95 | 15044.35 | 14151.40 |
| May 2021 | 19.45 | 13.55 | 52013.22 | 48028.07 | 19.40 | 13.60 | 15606.35 | 14416.25 |
| June 2021 | 19.70 | 16.45 | 53126.73 | 51450.58 | 19.70 | 16.50 | 15915.65 | 15450.90 |
| July 2021 | 25.60 | 18.65 | 53290.81 | 51802.73 | 25.50 | 18.80 | 15962.25 | 15513.45 |
| August 2021 | 23.00 | 14.35 | 57625.26 | 52804.08 | 23.00 | 14.20 | 17153.50 | 15834.65 |
| September 2021 | 18.90 | 14.80 | 60412.32 | 57263.90 | 19.00 | 15.00 | 17947.65 | 17055.05 |
| October 2021 | 24.45 | 18.90 | 62245.43 | 58551.14 | 24.30 | 18.90 | 18604.45 | 17452.90 |
| November 2021 | 27.15 | 21.20 | 61036.56 | 56382.93 | 27.20 | 21.30 | 18210.15 | 16782.40 |
| December 2021 | 30.75 | 21.60 | 59203.37 | 55132.68 | 30.90 | 21.60 | 17639.50 | 16410.20 |
| January 2022 | 34.90 | 27.00 | 61475.15 | 56409.63 | 34.90 | 27.30 | 18350.95 | 16836.80 |
| February 2022 | 31.15 | 19.15 | 59618.51 | 54383.20 | 30.85 | 19.05 | 17794.60 | 16203.25 |
| March 2022 | 22.00 | 18.35 | 58890.92 | 52260.82 | 22.05 | 18.10 | 17559.80 | 15671.45 |

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**

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

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.

Distribution of Shareholding as on March 31, 2022

| Equity shares held | Shareholders | % | Shares | % |
|--------------------|--------------|---------------|------------------|---------------|
| 1-500 | 54921 | 75.56 | 7212906 | 3.12 |
| 501-1000 | 7464 | 10.27 | 6544968 | 2.83 |
| 1001-2000 | 5112 | 7.03 | 8795928 | 3.81 |
| 2001-3000 | 1554 | 2.14 | 4095790 | 1.77 |
| 3001-4000 | 720 | 0.99 | 2643200 | 1.15 |
| 4001-5000 | 802 | 1.10 | 3879665 | 1.68 |
| 5001-10000 | 1058 | 1.46 | 8245468 | 3.57 |
| 10001 and above | 1053 | 1.45 | 189534694 | 82.07 |
| Total | 72684 | 100.00 | 230952619 | 100.00 |

CORPORATE GOVERNANCE REPORT

Shareholding pattern as on March 31, 2022

| Category | | Number of shares | Percentage of Holding |
|----------|--|---------------------|-----------------------|
| A | Promoter's Holding | | |
| 1 | Indian Promoter | 12,32,42,638 | 53.36 |
| 2 | Foreign Promoter | 0 | 0.00 |
| | Sub Total (A) | 12,32,42,638 | 53.36 |
| B | Non Promoter's Holding | | |
| | Institutional Investors | | |
| 1 | Mutual Fund | 1,700 | 0.00 |
| 2 | Foreign Portfolio Investor | 31,39,261 | 1.36 |
| 3 | Financial Institutions / Banks | 1,115 | 0.00 |
| | Total (Institutional Investors) | 31,42,076 | 1.36 |
| | Non Institutional Investors | | |
| 1 | Individuals | 8,60,03,463 | 37.24 |
| 2 | NBFCs registered with RBI | 14,190 | 0.01 |
| 3 | IEPF | 18,03,384 | 0.78 |
| 4 | Trusts | 7,010 | 0.00 |
| 3 | Hindu Undivided Family | 39,14,646 | 1.69 |
| 4 | Non Resident Indians | 14,48,593 | 0.63 |
| 5 | Clearing Member | 5,51,427 | 0.24 |
| 6 | Bodies Corporate | 1,08,25,192 | 4.69 |
| 7 | Government Companies | 0 | 0.00 |
| | Total (Non-Institutional Investors) | 10,45,67,905 | 45.28 |
| | Sub Total (B) | 10,77,09,981 | 46.64 |
| | Grand Total (A + B) | 23,09,52,619 | 100.00 |

Dematerialisation of shares and liquidity

As at March 31, 2022, 98.79% (22,81,52,449 shares) of paid up share capital was held in dematerialised form with NSDL and CDSL, while 1.21% (28,00,170 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.

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

There are no outstanding GDRs /ADRs or any other convertible instruments as on March 31, 2022 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.

CORPORATE GOVERNANCE REPORT

Plant Locations

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

Place : Mumbai
Date : 25th May , 2022

Gulu Mirchandani
Chairman and Managing Director
(DIN: 00026664)

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 Deepak Sarawagi, Chief Financial Officer of MIRC Electronics Limited hereby certify to Board that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 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 : 25th May, 2022

Deepak Sarawagi
Chief Financial Officer

G. Sundar
Chief Executive 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, 2022.

for MIRC Electronics Limited

Place : Mumbai
Date : 25th May, 2022

G. Sundar
Chief Executive Officer

MIRC

MIRC ELECTRONICS LIMITED

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 31st March, 2022, 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 Obligations 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 be noted that in respect of time gap between two Board Meetings, the Company has relied on the circular issued by the SEBI viz. Circular No. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated 29.04.2021 read with the General Circular of the Ministry of Corporate Affairs No. 08/2021 dated 03.05.2021 vide which the time limited has been extended u/s. 173 of the Companies Act, 2013 between two consecutive Board meetings of up to 180 days.

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.

Place : Mumbai
Date : 25th May, 2022

Mahesh M. Darji
Company Secretary in Practice
FCS: 7175
CP: 7809
UDIN: F007175D000390888

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 data.

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) 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, 2022** 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 |
| 8 | Mohita Arora | 08771417 | 26/06/2020 |

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.

Mahesh M. Darji
Company Secretary in Practice
FCS: 7175
CP: 7809
UDIN: F007175D000390855

Place : Mumbai
Date : 25th May, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of MIRC Electronics Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of MIRC Electronics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of 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 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, 2022, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the 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 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 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 financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|--|---|
| Identification and value adjustments to slow-moving and non-moving inventories (Refer Note 8 to the financial statements) | |
| <p>As at March 31, 2022, the carrying value of inventories amounted to ₹ 42,428.03 lakhs. The inventories are valued at lower of cost or net realizable value.</p> <p>The Company carries out an inventory review on a periodic basis and considers the ageing and expected production and sales forecast of inventory items for the purpose of identification of slow moving and non-moving items, against which it adjusts based on its estimated realizable value.</p> <p>Given the significant judgement exercised by the management in the estimation and considering the amount involved, we have considered the identification and value adjustments to slow-moving and non-moving inventories as a key audit matter.</p> | <p>Our procedures included the following:</p> <ul style="list-style-type: none"> We have obtained understanding of how the management identifies the slow moving and non-moving inventories and estimates the net realizable value of slow moving and non-moving inventories. We also assessed reasonableness of the allowance policy which is based on historical sales performance and future production and sales plan of inventories. We obtained the list of slow moving and non-moving inventories from the Company, verified the ageing, and inquired with the management for the realizability plan of such items of inventories, on a test check basis. We have obtained the working of net realizable value for slow moving and non-moving inventories and tested the same on a sample basis by comparing it with the past sales transactions. We have verified whether the value adjustments made to slow-moving and non-moving inventories are in line with the Company's provisioning policy. |

INDEPENDENT AUDITOR'S REPORT

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| Tax Litigations (Refer Note 39 to the 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 amounts as at March 31, 2022, is ₹ 10,118.75 lakhs. The Company has tax balances recoverable of ₹ 2,646.48 lakhs related to these tax balances is dependent on the outcome of these tax litigations.</p> <p>The accounting for these tax positions comprises significant judgment 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 a key audit matter.</p> | <p>Our procedures included the following:</p> <ul style="list-style-type: none"> We obtained the list of tax litigations from the Company. We have obtained and read the Company's submission to tax authorities and the tax opinions of management's experts on these litigation matters, wherever considered necessary. We also involved our internal team of tax specialists to review management's assessment for material litigation matters based on past precedence and applicable compliance with tax laws. We have assessed the accounting and disclosures related to these litigations in the financial statements. |

We have determined that there are no other key audit matters to communicate in our report.

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 Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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

INDEPENDENT AUDITOR'S REPORT

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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 financial statements, including the disclosures, and whether the 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 financial statements for the financial year ended March 31, 2022, 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit 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 the Statement of 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

INDEPENDENT AUDITOR'S REPORT

- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to these 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, 2022, has been paid / provided by the Company to its directors in accordance with the 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 financial statements – Refer Note 39 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.

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

per Firoz Pradhan
Partner
Membership Number: 109360
UDIN: 22109360AJNZOL6453

Place of Signature: Mumbai
Date: May 25, 2022

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company has maintained proper records showing full particulars of intangibles assets.
- (c) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (d) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (e) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (f) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate and no discrepancies of 10% or more in aggregate for each class of inventory were noticed. There was no inventory lying with third parties.
- (b) As disclosed in Note 16 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (iii) (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made investments, provided guarantees, provided security, and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (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, related to the manufacture of the 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.

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. The provisions relating to sales-tax, service tax, duty of excise and value added tax are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these

statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

| Name of the statute | Nature of Dues | Amount of dispute in ₹ lakhs (net of deposits) | Period to which the amount relates | Forum where the dispute is pending |
|------------------------------|----------------|--|--|------------------------------------|
| The Income-tax Act, 1961 | Income Tax | 205.19 | FY 2009-2010 | ITAT |
| | | 160.98 | FY 2015-2016 FY 2016-2017 | CIT(A) |
| | | 337.12 | FY 2000-2001, FY 2001-2002, FY 2004-2005, FY 2005-2006, FY 2007-2008, FY 2010-2011 | High Court |
| The Finance Act, 1994 | Service Tax | 5,765.59 | FY 2007-08 - FY 2009-10, December 2007 - December 2015, April 2011 - December 2015, January 2016 - June 2017 | CESTAT |
| | | 129.31 | FY 2015 - 2016 | High Court |
| | | 92.55 | FY 2005 - 2010 | Commissioner (Appeals) |
| The Central Excise Act, 1944 | Excise Duty | 2.02 | FY 1997-1998, FY 1999-2000 | Commissioner (Appeals) |
| | | 10.00 | FY 1998-1999 | HIGH COURT |
| | | 189.94 | FY 2007-08, FY 2008-09, March 2010 - February 2012, April 2011 to March 2016, For the months of April'13, April'14, April'15 and April'16 | CESTAT |
| The Customs Act, 1962 | Customs duty | 22.40 | FY 2012-13 | CESTAT |
| | | 50.88 | FY 2012-14 | Commissioner of Customs |
| | | 0.10 | FY 2015-16 | Commissioner of Customs (Appeals) |
| | | 88.74 | FY 2014-16 | Deputy Commissioner of Customs |

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

| Name of the statute | Nature of Dues | Amount of dispute in ₹ lakhs (net of deposits) | Period to which the amount relates | Forum where the dispute is pending |
|--------------------------------------|----------------|--|--|------------------------------------|
| The Sales Tax Act (Centre and state) | Sales Tax | 0.03 | FY 2009 -10, FY 2011-12 | Appellate Authorities |
| | | 0.87 | FY 2010-11 | Additional Commissioner (Appeals) |
| | | 52.93 | FY 2010-11, FY 2013-14 | Appellate Authority |
| | | 656.36 | FY 2008-09, FY 2010-11, FY 2011-12, FY 2012-13, FY 2014-15, FY 2017-18 | Assessing Officer |
| | | 128.84 | FY 2010-11, FY 2011-12, FY 2012-13, FY 2013-15 | Assistant Commissioner |
| | | 137.45 | FY 2006 -07, FY 2007-08, FY 2008-09, FY 2011-12, FY 2012-13 | Commissioner |
| | | 370.32 | FY 2000-01 | Deputy Commissioner (Appeals) |
| | | 48.21 | FY 1997-98, FY 1999-00, FY 2000-01, FY 2003-04, FY 2004-05, FY 2006-07, FY 2007-08, FY 2008-09, FY 2009-10, FY 2010-11, FY 2011-12, FY 2012-13, FY 2016-17 | Deputy Commissioner |
| | | 213.90 | FY 2002-03, FY 2003-04, FY 2004-05, FY 2010-11 | High Court |

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

| Name of the statute | Nature of Dues | Amount of dispute in ₹ lakhs (net of deposits) | Period to which the amount relates | Forum where the dispute is pending |
|---------------------|----------------|--|--|------------------------------------|
| | | 563.01 | FY 2003-04, FY 2005-06, FY 2008-09, FY 2010-11, FY 2012-13, FY 2013-14, FY 2014-15, FY 2015-16, FY 2016-17 | Joint Commissioner |
| | | 6,435.06 | FY 2005-06, FY 2006-07, FY 2007-08, FY 2009-10, FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15, FY 2015-16, FY 2016-12, FY 2017-18 | Joint Commissioner (Appeals) |
| | | 448.14 | FY 2006-07, FY 2007-08, FY 2008-09, FY 2009-10, FY 2010-11 | Revisional Board |
| | | 195.69 | FY 2003-04, FY 2005-06, FY 2006-07, FY 2007-08 | Tribunal |

- (c) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

- (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by the cost auditor or secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a),(b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 49 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provision of section 135 of the Act is not applicable to the Company. Therefore, the requirement to report on clause 3(xx) of the order is not applicable to the Company.

