



September 02, 2021

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

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

Script Code: BSE - 500279, NSE - MIRCELECTR

This is to inform you that 40th Annual General Meeting (AGM) of the Company is scheduled to be held on Monday, September 27, 2021 at 3:00 p.m. through Video Conferencing/Other Audio Visual Means ("OAVM"). In this regard and in compliance with the requirement of Regulation 30(2) and 34(1) read with Schedule III and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Notice of AGM dated June 14, 2021 and Annual Report for the financial year 2020-2021.

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, September 20, 2021 | Monday, September 27, 2021 | N.A. | Annual General Meeting |

MIRC ELECTRONICS LIMITED

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

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

CIN : L32300MH1981PLC023637 Website:- www.onida.com



The Notice of the AGM along with the Explanatory Statement, Directors Report, Auditors Report and Audited Financial Statements of the Company for the year ended March 31, 2021 is being sent electronically to those members whose e-mail IDs are registered with the Company/Depository Participant on September 02, 2021 in compliance with Ministry of Corporate Affairs Circular no. 02/2021 dated January 13, 2021 read together with circulars no. 20/2020, 14/2020 and 17/2020 dated May 05, 2020, April 08, 2020 and April 13, 2020 respectively and Securities and Exchange Board of India Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read together with Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020.

Pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules 2015, the Company is providing remote e-voting facility to its members holding shares as on Monday, September 20, 2021 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, September 24, 2021 at 09.00 a.m. and ends on Sunday, September 26, 2021 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

Gulu L. Mirchandani
Chairman & Managing Director

Encl: A/a.

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www.onida.com

NOTICE

NOTICE is hereby given that the **Fortieth Annual General Meeting** of the members of **MIRC Electronics Limited** will be held on **Monday, September 27, 2021** 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, 2021, together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kaval G. Mirchandani (DIN: 01179978), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To approve the re-appointment of Mr. Vijay J. Mansukhani (DIN: 01041809), as 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 February 11, 2021, the approval of members of the Company be and is hereby accorded to the re-appointment and remuneration of Mr. Vijay J. Mansukhani (DIN: 01041809), as Managing Director of the Company for a period of 3 (Three) years effective from April 01, 2021 to March 31, 2024 (both day 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. Arvind Sharma (DIN: 01229072) as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Arvind Sharma (DIN: 01229072), who was appointed as an Independent Director and who holds office as an Independent Director up to November 13, 2021 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to November 13, 2026 on such terms and conditions as set out in Item No. 4 of the explanatory statement annexed to the Notice convening this Meeting."

5. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2022 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, 2022, 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**

**Place: Mumbai
Date: June 14, 2021**

**Gulu Mirchandani,
Chairman & Managing Director
(DIN: 00026664)**

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("**MCA**") vide its circular bearing no. 02/2021 dated January 13, 2021 read together with circular bearing no. 20/2020 dated May 05, 2020 and circulars bearing no. 14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively (collectively referred to as "**MCA Circulars**") and Securities and Exchange Board of India ("**SEBI**") vide circular bearing no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read together with SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as "**SEBI Circulars**") permitted the holding of the Annual General Meeting ("**AGM**") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("**Act**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI (LODR) Regulations, 2015**") as amended from time to time, MCA Circulars and SEBI 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 appointed for the purpose of voting through remote e-voting or for participation and voting in the Meeting to be conducted through VC/OAVM.

Corporate Members intending to attend the Meeting through their authorised representatives are requested to send a certified true copy of the board resolution and power of attorney, (PDF/JPG Format) if any, authorizing its representative to attend and vote on their behalf at the 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 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.

Members may note that the Notice and Annual Report for financial year 2020-21 will also be available on website of the Company i.e. www.onida.com, website of the Stock Exchanges i.e. BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com) respectively. For any communication, the shareholders may also send requests to the designated email address of the Company i.e. investors@onida.com. The Notice of AGM is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. 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/desirous of asking any questions at the AGM with regard to the accounts or any matter to be placed at the AGM are requested to send email to the designated email address of the Company i.e. investors@onida.com at least 7 days before the AGM.
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, September 20, 2021 to Monday, September 27, 2021 (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 dematerialized 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 have 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 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, 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 Fortieth AGM of the Company by electronic means. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

The Members who have cast their vote by remote e-voting prior to the 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, Practicing Company Secretary, (Membership No. F7175, CP No. 7809 with the Institute of Company Secretaries of India) or failing him CS Nilesh Shah or failing him CS Hetal Shah of M/s. Nilesh Shah & Associates, Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