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

per Firoz Pradhan
Partner
Membership Number: 109360
UDIN: 22109360AJNZOL6453

Place of Signature: Mumbai
Date: May 25, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

"Annexure 2" referred to in Paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

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 with reference to financial statements of MIRC Electronics Limited ("the Company") as of March 31, 2022, in conjunction with our audit of the 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 ("ICAI"). 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 with reference to these 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, both issued by ICAI. 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 with reference to these 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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

Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to 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 controls with reference to 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 With Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

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

per Firoz Pradhan
Partner
Membership Number: 109360
UDIN: 22109360AJNZOL6453

Place of Signature: Mumbai
Date: May 25, 2022

IND AS BALANCE SHEET AS AT 31st MARCH, 2022

| | Notes | As at 31st March, 2022 ₹ in lakhs | As at 31st March, 2021 ₹ in lakhs |
|--|-------|---|---|
| I. Assets | | | |
| Non-current assets | | | |
| (a) Property, Plant and Equipment | 2 | 8,952.21 | 8,629.93 |
| (b) Capital work-in-progress | 2A | 40.59 | 522.72 |
| (c) Right of use Assets | 2B | 241.21 | - |
| (d) Other Intangible Assets | 3 | 19.87 | 24.21 |
| (e) Financial Assets | | | |
| (i) Investments | 4 | 136.05 | 103.57 |
| (ii) Others | 5 | 934.87 | 173.25 |
| (f) Income Tax Assets (Net) | 6 | 276.87 | 172.02 |
| (g) Other non-current assets | 7 | 2,663.05 | 2,656.82 |
| (h) Deferred tax assets (Net) | 18 | - | - |
| Total non-current assets | | 13,264.72 | 12,282.52 |
| Current assets | | | |
| (a) Inventories | 8 | 42,428.03 | 35,443.95 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 9 | 10,222.13 | 11,478.94 |
| (ii) Cash and cash equivalents | 10 | 564.39 | 813.23 |
| (iii) Bank balances (other than note (ii) above) | 11 | 1,213.53 | 2,078.09 |
| (iv) Others | 12 | 379.22 | 1,326.07 |
| (c) Other current assets | 13 | 2,369.05 | 3,114.01 |
| Total current assets | | 57,176.35 | 54,254.29 |
| Total Assets | | 70,441.07 | 66,536.81 |
| II. Equity and Liabilities | | | |
| Equity | | | |
| (a) Equity Share capital | 14 | 2,311.39 | 2,311.39 |
| (b) Other Equity | 15 | 18,013.48 | 20,039.12 |
| Total equity | | 20,324.87 | 22,350.51 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 16 | 1,462.54 | 839.70 |
| (ii) Lease liabilities | 17 | 37.61 | - |
| (iii) Other financial liabilities | 19 | 47.76 | 398.80 |
| (b) Provisions | 20 | 734.17 | 640.47 |
| Total Non current liabilities | | 2,282.08 | 1,878.97 |
| Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 21 | 5,307.65 | 7,695.04 |
| (ii) Trade payables | 22 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 238.08 | 631.01 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 38,107.30 | 31,740.03 |
| (iii) Lease liabilities | 17 | 25.46 | - |
| (iv) Other financial liabilities | 23 | 1,880.55 | 1,305.44 |
| (b) Other current liabilities | 24 | 1,763.02 | 427.59 |
| (c) Provisions | 25 | 512.06 | 508.22 |
| Total current liabilities | | 47,834.12 | 42,307.33 |
| Total Equity and Liabilities | | 70,441.07 | 66,536.81 |
| 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
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

per Firoz Pradhan
Partner
Membership No.109360

Place : Mumbai
Date : 25th May, 2022

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

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

Deepak Sarawagi
Chief Financial Officer

Place : Mumbai
Date : 25th May, 2022

V.J.Mansukhani
Managing Director
DIN : 01041809

Prasad Oak
Head - Legal, Corporate Affairs,
and Company Secretary

MIRC

MIRC ELECTRONICS LIMITED

IND AS STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

| | Notes | For the year ended 31st March, 2022 ₹ in lakhs | For the year ended 31st March, 2021 ₹ in lakhs |
|---|-------|---|---|
| Income | | | |
| Revenue from operations | 26 | 119,217.20 | 76,584.35 |
| Other Income | 27 | 533.30 | 218.67 |
| Total Income | | 119,750.50 | 76,803.02 |
| Expenses | | | |
| Cost of raw materials and components consumed | 28 | 86,325.38 | 46,045.55 |
| Purchases of Traded Goods | 29 | 19,912.65 | 12,268.30 |
| Changes in inventories of Finished Goods, Work-in-progress and Stock in Trade | 30 | (1,880.53) | 5,747.25 |
| Employee benefits expense | 31 | 6,068.25 | 5,108.53 |
| Finance Cost | 32 | 1,408.44 | 1,494.28 |
| Depreciation and amortisation expenses | 33 | 776.87 | 669.41 |
| Other Expenses | 34 | 7,434.97 | 6,064.87 |
| Total Expenses | | 120,046.03 | 77,398.19 |
| (Loss) before exceptional items and tax | | (295.53) | (595.17) |
| Exceptional items | 38 | (1,711.61) | 783.82 |
| Profit/(Loss) before tax | | (2,007.14) | 188.65 |
| Tax Expense | | | |
| Current Tax | | - | - |
| Deferred Tax | 18 | - | - |
| Total tax expense | | - | - |
| Profit/(Loss) for the year after tax | | (2,007.14) | 188.65 |
| Other Comprehensive Income (net of tax) | | | |
| Items that will not be reclassified to Profit or Loss | | | |
| Remeasurement of the defined benefit plans | | (18.50) | (30.00) |
| Total Other Comprehensive Loss (net of tax) | | (18.50) | (30.00) |
| Total Comprehensive Income/(Loss) for the year (net of tax) | | (2,025.64) | 158.65 |
| Earnings per Equity Share [Face Value of share Re. 1 each (31 March, 2021: ₹ 1 each)] | 36 | | |
| - Basic (₹) | | (0.87) | 0.08 |
| - Diluted (₹) | | (0.87) | 0.08 |
| 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
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

per Firoz Pradhan
Partner
Membership No.109360

Place : Mumbai
Date : 25th May, 2022

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

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

Deepak Sarawagi
Chief Financial Officer

Place : Mumbai
Date : 25th May, 2022

V.J.Mansukhani
Managing Director
DIN : 01041809

Prasad Oak
Head - Legal, Corporate Affairs,
and Company Secretary



MIRC ELECTRONICS LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2022

| | For the year ended 31st March, 2022 ₹ in lakhs | For the year ended 31st March, 2021 ₹ in lakhs |
|---|---|---|
| Cash flow from Operating Activities | | |
| Profit/(Loss) before tax | (2,007.14) | 188.65 |
| Adjustments for : | | |
| Depreciation of property, plant and equipment and Right of use assets | 771.93 | 664.48 |
| Amortization and impairment of intangible assets | 4.94 | 4.93 |
| Gain on disposal of property, plant and equipment | (162.69) | (1,346.00) |
| Loss on disposal of property, plant and equipment | - | 119.18 |
| Provision on Inventory | 1,874.30 | 125.21 |
| Net Unrealised Foreign exchange difference | 16.44 | 34.00 |
| Provision for doubtful debts/Bad debts written off | 197.66 | 208.22 |
| Amortisation of Security Deposits | 38.19 | 111.23 |
| Impairment of investment in Preference shares | - | 334.69 |
| Liabilities written back | (28.67) | (87.04) |
| Finance expenses | 1,408.44 | 1,494.28 |
| Interest income | (153.50) | (202.29) |
| Dividend Income | (4.47) | (6.11) |
| Working capital adjustments : | | |
| Increase in trade payables | 5,986.82 | 7,607.56 |
| Increase in Current provision | 3.84 | 35.88 |
| Increase in Current financial liabilities | 252.14 | 120.18 |
| Increase/(Decrease) in Other current liabilities | 1,335.43 | (393.60) |
| Increase in Non Current provision | 93.70 | 85.49 |
| Decrease/(increase) in trade receivables | 953.11 | (3,944.53) |
| (Increase) in inventories | (8,858.38) | (2,664.03) |
| Decrease/(Increase) in Current financial assets | 941.74 | (989.24) |
| (Increase) in Non Current financial assets | (773.35) | (1,848.11) |
| Decrease in other current assets | 668.88 | 949.74 |
| (Increase)/Decrease in other Non Current assets | (6.23) | 989.14 |
| | 2,553.13 | 1,591.91 |
| Income tax paid (Net) | (104.85) | (61.57) |
| Net cash generated from operating activities (A) | 2,448.28 | 1,530.34 |
| Investing activities | | |
| Purchase of property, plant and equipment | (897.62) | (580.26) |
| Sale of property plant and equipment and intangible assets | 177.92 | 2,071.12 |
| Fixed deposits with original maturity of more than three months placed | (1,212.31) | (2,135.50) |
| Fixed deposits with original maturity of more than three months matured | 2,135.16 | 523.00 |
| Interest received | 81.22 | 33.90 |
| Dividend received on Mutual Funds | 4.47 | 6.11 |
| Purchase of Mutual Funds | 23.54 | (6.11) |
| Net cash generated from / (used in) investing activities (B) | 312.38 | (87.74) |
| Financing activities | | |
| Proceeds from long term borrowings | 1,702.00 | 350.00 |
| Repayment of long term borrowings | (771.19) | (498.82) |
| Proceeds from / (Repayment of) short term borrowings | (2,695.36) | 787.21 |
| Interest paid | (1,244.95) | (1,357.43) |
| Net cash used in financing activities (C) | (3,009.50) | (719.04) |

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2022

| | For the year ended 31st March, 2022 ₹ in lakhs | For the year ended 31st March, 2021 ₹ in lakhs |
|--|---|---|
| Net Increase / (Decrease) in cash and cash equivalents (A + B + C) | (248.84) | 723.56 |
| Cash and cash equivalents at the beginning of the year | 813.23 | 89.67 |
| Cash and cash equivalents at year end | 564.39 | 813.23 |
| Components of cash and cash equivalents | | |
| Cash in hand | 1.53 | 9.55 |
| Balances with banks | 50.58 | 37.59 |
| Cheques in hand | 512.28 | 766.09 |
| Cash and cash equivalents | 564.39 | 813.23 |

Reconciliation of Liabilities from financing activities

| | As at 31st March 2021 | Cash Flows | | Reclassifica- tions / Non Cash Transactions | As at 31st March 2022 |
|--|--------------------------|-----------------|-------------------|---|--------------------------|
| | | Proceeds | Payment | | |
| Long Term Borrowing (excluding current maturities of Long Term borrowings) | 839.70 | 1,702.00 | (771.19) | (307.97) | 1,462.54 |
| Short Term Borrowing | 7,695.04 | - | (2,695.36) | 307.97 | 5,307.65 |
| | 8,534.74 | 1,702.00 | (3,466.55) | - | 6,770.19 |

₹ In lakhs

| | As at 31st March 2020 | Cash Flows | | Reclassifica- tions / Non Cash Transactions | As at 31st March 2021 |
|--|--------------------------|-----------------|-----------------|---|--------------------------|
| | | Proceeds | Payment | | |
| Long Term Borrowing (excluding current maturities of Long Term borrowings) | 1,772.47 | 350.00 | (498.82) | (783.95) | 839.70 |
| Short Term Borrowing | 6,134.51 | 787.21 | - | 773.32 | 7,695.04 |
| | 7,906.98 | 1,137.21 | (498.82) | (10.63) | 8,534.74 |