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

- (i) The voting period begins on Friday, September 24, 2021 (9.00 a.m.) and ends on Sunday, September 26, 2021 (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, September 20, 2021 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 of 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/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 |

| | |
|--|--|
| 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. |
|--|--|

- (vi) After entering these details appropriately, click on "SUBMIT" tab;
- (vii) 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;
- (viii) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
- (ix) Click on the EVSN for the relevant MIRC Electronics Limited on which you choose to vote;
- (x) 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;
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details;
- (xii) 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;
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote;
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page;
- (xv) 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

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
 - a. The shareholders should log on to the e-voting website www.evotingindia.com;
 - b. Click on "Shareholders" module;
 - c. Now Enter your User ID
 1. For CDSL: 16 digits beneficiary ID,
 2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 3. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - d. Next enter the Image Verification as displayed and Click on Login;
 - e. 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;
 - f. 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. |

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, September 20, 2021;
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, September 20, 2021, 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, Mafatlal 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 February 11, 2021, approved the re-appointment and remuneration to Mr. Vijay J. Mansukhani (DIN: 01041809), as Managing Director of the Company for a period of 3 (Three) years with effect from April 01, 2021, 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 appoint Mr. Vijay J. Mansukhani as Managing Director of the Company who has attained 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. Vijay J. Mansukhani and the Company are as follows:

I] The Managing 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 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 April 01, 2021 to March 31, 2024.

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 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. Vijay J. Mansukhani, 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 Managing Director shall be entitled to the following perquisites:

This will comprise inter-alia of House Rent Allowance, Leave Travel Concession, Medical reimbursement and Personal Accident Insurance. 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 60% of basic salary.
- ii) In case Company owns the accommodation, the Company shall deduct 10% of the basic Salary of the Managing Director.
- iii) In case no accommodation is provided by the Company, the 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. Vijay J. Mansukhani 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. Vijay J. Mansukhani). In the event medical bills are not submitted, Mr. Vijay J. Mansukhani 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 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 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 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 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. Vijay J. Mansukhani (DIN: 01041809) 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. Vijay J. Mansukhani (DIN: 01041809) is relative of Mr. Gulu Mirchandani (DIN: 00026664), Chairman & 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. Vijay J. Mansukhani (DIN: 01041809), 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. Vijay J. Mansukhani himself and Mr. Gulu Mirchandani, 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 June 14, 2021, approved the re-appointment of Mr. Arvind Sharma (DIN: 01229072), as Independent Director of the Company, for a second term of 5 (five) consecutive years i.e. up to November 13, 2026, subject to the approval of members of the Company.

Mr. Arvind Sharma is a Bachelor of Science and holds PGDM from the Indian Institute of Management Ahmedabad - 1977 batch. In his last corporate role, Mr. Arvind Sharma was a member of Global Leadership Council of Leo Burnett Worldwide and Chairman of TLG India Pvt. Ltd., the India Subcontinent arm of the Publicis Groupe, spanning all of the Groupe's Media, Digital

and New Media services. After spending over four decades in marketing and advertising, Mr. Arvind Sharma has recently turned tech & internet entrepreneur. Brief information of Mr. Arvind Sharma (DIN: 01229072) is annexed to the Notice.

Mr. Arvind Sharma (DIN: 01229072) has informed the Company that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. He has also given a declaration that he meets with the criteria of independence as prescribed under sub section (6) of Section 149 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The Board of Directors of the Company, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given the background and experience and contributions made by Mr. Arvind Sharma (DIN: 01229072) during his tenure, his continued association would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Arvind Sharma (DIN: 01229072) as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

As per Section 149(10) of the Companies Act, 2013 an Independent Director shall hold office for a term of upto five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a company and accordingly, the Board recommends the above resolution to be passed as special resolution.

A copy of the draft letter of re-appointment of Mr. Arvind Sharma (DIN: 01229072) as an Independent Director stating the terms and conditions is available for inspection by the members of the Company in physical or in electronic form at the registered office of the Company situated at G-1, Onida House, 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.

None of the Directors except Mr. Arvind Sharma (DIN: 01229072) himself, Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 4 of the Notice.

Item No. 5:

On the recommendation of the Audit Committee, the Board of Directors in their meeting held on June 14, 2021 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, 2022 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. 5 of the Notice for approval of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2022.

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. 5 of the Notice.

STATEMENT OF DISCLOSURE PURSUANT TO SCHEDULE V TO THE COMPANIES ACT, 2013 IN RELATION TO ITEM NO. 3 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 | | |
|--------------------------|----------------|---------|---------|
| | 2020-21 | 2019-20 | 2018-19 |
| Gross Turnover | 762.69 | 603.11 | 642.41 |
| Profit/(Loss) before Tax | (5.95) | (11.46) | (2.81) |
| Profit/(Loss) after Tax | 1.89 | (11.46) | (4.41) |
| Dividend | --- | --- | --- |

- Export performance and net foreign exchange collaborations:

Export performance and total foreign exchange earnings for the financial year 2020-2021 is Rs. 24.10 Lacs.

- Foreign investment or collaborators : NIL

However as on March 31, 2021, the total Foreign Shareholding is 45,84,844 equity shares constituting 1.99% of the paid-up share capital which includes Foreign portfolio investor (Corporate) holding of 32,25,993 equity shares and NRI holding of 13,58,851 equity shares.

II. Information about the appointees:

Mr. Vijay J. Mansukhani (DIN: 01041809):

- Background details: Mr. Vijay J. Mansukhani, is one of the main promoters of the Company and is associated with the Company since its inception. He is a graduate from the College of Marine Engineering, Mumbai.
- Past Remuneration: As stated below

Amount (in Rs.)

| Particulars | Financial Year | | |
|--|-------------------|-------------------|-------------------|
| | 2020-21 | 2019-20 | 2018-19 |
| Salary, Allowance & Perquisites | 10,280,400 | 11,223,600 | 11,223,600 |
| Provident Fund & Superannuation / Gratuity | 873,170 | 979,200 | 979,200 |
| Total | 11,153,570 | 12,202,800 | 12,202,800 |

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 over 40 years of experience in electronic industry and proven expertise in driving the organizational growth through the enhancement of existing growth areas and developing potential opportunities.
- Job profile and suitability: He is Managing Director of the Company. He is a key member in devising and implementing corporate growth strategy for 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. Vijay J. Mansukhani.

- Pecuniary relationship or relationship with managerial person: Mr. Vijay J. Mansukhani is brother in law of Mr. Gulu L. Mirchandani, Chairman and Managing Director of the Company.

III. Other Information:

- Reasons of loss or inadequate profit:

Financial Year 2020-2021 was a year of challenges for most of the businesses in India including consumer durables segment due to 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 of Directors
For MIRC Electronics Limited**

**Place: Mumbai
Date: June 14, 2021**

**Gulu Mirchandani,
Chairman & Managing Director
(DIN: 00026664)**

Details of directors seeking appointment/re-appointment in the Fortieth 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. Vijay J. Mansukhani | Mr. Arvind Sharma |
|---|---|--|
| Date of Birth (age) | 21.06.1949 (72 years) | 10.06.1956 (65 years) |
| Nationality | Indian | Indian |
| Date of first Appointment on the Board | 01.01.1981 | 14.11.2016 |
| Shareholding in the Company (as on March 31, 2021) | 2,63,35,774 (11.41%) | Nil |
| Board Meetings attended during the financial year 2020-21 | 4 | 3 |
| Qualification | Graduate from the College of Marine Engineering, Mumbai. | Bachelor of Science and holds PGDM from the Indian Institute of Management Ahmedabad |
| Expertise in specific functional areas | More than 40 years of experience in electronic industry and proven expertise in driving the organizational growth through the enhancement of existing growth areas and developing potential Opportunitie. | Marketing and Advertisement |
| Last drawn remuneration (including sitting fees and commission) | ₹ 1,11,53,570 p.a. for F.Y. 2020-21 | ₹ 1,20,000/- for F.Y. 2020-21 |
| Directorship held in other listed entities | None | None |
| Membership of Committees of the Board of other listed entities | None | None |
| Relationship, if any between Directors inter-se | Mr. Vijay J. Mansukhani is brother in law of Mr. Gulu L. Mirchandani, Chairman & Managing Director of the Company. | None |

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



ONIDA

OWNER'S PRIDE

**ANNUAL
REPORT**
2020-2021

EXPLORING NEW HORIZONS



MIRC

A man in a dark suit is seen from the back, looking out over a city skyline from a high-rise building. The scene is brightly lit, with a strong light source creating a lens flare effect. The city below is filled with various buildings and structures.

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.