₹ In lakhs

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

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
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

per Firoz Pradhan
Partner
Membership No.109360

Place : Mumbai
Date : 25th May, 2022

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

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

Deepak Sarawagi
Chief Financial Officer

Place : Mumbai
Date : 25th May, 2022

V.J.Mansukhani
Managing Director
DIN : 01041809

Prasad Oak
Head - Legal, Corporate Affairs,
and Company Secretary



MIRC ELECTRONICS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2022

EQUITY SHARE CAPITAL (Refer Note 14)

| Equity Shares of Re. 1 each issued, subscribed and fully paid-up | No. In lakhs | ₹ In lakhs |
|--|-----------------|-----------------|
| At 1st April, 2021 | 2,312.01 | 2,311.39 |
| Changes in Equity Share capital due to prior period error | - | - |
| Restated balance as at 31st March, 2022 | 2,312.01 | 2,311.39 |
| Issue of share capital | - | - |
| At 31st March, 2022 | 2,312.01 | 2,311.39 |

| Equity Shares of Re. 1 each issued, subscribed and fully paid-up | No. In lakhs | ₹ In lakhs |
|--|-----------------|-----------------|
| At 1st April, 2020 | 2,312.01 | 2,311.39 |
| Changes in Equity Share capital due to prior period error | - | - |
| Restated balance as at 31st March, 2021 | 2,312.01 | 2,311.39 |
| Issue of share capital | - | - |
| At 31st March, 2021 | 2,312.01 | 2,311.39 |

OTHER EQUITY

For the year ended 31st March, 2022

| | Reserves & Surplus | | | | | | ₹ In lakhs |
|--|--------------------|----------------------------|----------------------------|-----------------|-------------------|-----------------------------------|--------------------|
| | Capital Reserve | Capital Redemption Reserve | Securities Premium Account | General Reserve | Retained earnings | Other Comprehensive Income/(Loss) | Total Other Equity |
| Balance as at 1st April, 2021 | 2,016.06 | 1,990.74 | 11,748.64 | 7,092.91 | (2,673.76) | (135.47) | 20,039.12 |
| Loss for the year | - | - | - | - | (2,007.14) | - | (2,007.14) |
| Other Comprehensive Loss for the year | - | - | - | - | - | (18.50) | (18.50) |
| Total Comprehensive Income/(Loss) | 2,016.06 | 1,990.74 | 11,748.64 | 7,092.91 | (4,680.90) | (153.97) | 18,013.48 |
| Balance as at 31st March, 2022 | 2,016.06 | 1,990.74 | 11,748.64 | 7,092.91 | (4,680.90) | (153.97) | 18,013.48 |

For the year ended 31st March, 2021

| | Reserves & Surplus | | | | | | ₹ In lakhs |
|--|--------------------|----------------------------|----------------------------|-----------------|-------------------|-----------------------------------|--------------------|
| | Capital Reserve | Capital Redemption Reserve | Securities Premium Account | General Reserve | Retained earnings | Other Comprehensive Income/(Loss) | Total Other Equity |
| Balance as at 1st April, 2020 | 2,016.06 | 1,990.74 | 11,748.64 | 7,092.91 | (2,862.41) | (105.47) | 19,880.47 |
| Profit for the year | - | - | - | - | 188.65 | - | 188.65 |
| Other Comprehensive Loss for the year | - | - | - | - | - | (30.00) | (30.00) |
| Total Comprehensive Income/(Loss) | 2,016.06 | 1,990.74 | 11,748.64 | 7,092.91 | (2,673.76) | (135.47) | 20,039.12 |
| Balance as at 31st March, 2021 | 2,016.06 | 1,990.74 | 11,748.64 | 7,092.91 | (2,673.76) | (135.47) | 20,039.12 |

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

Chartered Accountants

ICAI Firm Registration Number 324982E/E300003

per Firoz Pradhan

Partner

Membership No.109360

Place : Mumbai

Date : 25th May, 2022

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

G.L. Mirchandani

Chairman and Managing Director

DIN : 00026664

Deepak Sarawagi

Chief Financial Officer

Place : Mumbai

Date : 25th May, 2022

V.J.Mansukhani

Managing Director

DIN : 01041809

Prasad Oak

Head - Legal, Corporate Affairs,
and Company Secretary



NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable. These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at carrying value which approximates the amortized cost at each balance sheet date, as explained in the accounting policies below.

b Basis of Measurement

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

The financial statements are presented in Indian Rupees ('Rs'), which is also the Company's functional currency and all values are rounded to the nearest Lakhs upto two decimals except when otherwise 0.00 amount indicates less than ₹ 1000. All amounts are in ₹ Lakhs, unless otherwise stated.

These financial statements were approved by the Company's Board of Directors and authorized for issue on 25th, May 2022.

c Fair value measurement

The Company measures financial instruments 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.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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.

The Company determines the policies and procedures for both recurring fair value measurement, such as 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.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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.

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.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

h Leases

Ind AS 116 Leases was notified by MCA on 30th March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1st April 2019. Ind AS 116 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. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

The Company assesses at contract inception whether a contract is or contains a lease. That is, of the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. 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.

Where the Company is the lessee:

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

Right of use assets :

The Company recognises right of use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets. The right of use assets are also subject to impairment.

Lease liabilities :

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

Where the Company is the Lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an assets are classified the asset are classified as operating leases. Rental income arising is accounted for on a straight line basis over the lease terms. Initial direct costs incurred in negotiating and arranging on operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

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 is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Sales is net of Goods and Service Tax (GST).

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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.

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 FOR THE YEAR ENDED 31st MARCH, 2022

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 FOR THE YEAR ENDED 31st MARCH, 2022

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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 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.

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 FOR THE YEAR ENDED 31st MARCH, 2022

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,
- It is due to be settled within twelve months after the reporting period, or
- It is expected to be settled in normal operating cycle
- 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.

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.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

NOTE 2 - PROPERTY, PLANT AND EQUIPMENT

| | Leasehold land | Freehold land | Buildings | Plant and Machinery and Electrical Fittings | Furniture and Fixtures | Office Equipment | Motor Vehicles | R & D - Building | R & D - Plant and Machinery and Electrical Fittings | R & D - Furniture and Fixture | R & D - Office Equipment | TOTAL |
|-------------------------------|----------------|-----------------|------------------|---|------------------------|------------------|----------------|------------------|---|-------------------------------|--------------------------|------------------|
| Cost | | | | | | | | | | | | |
| As at 1st April, 2020 | 551.37 | 1,776.68 | 10,738.91 | 19,238.30 | 665.18 | 536.36 | 270.37 | 157.08 | 657.46 | 87.05 | 44.17 | 34,722.93 |
| Additions | - | - | 2.75 | 598.71 | 1.93 | 9.18 | - | - | - | - | - | 612.57 |
| Disposals | 110.84 | 528.18 | 328.82 | 572.38 | 20.13 | 33.69 | - | - | - | 0.19 | - | 1,594.23 |
| As at 31st March, 2021 | 440.53 | 1,248.50 | 10,412.84 | 19,264.63 | 646.98 | 511.85 | 270.37 | 157.08 | 657.46 | 86.86 | 44.17 | 33,741.27 |
| Additions | - | - | 149.38 | 855.50 | 11.19 | 24.79 | - | - | - | - | - | 1,040.86 |
| Disposals | - | - | 24.83 | 0.99 | 6.86 | 1.75 | 8.21 | - | - | - | - | 42.64 |
| As at 31st March, 2022 | 440.53 | 1,248.50 | 10,537.39 | 20,119.14 | 651.31 | 534.89 | 262.16 | 157.08 | 657.46 | 86.86 | 44.17 | 34,739.49 |
| Depreciation | | | | | | | | | | | | |
| As at 1st April, 2020 | 150.15 | - | 5,814.39 | 17,140.92 | 613.20 | 456.54 | 201.49 | 107.61 | 590.17 | 83.22 | 39.43 | 25,197.12 |
| Charge for the year | 6.29 | - | 304.12 | 302.93 | 8.68 | 16.93 | 10.60 | 1.10 | 12.33 | 0.04 | 1.46 | 664.48 |
| Disposals | 20.07 | - | 165.16 | 513.53 | 19.51 | 31.80 | - | - | - | 0.19 | - | 750.26 |
| As at 31st March, 2021 | 136.37 | - | 5,953.35 | 16,930.32 | 602.37 | 441.67 | 212.09 | 108.71 | 602.50 | 83.07 | 40.89 | 25,111.34 |
| Charge for the year | 5.48 | - | 309.77 | 339.53 | 5.87 | 17.88 | 9.91 | 2.48 | 10.78 | - | 1.31 | 703.01 |
| Disposals | - | - | 10.65 | 0.58 | 6.35 | 1.68 | 7.81 | - | - | - | - | 27.07 |
| As at 31st March, 2022 | 141.85 | - | 6,252.47 | 17,269.27 | 601.89 | 457.87 | 214.19 | 111.19 | 613.28 | 83.07 | 42.20 | 25,787.28 |
| Net Block | | | | | | | | | | | | |
| As at 31st March, 2021 | 304.16 | 1,248.50 | 4,459.49 | 2,334.31 | 44.61 | 70.18 | 58.28 | 48.37 | 54.96 | 3.79 | 3.28 | 8,629.93 |
| As at 31st March, 2022 | 298.68 | 1,248.50 | 4,284.92 | 2,849.87 | 49.42 | 77.02 | 47.97 | 45.89 | 44.18 | 3.79 | 1.97 | 8,952.21 |

Notes:

- Refer Note 16 and 21 for details of assets given as mortgage against borrowings.
- The Company has not revalued any of its Property, Plant and Equipments during the year.
- The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

NOTE 2A - CAPITAL WORK IN PROGRESS

| | Amount in CWIP for a period of | | | TOTAL |
|-------------------------------|--------------------------------|-----------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| As at 1st April, 2020 | 29.50 | - | - | 522.72 |
| Additions | 522.72 | - | - | - |
| Capitalised during the year | 29.50 | - | - | - |
| As at 31st March, 2021 | 522.72 | - | - | 522.72 |
| Additions | 40.59 | - | - | 40.59 |
| Capitalised during the year | 522.72 | - | - | - |
| As at 31st March, 2022 | 40.59 | - | - | 40.59 |

Notes:

- Work in progress as at 31st March, 2022 and as at 31st March, 2021 mainly comprises of amount for AC gas charging line project.
- For Capital work-in-progress no project has exceeded its cost. Further, completion is not overdue as compared to its original plan for any of the projects.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

| NOTE 2B - RIGHT OF USE ASSETS | | ₹ in lakhs | |
|-------------------------------|----------|------------|--|
| | Building | TOTAL | |
| Cost | | | |
| As at 1st April, 2020 | - | - | |
| Additions | - | - | |
| Disposals | - | - | |
| As at 31st March, 2021 | - | - | |
| Additions | 310.13 | 310.13 | |
| Disposals | - | - | |
| As at 31st March, 2022 | 310.13 | 310.13 | |
| Depreciation | | | |
| As at 1st April, 2020 | - | - | |
| Charge for the year | - | - | |
| Disposals | - | - | |
| As at 31st March, 2021 | - | - | |
| Charge for the year | 68.92 | 68.92 | |
| Disposals | - | - | |
| As at 31st March, 2022 | 68.92 | 68.92 | |
| Net Block | | | |
| As at 31st March, 2021 | - | - | |
| As at 31st March, 2022 | 241.21 | 241.21 | |

| NOTE 3 - INTANGIBLE ASSETS | | ₹ in lakhs | |
|----------------------------|--------------|----------------|-------|
| | R&D Software | Other Software | TOTAL |
| Cost | | | |
| As at 1st April, 2020 | 66.92 | 31.10 | 98.02 |
| Additions | - | - | - |
| Disposals | - | - | - |
| As at 31st March, 2021 | 66.92 | 31.10 | 98.02 |
| Additions | - | 0.60 | 0.60 |
| Disposals | - | - | - |
| As at 31st March, 2022 | 66.92 | 31.70 | 98.62 |
| Amortisation | | | |
| As at 1st April, 2020 | 63.95 | 4.93 | 68.88 |
| Charge for the year | - | 4.93 | 4.93 |
| Disposals | - | - | - |
| As at 31st March, 2021 | 63.95 | 9.86 | 73.81 |
| Charge for the year | - | 4.94 | 4.94 |
| Disposals | - | - | - |
| As at 31st March, 2022 | 63.95 | 14.80 | 78.75 |
| Net Block | | | |
| As at 31st March, 2021 | 2.97 | 21.24 | 24.21 |
| As at 31st March, 2022 | 2.97 | 16.90 | 19.87 |