#IndiaKaOnida

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. Lalit Chendvankar

Statutory Auditors

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

Bankers

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

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– Mundiayaki, Pargana–Manglour, Tehsil- Roorkee, Dist–Haridwar, Uttarakhand – 247 670.
- Chiplun - Plot No. G-1, Lote Parshuram Industrial Area, Village Dhamandevi, Taluka Khed, Dist. Ratnagiri, Maharashtra - 415 639.

Registrar & Share Transfer Agent

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

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

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

CHAIRMAN'S NOTE

Dear Stakeholders

History repeats itself. This year too, we saw a repetition of last year's scenario starting mid-March 2021. But as the saying goes, 'When The Going Gets Tough, The Tough Get Going', and so did we. Even after facing a major set-back during our key season last year, we didn't look back and staying true to our DNA we ventured out in search of new horizons.

This spirit is what has ensured Onida celebrate its 40th year in the industry. Though this is the 2nd consecutive year that our core Air Conditioners business has been hit very badly due to the pandemic, it hasn't been able to create a dent to our confidence and in-turn our commitment to our Indian stake holders. The lockdown tested the agility, resilience and adaptability of the company. We have seen negative impact on our Air-Conditioner sales from March through May, which accounts for 30-35% of our annual sales.

It's been 40 Years that we have been satisfying the needs of the Indian consumers. We have been trusted by the Indian consumers for providing them Innovative Technologically Advanced products time and again. We have been known for categories right from Televisions to Air Conditioners to Microwave Ovens and Washing Machines. This year we have ventured into new territories and introduced 2 other categories, viz. Air Coolers & Dish Washers.

Irrespective of the enormous challenges posed last year, Onida as always was determined to Explore New Horizons. With summers getting unbearable year after year and Onida having already captured an adequate share of the AC Market felt the need to tap into a new market segment. This time focussing on the hinterland, Onida recently launched Air Coolers with 2 variants and in 2 capacities for online and offline markets. We have already seen tremendous conversions with the online model and I am proud to say that this new introduction of Air Coolers into the Onida Range of Products was well received. Our Air coolers are designed with powerful Air Throw technology to keep you cool even in large spaces.

With futuristic thinking comes technologically advanced innovations, and yet again with the pandemic at large and lack of house help available because of lockdowns all over the country, Onida saw an opportunity to serve our customers and keep them self-sufficient and simplify their lives at home during these unprecedented times. Onida introduced Dishwashers, especially designed for Indian Kitchens with 14PC (Place) and 12PC (Place) capacity. Easy to use, economical, time saving and designed to clean dishes keeping in mind our Indian Cuisine, it definitely is an all in one power packed product by Onida.

We also launched **Version 2 of India's First Fire TV Edition**. Riding on the success of the First Version of the Fire TV Edition and based on customer feedback we made a few upgrades which gave the user a thrilling and superior viewing experience. The Onida Fire TV Edition version 2 is equipped with Superior Picture and Sound Clarity bundled with Live TV Integration and Alexa enabled voice command.

Washing Machine – 2020 saw introductions of a wide range of 5 star washing machines. We also now possess the largest 5 star 8 kg range in India. Onida's top load fully automatic range is now also available in every major selling capacity right from 5.5 KG to 7 KG. In the current Aatma-Nirbhar era, the brand sees a perfect opportunity to build on the Make-In-India base, like it has done for the last 40 years. Onida's, #IndiaKaOnida Campaign has been a good hit in support of a self-reliant India. Keeping the same in mind we have also ventured into Electronic Manufacturing Services (EMS) business as we have all the necessary capabilities to be self-reliant for manufacturing for self as well as requirements of other brands. Having strategically located factories at 2 key locations at Wada (Maharashtra) and Rourkee (Uttarakhand) helps us in easier management of logistics. Factory is close to Sea ports which is an essential requirement for high Import based industry, it is less than 50Kms away from warehouse & transport hub of Bhiwandi. With 40 Years of experience in manufacturing of Televisions and professionally trained engineers, Supply Chain within 50 Km Radius of our facility, In-house Import Clearing Department, Backward Integration – Chassis Assembly, Injection Molding, EPS Molding and Speakers, we have an Infrastructure ready for further expansion to 3 million TVs. I would hereby like to sign-off by saying that in these challenging times, the economic impact has been largely disruptive. However, Onida will always endeavour to lead the transformation in Consumer Durable Industry in India by launching products with cutting edge technology, which will make Indians proud of the Made in India label. I am grateful to all Stake-holders, Customers, Employees, Suppliers, Partners and Investors for their continued support to ONIDA.



MR. GULU MIRCHANDANI
Chairman & Managing Director



MANAGING DIRECTOR NOTE

Dear Stakeholders

It goes without saying that these are extraordinary times. Just as our hearts go out to everyone affected by Covid-19, we are enormously grateful to our first responders: medical professionals who are risking their lives every day to keep us safe. They are the true heroes.

Likewise, the health and safety of our employees is our prime concern and we swiftly took action to enable our staff to work from home to protect them.

We now have to cope with and adapt to the new normal. While there is uncertainty, we are also feeling optimistic about 2021-22. Following the turmoil of the last twelve months, some things are now permanently new and some are still normal.

The challenge for us is to recognise and navigate between the two. As much as we like to hit “pause”, it is not really an option. We need to understand what comes next for business and the economy and our collective battle against Covid. Much of our confidence stems from the early rollout of the vaccine and I am confident that we will have a very strong 2021-22.

The gravity-defying rise of China has put pressure on India. From an economic perspective, there is an urgent need to rebuild and power ahead. We are proactively seizing opportunities that are coming our way. To this end, we are focusing not only on captive but also non-captive manufacturing. The coronavirus pandemic has been an opportunity for innovating business strategies and practices. We have improved upon our process efficiencies and product design. This has helped in bringing costs down. Our production lines are now suited to making not only televisions but also air conditioners, air coolers and a host of other electronics products. We have a great set of people who can execute skilfully, especially when the going gets very hard.

In these difficult times, we have put profits into sharper focus and are pivoting towards more profitable businesses. To give our clients more satisfaction, we have stopped outsourcing our after-sales service operations and have taken the same in-house. This has helped to reduce the after-sales service turnaround time and increased the satisfaction of our customers.

We have a high degree of optimism and resilience within the company and I am sure that with the worst behind us we will emerge very successfully and stronger in 2021-22.



MR. VIJAY MANSUKHANI
Managing Director



INDIA'S FIRST FIRE TV

WITH LIVE TV FEATURE



Building on the success of India's First Fire TV Edition which was launched back in 2019, Onida once again saw an opportunity to improvise and meet the ever so demanding needs of Indian Consumers with an upgraded version of the Fire TV Edition. With the Pandemic at large and majority of the Country working from home, the TV Consumption at home started growing tremendously. A large number of users were switching to OTT content and hence Smart TVs with Superior Picture and Sound Clarity were the need of the hour. As Onida is known to explore new horizons and develop futuristic innovative products, the Company launched Onida Fire TV Edition Version 2.0, 2021. As the Fire TV OS is voted by some bloggers as the best OS with its smooth interface and AI technology, there was no doubt that Onida would go with the same OS and upgrade around it as per consumer needs. What Onida did was upgrade the Sound performance and the Picture Clarity to give the user a Superior Viewing Experience like no other. Onida launched version 2 online with its online variant which is available on amazon.in and has received a tremendous response being one of amazon's highest rated TV brand as well as offline in leading stores with the Onida KY ROCK Fire TV Edition Version 2.0

What's even more exciting about this new version is that this TV also comes with an upgraded Live TV Experience where it eliminates the need of a set top box and you can view your favourite channels with live content on the platform via subscription. Another bonus added is the TV is IR blaster compatible which means that you can connect and operate any device in the room via the TV's Alexa voice remote.

AIR CONDITIONERS



The Indian room ACs market is all set to undergo a phenomenal upheaval in the next 5 years. The factors such as changing consumer lifestyle, awareness about green and energy efficient products, rising per capita income and extremely hot and humid climate through most part of the year are playing a critical role. The Policy imposed by government in 2020 stating the ban of import of ACs with refrigerants will help the domestic manufacturers to grow. The government has committed to support domestic manufacturers with PLI (Production Linked Incentive)scheme the details of which will be finalised during course of the year.

During the year, the Company launched its Ac gas charging facility at its Wada Plant to explore and open opportunities in the manufacturing segment.This AC season witnessed the successful launch of new Inverter ACs with efficient cooling – Grande and Ivory for Online and offline markets.Onida has also launched a wide range of Inverter Air Conditioners, continuing to deliver technologically superior products for consumers who want the best of functionality and design. Besides the introduction of Dual Rotary Compressor, the company has also focused on durability and introduced Gold Hydrophilic Fins Technology. This technology protects the condenser coils from various external damages that can be caused by water, acids and other salts accumulation. Thus, it enhances the lifespan of this appliance. In the Fixed speed segment, the Company launched a Heavy Duty Cooling Air Conditioner which cools even in the most extreme conditions called 'Magnus, Silk and Aspro'.