Notes:

- Intangible assets comprises of software used in research and development.
- The Company has not revalued any of its intangible assets during the year.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

NOTE 4 - NON-CURRENT INVESTMENTS

| | 31st March, 2022 | | 31st March, 2021 | |
|--|------------------|---------------|------------------|---------------|
| | Nos. | ₹ in lakhs | Nos. | ₹ in lakhs |
| Unquoted Investment carried at amortised cost | | | | |
| Adonis Electronics Private Limited (0.01% Cumulative redeemable preference shares of ₹10 each, fully paid up) | 2,648 | 334.69 | 2,648 | 334.69 |
| Less : Impairment provision | | 334.69 | | 334.69 |
| | | - | | - |
| Unquoted Investment carried at fair value through Profit and Loss | | | | |
| Aditya Birla Sun Life Savings Fund -Daily Dividend - Reinvestment Mutual Fund | 113,361.33 | 136.05 | 102,863.02 | 103.57 |
| | | 136.05 | | 103.57 |
| Investment carried at amortised cost | | - | | - |
| Market Value of unquoted Investments | | 136.05 | | 103.57 |
| Aggregate Carrying Value (NAV) of unquoted Investments | | 136.05 | | 103.57 |

NOTE 5 - OTHER NON CURRENT - FINANCIAL ASSETS

| | 31st March, 2022 | 31st March, 2021 |
|---|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Considered good | | |
| Unsecured Security Deposits carried at amortised cost | 934.87 | 114.53 |
| Balance with Banks on margin accounts | - | 58.29 |
| Interest accrued | - | 0.43 |
| | 934.87 | 173.25 |

NOTE 6 - INCOME TAX ASSETS (NET)

| | 31st March, 2022 | 31st March, 2021 |
|--|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Advance Income-tax [Net of Provisions of ₹77.68 Lakhs (as at 31st March, 2021 : ₹77.68 lakhs)] | 276.87 | 172.02 |
| | 276.87 | 172.02 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

NOTE 7 - OTHER NON-CURRENT ASSETS

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|-------------------------------------|--------------------------------|--------------------------------|
| Unsecured, considered good | | |
| Deferred rent expenses | 0.12 | 0.69 |
| Other Advances | | |
| Balance with Government Authorities | 2,646.48 | 2,628.00 |
| Prepaid Expenses | 16.45 | 28.13 |
| | 2,663.05 | 2,656.82 |

NOTE 8 - INVENTORIES

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| Raw materials and components (at cost) [includes Goods in transit ₹ 600.33 lakhs (as at 31st March, 2021 : ₹6,878.48 lakhs)] | 22,743.71 | 17,641.62 |
| Stores and Spares | 265.49 | 264.03 |
| Work-in-Progress (at cost) | 4,785.48 | 7,056.61 |
| Finished Goods (at lower of cost and net realisable value) | 11,186.65 | 3,398.63 |
| Traded Goods [includes Goods in transit ₹Nil (as at 31st March, 2021 : ₹1,006.31 lakhs)] | 3,446.70 | 7,083.06 |
| | 42,428.03 | 35,443.95 |

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 (Refer Note 16 and 21).

NOTE 9 - TRADE RECEIVABLES

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|------------------------------------|--------------------------------|--------------------------------|
| Trade Receivable | 11,800.82 | 13,886.93 |
| Less : Impairment allowance | 1,578.69 | 2,407.99 |
| Trade receivable (net) | 10,222.13 | 11,478.94 |
| Breakup of security details | | |
| Unsecured, considered good | 10,222.13 | 12,283.27 |
| Trade Receivable - credit impaired | 1,578.69 | 1,603.66 |
| | 11,800.82 | 13,886.93 |
| Less : Impairment allowance | 1,578.69 | 2,407.99 |
| | 10,222.13 | 11,478.94 |

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:

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

Movement in the expected credit loss allowance

| | 31st March, 2022 | 31st March, 2021 |
|--------------------------------------|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Balance at the beginning of the year | 2,407.99 | 2,652.18 |
| Less : Written off during the year | (1,026.96) | (452.41) |
| Add : Allowance during the year | 197.66 | 208.22 |
| Balance at the end of the year | 1,578.69 | 2,407.99 |

No trade receivables 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. Trade receivables are non interest bearing and are generally on terms of 28 days of credit period.

| | 31st March, 2022 | 31st March, 2021 |
|----------------------------------|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Trade receivables | 10,222.13 | 11,478.94 |
| Receivables from related parties | - | - |
| | 10,222.13 | 11,478.94 |

Breakup for security details

| | 31st March, 2022 | 31st March, 2021 |
|---|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Secured, considered good | - | - |
| Unsecured, considered good | 10,222.13 | 12,283.27 |
| Trade receivable which have significant increase in credit risk | - | - |
| Trade receivable - credit impaired | 1,578.69 | 1,603.66 |
| Total (A) | 11,800.82 | 13,886.93 |

Impairment Allowance (allowance for bad and doubtful debts)

| | 31st March, 2022 | 31st March, 2021 |
|---|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Unsecured, considered good | - | - |
| Trade receivable which have significant increase in credit risk | - | - |
| Trade receivable - credit impaired | 1,578.69 | 2,407.99 |
| Total (B) | 1,578.69 | 2,407.99 |
| Net Trade receivables (C) = (A) - (B) | 10,222.13 | 11,478.94 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

TRADE RECEIVABLES AGEING

₹ in lakhs

| | Outstanding for following periods from due date of receipt 31st March, 2022 | | | | | | Total |
|--|--|--------------------|--------------------|---------------|---------------|-------------------|------------------|
| | Current but not due | Less than 6 months | 6 months - 1 Years | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables - considered good | 8,684.57 | 1,289.83 | 46.13 | 107.62 | 78.58 | 10.00 | 10,216.73 |
| Undisputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables - credit impaired | - | 62.98 | 27.40 | 188.77 | 235.73 | 1,064.58 | 1,579.46 |
| Disputed trade receivables - considered good | - | - | - | - | - | - | - |
| Disputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables - credit impaired | - | - | - | 4.63 | - | - | 4.63 |
| Total | 8,684.57 | 1,352.81 | 73.53 | 301.02 | 314.31 | 1,074.58 | 11,800.82 |
| Less : Allowance for trade receivable which have significant increase in credit risk / credit impaired | | | | | | | 1,578.69 |
| | | | | | | | 10,222.13 |

₹ in lakhs

| | Outstanding for following periods from due date of receipt 31st March, 2021 | | | | | | Total |
|--|--|--------------------|--------------------|---------------|---------------|-------------------|------------------|
| | Current but not due | Less than 6 months | 6 months - 1 Years | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables - considered good | 7,500.41 | 3,179.77 | 352.80 | 288.45 | 137.19 | 2.43 | 11,461.05 |
| Undisputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables - credit impaired | 75.76 | 45.77 | 70.03 | 240.55 | 372.23 | 1,603.66 | 2,408.00 |
| Disputed trade receivables - considered good | - | - | - | - | - | - | - |
| Disputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables - credit impaired | - | 12.48 | 1.60 | 3.80 | - | - | 17.88 |
| Total | 7,576.17 | 3,238.02 | 424.43 | 532.80 | 509.42 | 1,606.09 | 13,886.93 |
| Less : Allowance for trade receivable which have significant increase in credit risk / credit impaired | | | | | | | 2,407.99 |
| | | | | | | | 11,478.94 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

NOTE 10 - CASH AND CASH EQUIVALENTS

| | 31st March, 2022 | 31st March, 2021 |
|----------------------|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Balance with Banks | | |
| - On Current Account | 50.58 | 37.59 |
| Cash in hand | 1.53 | 9.55 |
| Cheques on hand | 512.28 | 766.09 |
| | 564.39 | 813.23 |

NOTE 11 - OTHER BANK BALANCES

| | 31st March, 2022 | 31st March, 2021 |
|---|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Fixed Deposits with Banks given as margin money | 1,213.53 | 2,078.09 |
| | 1,213.53 | 2,078.09 |

NOTE 12 - OTHER CURRENT FINANCIAL ASSETS - At amortised cost, unless otherwise stated

| | 31st March, 2022 | 31st March, 2021 |
|-----------------------------|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Unsecured, considered good | | |
| Insurance claims receivable | 20.00 | 21.30 |
| Interest accrued | 25.92 | 31.03 |
| Other Receivables | 333.30 | 1,273.74 |
| | 379.22 | 1,326.07 |

NOTE 13 - OTHER CURRENT ASSETS

| | 31st March, 2022 | 31st March, 2021 |
|-------------------------------------|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Unsecured, considered good | | |
| Balance with Government authorities | 386.16 | 1,051.21 |
| Prepaid expenses | 202.18 | 199.47 |
| Capital advances | 4.10 | 80.18 |
| Advance paid to vendors | 1,776.04 | 1,747.18 |
| Deferred rent expenses | 0.57 | 35.97 |
| | 2,369.05 | 3,114.01 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

NOTE 14 - EQUITY SHARE CAPITAL

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| Authorised : | | |
| 57,80,20,000 Equity Shares of Re.1 each (31st March, 2021 : 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, 2021 : 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, 2021 : 10,00,000 11% Non-Cumulative Redeemable Preference Shares of ₹100 each) | 1,000.00 | 1,000.00 |
| Issued, Subscribed and Paid Up : | | |
| 23,09,52,619 Equity Shares of Re.1 each fully paid up (31st March, 2021 : 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, 2021 : 2,48,000 Forfeited Equity Shares of Re.1 each partly paid up) | 1.86 | 1.86 |
| | <u>2,311.39</u> | <u>2,311.39</u> |
| | <u>2,311.39</u> | <u>2,311.39</u> |

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

| | 31st March, 2022 | | 31st March, 2021 | |
|------------------------------|------------------|-----------------|------------------|-----------------|
| | No. in lakhs | ₹ in lakhs | No. in lakhs | ₹ in lakhs |
| Fully paid up shares | | | | |
| 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 |
| Forfeited Equity shares | | | | |
| At the beginning of the year | 2.48 | 1.86 | 2.48 | 1.86 |
| At the end of the year | 2.48 | 1.86 | 2.48 | 1.86 |
| | <u>2,312.01</u> | <u>2,311.39</u> | <u>2,312.01</u> | <u>2,311.39</u> |

(b) Terms and rights attached to Equity Shares

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

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

(c) 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, 2022.

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

| Name of the Shareholder | 31st March, 2022 | | 31st March, 2021 | |
|---|------------------|------------------------|------------------|------------------------|
| | No. in lakhs | % holding in the class | No. in lakhs | % holding in the class |
| Mr. Gulu L. Mirchandani | 470.96 | 20.39 | 470.96 | 20.39 |
| Gulita Securities Limited | 272.27 | 11.79 | 272.27 | 11.79 |
| Mr. V.J. Mansukhani | 263.36 | 11.40 | 263.36 | 11.40 |
| 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.

(e) **Promoter Shareholding**

| Name of the Promoter | 31st March, 2022 | | | 31st March, 2021 | | |
|-------------------------|------------------|------------------------|--------------------------|------------------|------------------------|--------------------------|
| | No. in lakhs | % holding in the class | % Change during the year | No. in lakhs | % holding in the class | % Change during the year |
| Mr. Gulu L. Mirchandani | 470.96 | 57.88 | - | 470.96 | 57.88 | - |
| Mr. V.J. Mansukhani | 263.36 | 32.37 | - | 263.36 | 32.37 | - |

NOTE 15 - OTHER EQUITY

| | 31st March, 2022 | 31st March, 2021 |
|---|-------------------------|-------------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Capital Reserve | 2,016.06 | 2,016.06 |
| 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 | (2,809.23) | (2,967.88) |
| Add : Profit/(Loss) for the year | (2,007.14) | 188.65 |
| Add : Other comprehensive loss (net of tax) | (18.50) | (30.00) |
| | <u>(4,834.87)</u> | <u>(2,809.23)</u> |
| | <u>18,013.48</u> | <u>20,039.12</u> |

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 provision of Companies Act, 2013.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

NOTE 16 - NON CURRENT BORROWINGS - At amortised cost

| | Effective Interest rate % | Maturity | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|--|------------------------------|----------------------|--------------------------------|--------------------------------|
| Secured | | | | |
| Term Loan - ₹1889.77 lakhs from Aditya Birla Finance Limited | 11.75 % | 15th September, 2023 | - | 789.38 |
| CCECL Loan - ₹350 lakhs from SBI | 7.4% | 30th June, 2022 | - | 50.32 |
| GECL Loan - ₹500 lakhs from Canara Bank | 7.95% | 24th August, 2026 | 416.64 | - |
| GECL Loan - ₹500 lakhs from Canara Bank 2.0 | 7.85% | 21st March, 2028 | 420.00 | - |
| GECL Loan - ₹112 lakhs from IDBI Bank | 8.80% | 21st September, 2026 | 81.45 | - |
| GECL Loan - ₹670 lakhs from SBI Bank | 7.95% | 1st June, 2026 | 544.45 | - |
| | | | 1,462.54 | 839.70 |

| Security and rate of interest | Repayment terms |
|---|---|
| <p>Term loan is secured by registered mortgage of company's immovable property situated at Andheri East named as Mukund Mahal and subservient charge on all current assets of the Company. Long Term Reference Rate of ABFL (LTRR) +/- spread. Rate of Interest as on 31st March, 2022 is 11.75%.</p> <p>CCECL loan is covid special loan taken at reduced interest rate of 7.4% p.a. and 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.</p> <p>GECL loan from IDBI Bank is covid special loan taken at reduced interest rate of 8.80% p.a. and secured by second 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.</p> <p>GECL loan from Canara Bank is covid special loan taken at reduced interest rate of 7.95% p.a. and secured by second 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.</p> <p>GECL loan from Canara Bank is covid special loan taken at reduced interest rate of 7.85% p.a. and secured by second 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.</p> <p>GECL loan from SBI is covid special loan taken at reduced interest rate of 7.95% p.a. and secured by second 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.</p> | <p>Quarterly in equal installments of ₹50 lakhs upto 15.9.2020 and there after in quarterly equal instalment of ₹133.33 lakhs upto 15.9.2023. Last instalment is due on 15th September, 2023.</p> <p>CCECL loan is payable in 17 equal installments of ₹20 lakhs per month since January 2021 with last instalment of ₹10 lakhs.</p> <p>GECL loan from IDBI bank is payable in 47 installments of ₹ 2.35 lakhs per month with revised instalments of ₹1.35 lakhs starting from October 2022.</p> <p>GECL loan from Canara Bank is payable in 48 installments of ₹10.42 lakhs per month starting from August 2022.</p> <p>GECL loan 2.0 from Canara Bank is payable in 48 installments of ₹8.75 lakhs per month starting from March 2024.</p> <p>GECL loan from SBI is payable in 48 installments of ₹13.95 lakhs per month starting from June 2022.</p> |

The borrowing was for working capital purpose against above securities and with charge over stock and receivables for a period of 12 months (yearly renewal) with interest in the range from - 9.7% p.a. to 11.60% p.a. With respect to the said loan, the Company has filed the required quarterly statements in the current year and these are in agreement with the books of accounts.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

NOTE 17 - LEASE LIABILITIES

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|------------------------------|--------------------------------|--------------------------------|
| Opening Balance | - | - |
| Additions during the year | 78.84 | - |
| Finance cost | 4.23 | - |
| Payment of Lease Liabilities | (20.00) | - |
| Closing Balance | 63.07 | - |
| Non Current | 37.61 | - |
| Current | 25.46 | - |

The following are the amounts recognised in profit or loss:

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| Depreciation expense of right-of-use assets | 68.92 | - |
| Interest expense on lease liabilities | 4.23 | - |
| Expense relating to short-term leases (included in other expenses) | - | - |
| Expense relating to leases of low-value assets (included in other expenses) | - | - |
| Variable lease payments (included in other expenses) | - | - |

The following provides information on the Company's variable Lease payments including the magnitude in relation to fixed payments :

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|------------------------------------|--------------------------------|--------------------------------|
| Fixed rent | 30.00 | - |
| Variable rent with minimum payment | - | - |
| Variable rent only | - | - |

Set out below are the future minimum lease rentals payments in respect of lease for offices, store premises and warehouses are as follows :

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| Within one year | 30.00 | - |
| After one year but not more than five years | 40.00 | - |
| More than five years | - | - |

NOTE 18 - DEFERRED TAX ASSETS (NET)

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Deferred tax liability | 2,262.95 | 1,723.93 |
| Deferred tax Assets (restricted to the extent of deferred tax liability) | (2,262.95) | (1,723.93) |
| Deferred Tax Assets (Net) | - | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

The following is the analysis of deferred tax liabilities/(assets) presented in the Balance sheet

FY 2021-22

₹ In Lakhs

| Deferred Tax Liability / (asset) in relation to | Opening Balance | Charge for the year | | Closing Balance |
|---|-------------------|---------------------|----------------------------|-------------------|
| | | Profit and Loss | Other Comprehensive income | |
| Deferred Tax Liability | | | | |
| Fixed Assets:- Impact of difference between tax Depreciation and Depreciation / amortisation charged for the financial year | 1,723.93 | 539.02 | - | 2,262.95 |
| | 1,723.93 | 539.02 | - | 2,262.95 |
| Deferred Tax Assets | | | | |
| Impact of expenditure charged to the statement of Profit and loss but allowed for tax purposes on payment basis | (311.56) | 179.69 | - | (131.87) |
| Allowance on trade receivables | (841.35) | 289.76 | - | (551.59) |
| Provision for inventory | - | (654.88) | - | (654.88) |
| Accumulated losses (restricted to the extent of deferred tax liability) | (571.02) | (353.59) | - | (924.61) |
| | (1,723.93) | (539.02) | - | (2,262.95) |
| Deferred Tax Assets (Net) | - | - | - | - |

FY 2020-21

₹ In Lakhs

| Deferred Tax Liability / (asset) in relation to | Opening Balance | Charge for the year | | Closing Balance |
|--|-------------------|---------------------|----------------------------|-------------------|
| | | Profit and Loss | Other Comprehensive income | |
| Deferred Tax Liability | | | | |
| Fixed Assets:- Impact of difference between tax Depreciation and Depreciation / amortisation charged for the financial reporting | 1,728.60 | (4.67) | - | 1,723.93 |
| Ind AS impact on other assets | 8.56 | (8.56) | - | - |
| | 1,737.16 | (13.23) | - | 1,723.93 |
| Deferred Tax Assets | | | | |
| Discounting of Financial Assets | (808.27) | 808.27 | - | - |
| Impact of expenditure charged to the statement of Profit and loss but allowed for tax purposes on payment basis | (2.22) | (309.34) | - | (311.56) |
| Allowance on trade receivables | (926.67) | 85.32 | - | (841.35) |
| Accumulated losses (restricted to the extent of deferred tax liability) | - | (571.02) | - | (571.02) |
| | (1,737.16) | 13.23 | - | (1,723.93) |
| Deferred Tax Assets (Net) | - | - | - | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

Since the Company has been incurring losses in recent past periods in addition to the carried forward losses, the Company has not recognized Deferred Tax Asset as it is probable that sufficient future taxable profit will not be available against which unused tax losses can be utilised.

Deferred tax assets are recognised only to the extent it is probable that either future taxable profits or reversal of deferred tax liabilities 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 Company also has tax losses and unabsorbed depreciation of ₹ 19,893.13 lakhs on which deferred tax asset is not recognised. Out of these losses, ₹ 6,603.99 lakhs does not have any expiry and ₹ 13,289.14 lakhs will expire over a period of next 8 years.

| | 31st March, 2022 | 31st March, 2021 |
|--|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Profit/(Loss) for the year | (2,007.14) | 188.65 |
| Indian statutory tax rate | 34.94% | 34.94% |
| Effect of unused tax losses | (459.59) | (415.71) |
| Effect of Difference in Depreciation as per books and as per Income Tax | 113.43 | 18.83 |
| Provision for Doubtful Debt not allowed as deduction | 197.66 | 85.32 |
| Expenses Disallowed (net off) u/s 43B of the Income Tax Act, 1961 | 148.50 | 87.78 |
| Disallowances under section 40A(3) and under section 40(a)(ia) of the Income Tax Act, 1961 | - | 223.78 |
| | - | - |

NOTE 19 - OTHER NON CURRENT FINANCIAL LIABILITIES

| | 31st March, 2022 | 31st March, 2021 |
|-------------------|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Capital Creditors | 47.76 | 398.80 |
| | 47.76 | 398.80 |

NOTE 20 - NON CURRENT PROVISIONS

| | 31st March, 2022 | 31st March, 2021 |
|--|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Provision for employee benefits | | |
| Provision for gratuity (Refer note 40) | 734.17 | 640.47 |
| | 734.17 | 640.47 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

NOTE 21 - CURRENT BORROWINGS - At amortised cost

| | Effective Interest rate % | Repayment Schedule | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|--|------------------------------|-----------------------|-----------------------------------|-----------------------------------|
| Secured : | | | | |
| Cash Credit Facility from banks | 9.70% - 11.70% | On demand | 3,277.18 | 5,972.54 |
| Loan from NBFC - Line of Credit | 11.25% | On demand | 949.18 | 949.18 |
| Current maturities of Long-term borrowings (Refer note 16) | | | 1,081.29 | 773.32 |
| | | | 5,307.65 | 7,695.04 |

Details around Security

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. Loan from NBFC is secured by Registered mortgage of Mahal Industrial Estate property of Company.

In respect of the non-current borrowings, the Company has to comply with certain debt covenants as per the terms of issue of one of the term loans. As at the end of the reporting year, the Company has not met the debt covenants as required by the sanctioned letter. Hence the Company has classified an amount of ₹ 260.54 lakhs of non-current borrowings as a part of current borrowings as at 31st March 2022.

NOTE 22 - TRADE PAYABLES

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Acceptances | 3,919.22 | 5,197.53 |
| Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises (refer note 47) | 238.08 | 631.01 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 34,188.08 | 26,542.50 |
| | 38,345.38 | 32,371.04 |

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|-----------------------------------|--------------------------------|--------------------------------|
| Trade payables | 38,345.38 | 32,371.04 |
| Trade payables to related parties | - | - |
| | 38,345.38 | 32,371.04 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

TRADE PAYABLES AGEING

₹ In Lakhs

| | Outstanding for following periods from due date of payment | | | | | Total |
|------------------------|--|---------------------|---------------|--------------|----------------------|------------------|
| | 31st March, 2022 | | | | | |
| | Not due | Less Than 1 Year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | - | 182.73 | 50.99 | 4.36 | - | 238.08 |
| Others | 2939.22 | 34787.26 | 277.43 | 52.51 | 46.01 | 38,102.43 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | 4.87 | 4.87 |
| | 2,939.22 | 34,969.99 | 328.42 | 56.87 | 50.88 | 38,345.38 |

₹ In Lakhs

| | Outstanding for following periods from due date of payment | | | | | Total |
|------------------------|--|---------------------|---------------|--------------|----------------------|------------------|
| | 31st March, 2021 | | | | | |
| | Not due | Less Than 1 Year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | - | 625.84 | 5.17 | - | - | 631.01 |
| Others | 9451.87 | 21909.86 | 302.93 | 36.44 | 34.06 | 31,735.16 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | 4.87 | 4.87 |
| | 9,451.87 | 22,535.70 | 308.10 | 36.44 | 38.93 | 32,371.04 |

NOTE 23 - OTHER CURRENT FINANCIAL LIABILITIES

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|--------------------------------|--------------------------------|--------------------------------|
| Interest accrued on borrowings | 25.13 | 22.90 |
| Others payables | | |
| Dealer Deposits | 417.94 | 251.94 |
| Employee Benefits | 890.08 | 806.17 |
| Capital creditors | 547.40 | 224.43 |
| | 1,855.42 | 1,282.54 |
| | 1,880.55 | 1,305.44 |

NOTE 24 - OTHER CURRENT LIABILITIES

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|-------------------------|--------------------------------|--------------------------------|
| Advances from Customers | 359.34 | 209.00 |
| Statutory Dues | 1,395.73 | 214.66 |
| Others | 7.95 | 3.93 |
| | 1,763.02 | 427.59 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

NOTE 25 - CURRENT PROVISIONS

| | 31st March, 2022 | 31st March, 2021 |
|---|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Provision for employee benefits (refer note 40) | | |
| Gratuity | 130.91 | 125.77 |
| Leave encashment | 269.20 | 251.99 |
| Provision for warranty | 111.95 | 130.46 |
| | 512.06 | 508.22 |
| Provision for warranty | | |
| Opening balance | 130.46 | 121.14 |
| Add : Additions during the year | 111.95 | 130.46 |
| Less : Utilised during the year | 130.46 | 121.14 |
| Closing balance | 111.95 | 130.46 |

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 26 - REVENUE FROM OPERATIONS

| | 31st March, 2022 | 31st March, 2021 |
|---|-------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Revenue from operations | | |
| Sale of Products (net of discounts and rebates) | | |
| Finished Goods | 95,740.00 | 53,254.99 |
| Traded Goods | 23,320.86 | 23,013.70 |
| | 119,060.86 | 76,268.69 |
| Other operating revenue | | |
| Sale of Scrap | 40.43 | 36.33 |
| Service Income | 47.32 | - |
| Liabilities written back | 28.67 | 80.43 |
| Job work | 21.87 | 184.00 |
| Others | 18.05 | 14.90 |
| | 156.34 | 315.66 |
| | 119,217.20 | 76,584.35 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

NOTE 27 - OTHER INCOME

| | 31st March, 2022 | 31st March, 2021 |
|--|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Interest Income on : | | |
| Financial Assets held at Amortised cost | | |
| Interest income on financial assets | 77.39 | 120.24 |
| Financial Assets carried at fair value through Profit & Loss | | |
| Interest income on Investments | - | 21.47 |
| Interest income on Deposits | 76.11 | 60.58 |
| Dividend from Mutual Funds | 4.47 | 6.11 |
| Liabilities written back | - | 6.61 |
| Profit on sale of property, plant and equipment | 375.33 | 3.66 |
| | 533.30 | 218.67 |

NOTE 28 - COST OF RAW MATERIALS AND COMPONENTS CONSUMED

| | 31st March, 2022 | 31st March, 2021 |
|---|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Inventory at the beginning of the year | 17,641.62 | 9,311.98 |
| Add : Purchases during the year | 91,427.47 | 54,434.66 |
| | 109,069.09 | 63,746.64 |
| Less : Inventory at the end of the year | 22,743.71 | 17,641.62 |
| | - | 59.47 |
| Less : Discontinued product provision | - | 59.47 |
| | 86,325.38 | 46,045.55 |

NOTE 29 - PURCHASES OF TRADED GOODS

| | 31st March, 2022 | 31st March, 2021 |
|------------------|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Display Devices | 1,467.40 | 332.41 |
| Washing Machines | 2,046.70 | 2,328.67 |
| Refrigerators | 2,189.56 | 1,270.20 |
| Air Conditioners | 13,364.54 | 7,774.00 |
| Microwave Ovens | 540.51 | 125.44 |
| Others | 303.94 | 437.58 |
| | 19,912.65 | 12,268.30 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

NOTE 30 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Inventory at the beginning of the year | | |
| Finished Goods | 3,398.63 | 5,823.79 |
| Work in Progress | 7,056.61 | 819.67 |
| Traded Goods | 7,083.06 | 16,707.82 |
| | 17,538.30 | 23,351.28 |
| Less : Inventory at the end of the year | | |
| Finished Goods | 11,186.65 | 3,398.63 |
| Work in Progress | 4,785.48 | 7,056.61 |
| Traded Goods | 3,446.70 | 7,083.06 |
| | 19,418.83 | 17,538.30 |
| Less : Discontinued product provision | - | 65.73 |
| | (1,880.53) | 5,747.25 |

NOTE 31 - EMPLOYEE BENEFITS EXPENSE

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Salaries, Wages and Bonus | 5,479.02 | 4,613.54 |
| Contribution to Provident Fund and Other Funds (Refer note 40) | 217.89 | 208.35 |
| Gratuity expense | 88.68 | 75.54 |
| Staff Welfare Expenses | 282.66 | 211.10 |
| | 6,068.25 | 5,108.53 |

NOTE 32 - FINANCE COST

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|-----------------------|--------------------------------|--------------------------------|
| Interest Expense | 1,086.61 | 1,184.55 |
| Discounting charges | 106.04 | 129.83 |
| Other Borrowing costs | 215.79 | 179.90 |
| | 1,408.44 | 1,494.28 |

NOTE 33 - DEPRECIATION AND AMORTISATION EXPENSES

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|-------------------------------------|--------------------------------|--------------------------------|
| Depreciation of tangible assets | 703.01 | 664.48 |
| Depreciation of right to use assets | 68.92 | - |
| Amortisation of intangible assets | 4.94 | 4.93 |
| | 776.87 | 669.41 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

NOTE 34 - OTHER EXPENSES

| | 31st March, 2022 | 31st March, 2021 |
|---|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| Power and Fuel | 458.61 | 284.51 |
| Rent | 283.99 | 384.39 |
| Rates and Taxes | 140.74 | 94.82 |
| Repairs to | | |
| Plant and Machinery | 56.67 | 52.26 |
| Building | 4.19 | 2.44 |
| Others | 288.69 | 255.21 |
| | 349.55 | 309.91 |
| Insurance Charges | 95.55 | 48.48 |
| Freight and Forwarding Charges | 2,235.91 | 1,966.05 |
| Advertisement | 779.10 | 148.01 |
| Service Charges | 704.89 | 960.36 |
| Travelling and Conveyance | 179.56 | 114.41 |
| Provision for / write off - Doubtful Debts and advances | 1,224.62 | 208.22 |
| Less : Provision for Doubtful Debts provided earlier, now written off | 1,026.96 | - |
| | 197.66 | 208.22 |
| Research and Development Expenses | 313.67 | 261.54 |
| Exchange loss (Net) | 328.36 | 34.50 |
| Payment to auditor (Refer note 35) | 39.25 | 38.50 |
| Miscellaneous Expenses | 1,328.13 | 1,211.17 |
| | 7,434.97 | 6,064.87 |

NOTE 35

| Payment to auditor | 31st March, 2022 | 31st March, 2021 |
|--|------------------|------------------|
| | ₹ in lakhs | ₹ in lakhs |
| As auditor (excluding Goods and Service Tax) | | |
| Audit fees | 24.50 | 24.50 |
| Tax audit fees | 4.00 | 4.00 |
| Limited reviews | 9.00 | 9.00 |
| In other capacity | | |
| Reimbursement of expenses | 1.75 | 1.00 |
| | 39.25 | 38.50 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

36 Earnings per share

| | 31st March, 2022 ₹ in lakhs | 31st March, 2021 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| Profit / (loss) attributable to equity shareholders | (2,007.14) | 188.65 |
| Number of equity shares for Basic EPS | 230,952,619 | 230,952,619 |
| Basic earnings per equity share (in Rupees) | (0.87) | 0.08 |
| Diluted earnings per equity share (in Rupees) | (0.87) | 0.08 |
| Face value per share (in Rupees) | 1.00 | 1.00 |

37 Note on Covid

The outbreak of COVID-19 globally and in India since March 2020 has caused significant disturbances and slow-down of economic activity. Further, the outbreak of second wave of COVID-19 in India during the start of FY 2021-22 led to lockdown like restrictions being imposed by many state governments which impacted economic and commercial activities in the country. The Management has considered impact of the second wave of COVID-19 on its current and future operations, liquidity position and cash-flow giving due consideration to internal and external factors. The unprecedented slow-down in demand and decrease in the level of Company's business activity since the inception of COVID-19 pandemic, led to a substantial accumulation of raw material inventory as at the year end, which was otherwise procured with anticipating demand in the market. Consequent to such increase in the inventory levels, the Company re-evaluated its existing provisioning policy of slow-moving and non-moving inventories and recognised an additional provision of ₹ 1,874.30 lakhs which has been disclosed as an exceptional item in the financial statements for the year ended March 31, 2022.

38 Exceptional items

Exceptional items for the year ended 31st March, 2022 comprises of

- a. Profit of ₹162.69 lakhs on sale of residential flat at Mumbai and
- b. Provision for inventories of ₹1,874.30 lakhs.

Exceptional items for the year ended 31st March, 2021 comprises of

- a. Loss of ₹60.21 lakhs on sale of land and building at Roorkee,
- b. Profit of ₹1,303.92 lakhs on sale of land and building at Noida,
- c. Write off of ₹125.20 lakhs of inventory on discontinuation of sale of certain products, and
- d. Impairment of ₹334.69 lakhs against investment in Cumulative Redeemable Preference shares.

39 Contingent Liabilities and Commitments

| | 31st March 2022 ₹ in lakhs | 31st March 2021 ₹ in lakhs |
|--|-------------------------------|-------------------------------|
| Contingent Liabilities | | |
| a) Guarantees given by Bank against which ₹86.48 lakhs (31st March, 2021 ₹ 143.12 lakhs) has been deposited as margin money. | 371.27 | 374.43 |
| b) Income tax demands in respect of which appeals have been filed | 323.16 | 323.16 |
| c) Excise Duty, Service Tax, VAT and Custom Duty in respect of which appeals have been filed | 9,795.58 | 9,820.61 |
| d) Claims made against the Company not acknowledged as debts | 909.29 | 844.54 |
| Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 5.44 | 27.63 |

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.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

40 EMPLOYEE BENEFITS

a) Defined contribution plans

The Company has recognised an expense of ₹197.05 lakhs (31st March, 2021 : ₹191.20 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.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

| | Valuation as at | |
|-------------------------------------|---|--|
| | 31st March, 2022 | 31st March, 2021 |
| Employee Attrition Rate | 18% for service < / = 4 years 8% for service = / > 5 years | 6.00% |
| Discount rate(s) | 6.70% | 6.33% |
| Expected rate(s) of salary increase | 5.00% | 3.36% |
| Mortality table | Indian Assured Lives Mortality (2012-14) (Urban) | Indian Assured Lives Mortality (2006-08) |

| | Funded Plan Gratuity | |
|---|--------------------------------|--------------------------------|
| | 31st March, 2022 ₹ in Lakhs | 31st March, 2021 ₹ in Lakhs |
| I 1 Expense recognised in the Statement of Profit and Loss for the year ended | | |
| Service Cost | | |
| Current Service Cost | 42.71 | 38.96 |
| Net interest expense | 48.50 | 40.11 |
| Components of defined benefit costs recognized in profit or loss | 91.21 | 79.07 |
| Less : Transferred to Research and Development expenses | 4.27 | 3.53 |
| Add : Gratuity paid directly | 1.74 | - |
| Net Gratuity expenses disclosed under employee benefits expense | 88.68 | 75.54 |
| 2 Included in other Comprehensive Income | | |
| Actuarial (Gain) / Loss recognized for the period | 30.03 | 17.56 |
| Return on Plan Assets excluding net interest | (11.53) | 12.44 |
| Actuarial (Gain) / Loss recognized in OCI | 18.50 | 30.00 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

| | | Funded Plan Gratuity | |
|--------------------------------|--|-----------------------------|-------------------------|
| | | 31st March, 2022 | 31st March, 2021 |
| | | ₹in Lakhs | ₹in Lakhs |
| II | Net Asset/(Liability) recognised in the Balance Sheet as at | | |
| 1 | Present value of defined benefit obligation as at | (997.07) | (935.60) |
| 2 | Fair value of plan assets as at | 131.99 | 169.36 |
| 3 | Surplus/(Deficit) | (865.08) | (766.24) |
| 4 | Current portion of the above | (130.91) | (125.77) |
| III | Change in the obligation during the year ended | | |
| 1 | Present value of defined benefit obligation at the beginning of the year | 935.60 | 888.82 |
| 2 | Expenses Recognised in the statement of Profit and Loss | | |
| - Current Service Cost | | 42.71 | 38.96 |
| - Interest Expense / (Income) | | 59.22 | 53.68 |
| 3 | Recognised in Other Comprehensive Income | | |
| Remeasurement gains / (losses) | | | |
| Actuarial Gain / (Loss) | | | |
| i. Demographic Assumptions | | 3.43 | - |
| ii. Financial Assumptions | | 38.65 | (9.30) |
| iii. Experience Adjustments | | (12.05) | 26.86 |
| 4 | Benefit payments | (70.49) | (63.42) |
| 5 | Present value of defined benefit obligation at the end of the year | 997.07 | 935.60 |
| IV | Change in fair value of assets during the year ended | | |
| 1 | Fair value of plan assets at the beginning of the year | 169.36 | 224.75 |
| 2 | Interest Income | 10.72 | 13.57 |
| 3 | Return on Plan Assets, excluding Interest Income | 11.53 | (12.74) |
| 4 | Contributions by employer (including benefit payments recoverable) | 10.87 | 7.20 |
| 5 | Benefit payments | (70.49) | (63.42) |
| 6 | Fair value of plan assets at the end of the year | 131.99 | 169.36 |

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.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is

₹ In lakhs

| | | Changes in assumption | Impact on defined benefit obligation | |
|--------------------|------------------|-----------------------|--------------------------------------|-------------------------|
| | | | Increase in assumptions | Decrease in assumptions |
| Discount Rate | 31st March, 2022 | 1.00% | (29.74) | 32.46 |
| | 31st March, 2021 | 1.00% | (30.23) | 33.19 |
| Salary growth Rate | 31st March, 2022 | 1.00% | 32.69 | (30.48) |
| | 31st March, 2021 | 1.00% | 33.84 | (31.34) |
| Withdrawal Rate | 31st March, 2022 | 1.00% | 2.23 | (2.43) |
| | 31st March, 2021 | 1.00% | 4.94 | (5.36) |

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity profile of projected benefit obligations

₹ In lakhs

| | As at 31st March, 2022 | As at 31st March, 2021 |
|---------------------------|------------------------|------------------------|
| 1st Following Year | 381.92 | 365.59 |
| 2nd Following Year | 79.58 | 59.12 |
| 3rd Following Year | 86.23 | 84.22 |
| 4th Following Year | 90.19 | 65.31 |
| 5th Following Year | 150.16 | 74.71 |
| Sum of years 6 to 10 | 291.00 | 340.93 |
| Sum of years 11 and above | 209.57 | 227.06 |
| | 1,288.65 | 1,216.94 |

The weighted average duration of the projected benefit obligation is approximately 4 years (31st March, 2021 - 5 years). The expected contribution to be made by the Company during the financial year 2022-23 is ₹130.91 lakhs (Previous year Rs 125.77 lakhs).

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance Company.

41 FAIR VALUE MEASUREMENTS

Financial Assets and Financial Liabilities

The carrying value and fair value of financial instruments by categories as at 31st March, 2022 is as follows: ₹ In lakhs

| | Fair Value through P&L | Fair Value through OCI | Amortised cost | Total carrying value | Total fair value |
|---|------------------------|------------------------|------------------|----------------------|------------------|
| Financial Assets | | | | | |
| Non current | | | | | |
| Investments | 136.05 | - | - | 136.05 | 136.05 |
| Security Deposits | - | - | 934.87 | 934.87 | 934.87 |
| Current | | | | | |
| Trade receivables | - | - | 10,222.13 | 10,222.13 | 10,222.13 |
| Cash and cash equivalents | - | - | 564.39 | 564.39 | 564.39 |
| Bank balances | - | - | 1,213.53 | 1,213.53 | 1,213.53 |
| Others | | | | | |
| Insurance claims receivable | - | - | 20.00 | 20.00 | 20.00 |
| Interest accrued | - | - | 25.92 | 25.92 | 25.92 |
| Other Receivables | - | - | 333.30 | 333.30 | 333.30 |
| Total | 136.05 | - | 13,314.14 | 13,450.19 | 13,450.19 |
| Financial liabilities | | | | | |
| Non current | | | | | |
| Borrowings (including current maturities) | - | - | 2,543.83 | 2,543.83 | 2,543.83 |
| Lease Liability | - | - | 37.61 | 37.61 | 37.61 |
| Others | - | - | 47.76 | 47.76 | 47.76 |
| Current | | | | | |
| Borrowings | - | - | 4,226.36 | 4,226.36 | 4,226.36 |
| Trade payables | - | - | 38,345.38 | 38,345.38 | 38,345.38 |
| Lease Liability | - | - | 25.46 | 25.46 | 25.46 |
| Others | - | - | 1,880.55 | 1,880.55 | 1,880.55 |
| Total | - | - | 47,106.95 | 47,106.95 | 47,106.95 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

The carrying value and fair value of financial instruments by categories as at 31st March, 2021 is as follows:

| | Fair Value through P&L | Fair Value through OCI | Amortised cost | Total carrying value | Total fair value |
|---|------------------------------|------------------------------|-------------------|----------------------------|---------------------|
| ₹ In lakhs | | | | | |
| Financial Assets | | | | | |
| Non current | | | | | |
| Investments | 103.57 | - | - | 103.57 | 103.57 |
| Security Deposits | - | - | 173.25 | 173.25 | 173.25 |
| Current | | | | | |
| Trade receivables | - | - | 11,478.94 | 11,478.94 | 11,478.94 |
| Cash and cash equivalents | - | - | 813.23 | 813.23 | 813.23 |
| Bank balances | - | - | 2,078.09 | 2,078.09 | 2,078.09 |
| Others | | | | | |
| Insurance claims receivable | - | - | 21.30 | 21.30 | 21.30 |
| Interest accrued | - | - | 31.03 | 31.03 | 31.03 |
| Other Receivables | - | - | 1,273.74 | 1,273.74 | 1,273.74 |
| Total | 103.57 | - | 15,869.58 | 15,973.15 | 15,973.15 |
| Financial liabilities | | | | | |
| Non current | | | | | |
| Borrowings (including current maturities) | - | - | 1,613.02 | 1,613.02 | 1,613.02 |
| Others | - | - | 398.80 | 398.80 | 398.80 |
| Current | | | | | |
| Borrowings | - | - | 6,921.72 | 6,921.72 | 6,921.72 |
| Trade payables | - | - | 32,371.04 | 32,371.04 | 32,371.04 |
| Others | - | - | 1,305.44 | 1,305.44 | 1,305.44 |
| Total | - | - | 42,610.02 | 42,610.02 | 42,610.02 |

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 FOR THE YEAR ENDED 31st MARCH, 2022

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 | | | | |
|---|----------|---------------|----------|---------------|
| Fair value hierarchy as at 31st March, 2022 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Non current | | | | |
| Investments | - | 136.05 | - | 136.05 |
| Total | - | 136.05 | - | 136.05 |

| ₹ In lakhs | | | | |
|---|----------|---------------|----------|---------------|
| Fair value hierarchy as at 31st March, 2021 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Non current | | | | |
| Investments | - | 103.57 | - | 103.57 |
| Total | - | 103.57 | - | 103.57 |

Reconciliation of level 3 fair value measurements

For the year ended 31st March, 2022

| | ₹ In lakhs |
|--|---|
| | Unlisted shares valued at amortised cost |
| Opening Balance | - |
| Less : Investment impaired during the year | - |
| Closing Balance | - |

For the year ended 31st March, 2021

| | ₹ In lakhs |
|------------------------|---|
| | Unlisted shares valued at amortised cost |
| Opening Balance | 334.69 |
| Add : Interest accrued | (334.69) |
| Closing Balance | - |

Description of significant unobservable inputs to valuation

For the year ended 31st March, 2022

| | Valuation techniques | Significant unobservable inputs | Sensitivity of the input to fair value |
|--|----------------------|---------------------------------|--|
| Investment in unquoted Preference Shares | - | - | - |

For the year ended 31st March, 2021

| | Valuation techniques | Significant unobservable inputs | Sensitivity of the input to fair value |
|--|----------------------|---------------------------------|--|
| Investment in unquoted Preference Shares | - | - | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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

| | 31st March, 2022 | 31st March, 2021 |
|--|------------------|------------------|
| Debt (i) | 6,795.32 | 8,557.64 |
| Less: Cash and Bank balances | 1,777.92 | 2,891.32 |
| Net debt | 5,017.40 | 5,666.32 |
| Total Capital (ii) | 20,324.87 | 22,350.51 |
| Capital and net debt | 25,342.27 | 28,016.83 |
| Net debt to Total Capital plus net debt ratio (%) | 20% | 20% |

Notes :

- (i) Debt is defined as long-term borrowings (including current maturities), short-term borrowings (excluding contingent considerations) and interest accrued.
- (ii) Equity is defined as equity share capital and other equity including reserves and surplus.

- 42 Research and development expenses consist of employee expenses and other expenses of ₹192.64 lakhs (31st March, 2021 ₹165.49 lakhs), and ₹121.03 lakhs (31st March, 2021 ₹96.05 lakhs) respectively. Depreciation on Research and Development assets is ₹14.57 lakhs (31st March, 2021 ₹14.93 lakhs) shown under Property, Plant and Equipment.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

43. 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. Lokesh Sikka - Whole - time Director |
| | Mr. Rafique Malik - Independent Director |
| | Mr. Carlton Pereira - Independent Director |
| | Mr. Arvind Sharma - Independent Director |
| | Ms. Mohita Arora - Independent Director (from 26th June 2020) |
| | Mr. G. Sundar - Chief Executive Officer |
| | Mr. Lalit Chandvekar - Head Corporate Affairs, Legal and Company Secretary (upto 26th June, 2021) |
| | Mr. Karthi Chandramouli - Chief Financial Officer (upto 31st July, 2020) |
| | Mr. Sanjay Jhawar - Chief Financial Officer (from 11th February, 2021 upto 3rd June, 2021) |
| Mr. Prasad Oak - Head Corporate Affairs, Legal and Company Secretary (from 24th December, 2021) | |
| Mr. Deepak Sarawagi - Chief Financial Officer (from 1st December, 2021) | |
| 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) |
| 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 FOR THE YEAR ENDED 31st MARCH, 2022

₹ in lakhs

| Nature of transactions | For the Year ended | Key management Personnel | Relatives of key management personnel | Enterprise over which any person described in (1) & (2) is having significant influence |
|--|--------------------------|--------------------------------|---|--|
| | | (1) | (2) | (3) |
| Purchase / (purchase return) of goods, services, intangible assets and spares | | | | |
| Iwai Electronics Pvt.Limited | 2022 | - | - | 76.38 |
| | 2021 | - | - | 89.80 |
| Sale of goods, spares and services | | | | |
| Iwai Electronics Pvt. Limited | 2022 | - | - | 1.75 |
| | 2021 | - | - | 0.22 |
| Rent paid | | | | |
| Gulita Wealth Advisors Private Limited | 2022 | - | - | 30.00 |
| | 2021 | - | - | 30.00 |
| Refund of rent deposit | | | | |
| Akshay Mansukhani | 2022 | - | - | - |
| | 2021 | - | 0.89 | - |
| Ayesha Mansukhani | 2022 | - | - | - |
| | 2021 | - | 0.89 | - |
| G.L.Mirchandani | 2022 | - | - | - |
| | 2021 | 2.59 | - | - |
| Loans given | | | | |
| Lokesh Sikka | 2022 | - | - | - |
| | 2021 | 7.00 | - | - |
| Loans given repaid | | | | |
| Lokesh Sikka | 2022 | - | - | - |
| | 2021 | 7.00 | - | - |
| Interest accrued on loans | | | | |
| Lokesh Sikka | 2022 | - | - | - |
| | 2021 | 0.02 | - | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

₹ in lakhs

| Nature of transactions | For the Year ended | Key management Personnel (1) | Relatives of key management personnel (2) | Enterprise over which any person described in (1) & (2) is having significant influence (3) |
|--|--------------------------|---|--|---|
| Remuneration of key management personnel | | | | |
| G.L. Mirchandani | | | | |
| Remuneration | 2022 | 121.63 | - | - |
| Remuneration | 2021 | 106.24 | - | - |
| V.J.Mansukhani | | | | |
| Remuneration | 2022 | 121.63 | - | - |
| Remuneration | 2021 | 111.54 | - | - |
| Kaval Mirchandani | | | | |
| Remuneration | 2022 | 31.93 | - | - |
| Remuneration | 2021 | 31.81 | - | - |
| G. Sundar | | | | |
| Remuneration | 2022 | 222.23 | - | - |
| Remuneration | 2021 | 214.35 | - | - |
| Lalit Mohan Chendvankar | | | | |
| Remuneration | 2022 | 6.47 | - | - |
| Remuneration | 2021 | 37.44 | - | - |
| Karthi Chandramouli | | | | |
| Remuneration | 2022 | - | - | - |
| Remuneration | 2021 | 12.79 | - | - |
| Sanjay Jawhar | | | | |
| Remuneration | 2022 | 11.52 | - | - |
| Remuneration | 2021 | 17.27 | - | - |
| Lokesh Sikka | | | | |
| Remuneration | 2022 | 49.10 | - | - |
| Remuneration | 2021 | 46.08 | - | - |
| Deepak Sarawagi | | | | |
| Remuneration | 2022 | 10.88 | - | - |
| Remuneration | 2021 | - | - | - |
| Prasad Oak | | | | |
| Remuneration | 2022 | 8.50 | - | - |
| Remuneration | 2021 | - | - | - |
| Sitting Fees | | | | |
| Mr. Rafique Malik | | | | |
| | 2022 | 2.99 | - | - |
| | 2021 | 2.27 | - | - |
| Mr. Carlton Pereira | | | | |
| | 2022 | 2.68 | - | - |
| | 2021 | 1.85 | - | - |
| Mr. Arvind Sharma | | | | |
| | 2022 | 2.05 | - | - |
| | 2021 | 1.23 | - | - |
| Ms.Mohita Arora | | | | |
| | 2022 | 1.55 | - | - |
| | 2021 | 1.35 | - | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

Related party balances

₹ in lakhs

| Nature of Balances | Balance as on | Key management Personnel (1) | Relatives of key management personnel (2) | Enterprise over which any person described in (1) & (2) is having significant influence (3) |
|--|---------------|---------------------------------|--|--|
| Receivable | | | | |
| Gulita Wealth Advisors Private Limited | | | | |
| Rent Deposit | 2022 | - | - | 1,000.00 |
| | 2021 | - | - | 1,000.00 |
| Adino Electronics Limited | | | | |
| Debtors | 2022 | - | - | - |
| | 2021 | - | - | 0.85 |
| Interest receivable on loans | | | | |
| Lokesh Sikka | 2022 | - | - | - |
| | 2021 | 0,02 | - | - |

Related party balances

₹ in lakhs

| Nature of Balances | Balance as on | Key management Personnel (1) | Relatives of key management personnel (2) | Enterprise over which any person described in (1) & (2) is having significant influence (3) |
|------------------------------|---------------|---------------------------------|--|--|
| Payable | | | | |
| Iwai Electronics Pvt.Limited | | | | |
| Creditors | 2022 | - | - | 17.54 |
| | 2021 | - | - | 17.39 |
| Adino Electronics Limited | | | | |
| Creditors | 2022 | - | - | 0.85 |
| | 2021 | - | - | - |
| Remuneration payable | | | | |
| G.L. Mirchandani | | | | |
| Remuneration | 2022 | 7.63 | - | - |
| Remuneration | 2021 | 6.10 | - | - |
| V.J.Mansukhani | | | | |
| Remuneration | 2022 | 10.14 | - | - |
| Remuneration | 2021 | 9.13 | - | - |
| Kaval Mirchandani | | | | |
| Remuneration | 2022 | 2.66 | - | - |
| Remuneration | 2021 | 2.36 | - | - |
| G. Sundar | | | | |
| Remuneration | 2022 | 18.44 | - | - |
| Remuneration | 2021 | 16.42 | - | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

Related party balances

₹ in lakhs

| Nature of Balances | 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) |
| Lalit Mohan Chendvankar | | | | |
| Remuneration | 2022 | - | - | - |
| Remuneration | 2021 | 2.89 | - | - |
| Sanjay Jhawar | | | | |
| Remuneration | 2022 | - | - | - |
| Remuneration | 2021 | 5.76 | - | - |
| Lokesh Sikka | | | | |
| Remuneration | 2022 | 5.38 | - | - |
| Remuneration | 2021 | 3.51 | - | - |
| Deepak Sarawagi | | | | |
| Remuneration | 2022 | 2.72 | - | - |
| Remuneration | 2021 | - | - | - |
| Prasad Oak | | | | |
| Remuneration | 2022 | 2.61 | - | - |
| Remuneration | 2021 | - | - | - |
| Sitting fees payable | | | | |
| Mr. Rafique Malik | | | | |
| | 2022 | 0.52 | - | - |
| | 2021 | 0.62 | - | - |
| Mr. Carlton Pereira | | | | |
| | 2022 | 0.41 | - | - |
| | 2021 | 0.52 | - | - |
| Mr. Arvind Sharma | | | | |
| | 2022 | 0.41 | - | - |
| | 2021 | 0.41 | - | - |
| Ms. Mohita Arora | | | | |
| | 2022 | 0.41 | - | - |
| | 2021 | 0.31 | - | - |
| Rent Payable | | | | |
| Gulita Wealth Advisors Private Limited | | | | |
| | 2022 | - | - | 2.50 |
| | 2021 | - | - | 2.50 |

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, 2022, 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.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

44. CORPORATE SOCIAL RESPONSIBILITY

The statutory provisions of Section 135(5) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 with respect to spending in CSR activities are not applicable to the Company for the year ended 31st March, 2022.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprises of loans and borrowings, trade and other payables, and lease liabilities. 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 analysis in the following sections relate to the position as at 31st March, 2022 and 31st March, 2021. The analysis 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.

(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 analyses foreign currency assets and liabilities as on balance sheet date

| | 31st March, 2022 | | 31st March, 2021 | |
|------------------------------|---------------------------|------------|---------------------------|------------|
| | Foreign currency in lakhs | ₹ in lakhs | Foreign currency in lakhs | ₹ in lakhs |
| Foreign currency liabilities | | | | |
| In USD | 52.97 | 3,975.66 | 85.09 | 6,269.58 |
| Foreign currency Assets | | | | |
| In USD | - | - | - | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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, 2022 is tabulated below.

| | | Effect on profit before tax | Effect on pre tax equity |
|------------------|---------------------------------------|--------------------------------|-----------------------------|
| 31st March, 2022 | Rupee depreciates by Re.1 against USD | (52.97) | (52.97) |
| | Rupee appreciates by Re.1 against USD | 52.97 | 52.97 |
| 31st March, 2021 | Rupee depreciates by Re.1 against USD | (85.09) | (85.09) |
| | Rupee appreciates by Re.1 against USD | 85.09 | 85.09 |

Notes :

- +/- Gain / Loss
- The impact of depreciation / appreciation on foreign currency other than USD on profit before tax of the Company is not material.

(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, 2022 | | 31st March, 2021 | |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
| | 50 bps increase | 50 bps decrease | 50 bps increase | 50 bps decrease |
| Interest expense on loan | 885.72 | 804.90 | 974.23 | 894.84 |
| Effect on profit before tax | (40.41) | 40.41 | 39.70 | (39.70) |

₹in Lakhs

(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.

| | 31st March, 2022 | 31st March, 2021 |
|------------------------|------------------|------------------|
| Trade receivable | 10,222.13 | 11,478.94 |
| Other financial assets | 1,314.09 | 1,499.32 |

Rs in Lakhs

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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

| | 0 to 1 year | 1 to 5 years | > 5 years | Total |
|--|------------------|-----------------|-----------|------------------|
| Year Ended March 2022 | | | | |
| Non Current Borrowings | - | 1,462.54 | - | 1,462.54 |
| Lease Liabilities | - | 37.61 | - | 37.61 |
| Non Current Financial liabilities | - | 47.76 | - | 47.76 |
| Borrowings - Cash credit | 4,226.36 | - | - | 4,226.36 |
| Trade payables | 34,426.16 | - | - | 34,426.16 |
| Acceptance | 3,919.22 | - | - | 3,919.22 |
| Current maturities of Long-term borrowings | 1,081.29 | - | - | 1,081.29 |
| Lease Liabilities | 25.46 | - | - | 25.46 |
| Interest accrued on borrowings | 25.13 | - | - | 25.13 |
| Others payables | - | - | - | - |
| Dealer Deposits | 417.94 | - | - | 417.94 |
| Employee Benefits | 890.08 | - | - | 890.08 |
| Creditors for Capital items | 547.40 | - | - | 547.40 |
| | 45,559.04 | 1,547.91 | - | 47,106.95 |
| Year Ended March 2021 | - | - | - | - |
| Non Current Borrowings | - | 839.70 | - | 839.70 |
| Non Current Financial liabilities | - | 398.80 | - | 398.80 |
| Borrowings - Cash credit | 6,921.72 | - | - | 6,921.72 |
| Trade payables | 27,173.51 | - | - | 27,173.51 |
| Acceptance | 5,197.53 | - | - | 5,197.53 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

₹ In lakhs

| | 0 to 1 year | 1 to 5 years | > 5 years | Total |
|--|------------------|-----------------|-----------|------------------|
| Current maturities of Long-term borrowings | 773.32 | - | - | 773.32 |
| Interest accrued on borrowings | 22.90 | - | - | 22.90 |
| Others payables | | | | |
| Dealer Deposits | 251.94 | - | - | 251.94 |
| Employee Benefits | 806.17 | - | - | 806.17 |
| Creditors for Capital items | 224.43 | - | - | 224.43 |
| | 41,371.52 | 1,238.50 | - | 42,610.02 |

- 46** 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.
- 47** 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, 2022 | 31st March, 2021 |
|---|------------------|------------------|
| | ₹ In lakhs | ₹ In lakhs |
| a) Principal amount remaining unpaid as | 238.08 | 631.01 |
| 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 | - | - |
| e) The amount of Interest accrued | - | - |
| 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 | - | - |

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.

48 SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through 25th May 2022, the date at which the financial statements were available to be issued, and determined that there are no material items to disclose other than those disclosed above.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

49 RATIOS

| | Numerator | Denominator | Unit | As at 31st March 2022 | As at 31st March 2021 | Change during the year | Reason for variation for > 25% |
|---------------------------------|---|--|-------|--------------------------------|--------------------------------|------------------------------|---|
| Current Ratio | Current Assets | Current Liabilities | Times | 1.20 | 1.28 | -7% | - |
| Debt Equity Ratio | Total Debt | Shareholder's Equity | Times | 0.33 | 0.35 | -4% | - |
| Debt Service Coverage Ratio | Earnings available for debt service = Net profit after taxes before exceptional items + Depreciation + Interest | Debt service = Interest and lease payments + principal repayments | Times | 0.86 | 0.71 | 21% | - |
| Return on Equity Ratio | Net profit after tax but before exceptional items | Average Shareholder's equity | Times | -0.01 | -0.03 | 45% | Return on Equity in current year has increased as compared to the previous due to improved operational performance. |
| Trade Receivable Turnover Ratio | Net credit sales | Average Accounts Receivables | Times | 10.97 | 7.88 | 39% | Trade receivable turnover ratio of current year has improved on account of increase in revenue by 56% as compared to last year where sales were lower on account of COVID-19. |
| Trade Payable Turnover Ratio | Net credit purchases | Average Trade payables | Times | 3.36 | 2.54 | 32% | Trade payable turnover ratio is higher on account of increase in purchases during the current year. |
| Net Capital Turnover Ratio | Net Sales = Total sales - sales return | Working capital = Current assets - Current liabilities | Times | 12.74 | 6.38 | 100% | Net Capital turnover ratio of current year has improved on account of increase in revenue as compared to last year and due to decrease in short term borrowings as compared to last year. |
| Net Profit Ratio | Net profit after tax but before exceptional items | Net Sales = Total sales - sales return | % | -0.25% | -0.78% | 68% | Net Profit Ratio in current year has increased on account of increase in sales in the current year as compared to previous year. |
| Return on Capital Employed | Earnings before interest and taxes and exceptional items | Capital Employed = Net worth + Total Debt + Deferred Tax Liability | % | 4.11% | 2.98% | 38% | Increased in current year due to healthy operational performance. |
| Inventory Turnover Ratio | Cost of goods sold | Average Inventory | Times | 2.68 | 1.87 | 43% | During the year Company has liquidated old inventory of air conditioners and OEM stock post lifting of COVID-19 related restrictions in the current year. |
| Return on Investment | Interest (Finance Income) | Investment | % | 4.56% | 4.76% | -4% | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

50 OTHER STATUTORY INFORMATION

- a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b) The Company has balance with the below-mentioned companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956:

₹ In Lakhs

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding | | Amount of transactions | | Relationship with the Struck off company, if any, to be disclosed |
|---------------------------------------|--|------------------------|------------------------|-------------------------------------|-------------------------------------|---|
| | | As at 31st March, 2022 | As at 31st March, 2021 | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 | |
| Eolane Electronics Bangalore | Advance to Vendors | 10.28 | 10.28 | - | - | None |
| Dreamland Apartments Private Limited | Advance to Vendors | 0.06 | 0.06 | - | - | None |
| H.T.L Logistics India Private Limited | Advance to Vendors | 5.69 | 5.69 | - | - | None |

- c) The Company do not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period,
- d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- f) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- g) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- h) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

51 Previous years' figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

As per our Report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number 324982E/E300003

per Firoz Pradhan
Partner
Membership No.109360

Place : Mumbai
Date : 25th May, 2022

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

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

Deepak Sarawagi
Chief Financial Officer

Place : Mumbai
Date : 25th May, 2022

V.J.Mansukhani
Managing Director
DIN : 01041809

Prasad Oak
Head Corporate Affairs,
Legal and Company Secretary



MIRC ELECTRONICS LTD

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