#IndiaKaOnida



Onida has been India's trusted brand for 40 years with innovations in all categories right from Televisions, Air Conditioners to Washing Machines and the brand recently completed the segment in the large appliance space with the launch of Made-in-India Refrigerators.

Insta Chill refrigerators are a great addition to the family and Onida has emphasized a lot on its Fast Cooling technology which will not only cool faster but also keep your food fresh and preserve it for a longer period of time. InstaChill Refrigerators by Onida also comes with a designer look to add a style quotient to your homes. The refrigerators are skilfully designed with a floral glossy glass finish giving you an edge over competition.

Once again based on feedback from our customers, Onida has also paid a great deal of attention to the storage capacity of the refrigerators giving it ample of space to store your favourite food items and beverages, hence introducing 195 & 215 Litre Capacity refrigerators with a longer height giving you a larger performance. Moreover, Onida's focus has always been about introducing Eco-friendly products and they've implemented the same focus here as the InstaChill refrigerators uses a refrigerant that is free of chlorofluorocarbons, hydro chlorofluorocarbons, and more to ensure ozone layer protection. The refrigerator also comes with Toughened Glass Shelves where you can safely place utensils and containers that weigh up to 150 kg.

Onida has launched 3 Different SKUs. 190L in 3 Star and 215L in 2 Star. In the 190L 3 Star segment there will be 4 colours available (Wine Lily, Blue Lily, Floral Red and Floral Blue). We have different models which will be available for different channels. We also launched a new segment 195L last month with 2 Star in four colours (Passion Wine, Passion Blue, Wine Lily and Scarlet Violet) and 215L has two colours Wine Lily and Floral Red.

A couple of unique additions like Anti-bacterial removal gasket and Power Cut EvoCool Technology which allows your food to stay fresh and cooler for a longer gives our refrigerators an edge over competition and is currently available on E-commerce market places and Offline via trade channels.

WASHING MACHINES DESIGNED FOR INDIAN WASH NEEDS



As consumer convenience has become the top most priority in the age of the pandemic, 2020 saw introductions of a wide range of 5 star rated washing machines giving the consumer effective and efficient wash programs. Onida also launched the largest 5 star 8 kg Semi-Automatic range in India. With superior glass lid floral designs, a powerful motor, super drum wash and loads of wash programs, Onida's Semi-automatic range promises to be top notch. To add to the range is an upcoming model which for the first time will be integrated with a special feature known as Dual Waterfall technology for an intensive, powerful and effective wash.

Another key aspect this year is that Onida has started manufacturing its Fully Automatic Range starting with its 7KG 5 star machine because of the ever growing demand of Made in India Products. As Onida is known to cater to the wants and desires and to meet Indian wash needs, Onida's top load fully automatic range is now also available in every major selling capacity right from 5.5 KG to 7 KG.

DISHWASHER

14 AND 12 PLACE SERIES **DISHWASHER**

FOR A COMFORTABLE, EFFICIENT & HEALTHY LIVING



With futuristic thinking comes futuristic innovations. Yet again with the pandemic at large and lack of house help available or allowed to come to work because of lockdowns imposed all over the country, Onida saw an opportunity to serve our customers and keep them self-sufficient and simplify their lives at home during these unprecedented times. We introduced Dishwashers, especially designed for Indian Kitchens with 14PC (Place) and 12PC (Place) capacity. Easy to use, economical, time saving and designed to clean dishes keeping in mind how extravagant our Indian Cuisine can be, it definitely is an all in one power packed product. Our dishwasher reinforces the hygiene aspect as it comes with a new unique rinse system that uses every drop of water to full effect. Some of the major washing programs in Onida Dishwashers are Intensive, Eco, Glass, Auto, Half Load and Quick Wash. With Sleek and Stylish designs to Dynamic LED displays, Onida's Dishwashers are a must have in every Indian kitchen designed especially for Indian cutlery use and Indian cooking habits. After all we are a Made in India brand for 40 years and we understand Indian users better than anyone.

#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 MicrowaveOven 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



This summer Onida saw an opportunity to tap into a new segment of durable users having already captured a good market share in Air Conditioners. With summers getting unbearable year after year and Onida staying true to its core, in a desire to serve Indian masses especially in hinterland, launched Air Coolers as a Made in India brand. Gearing up for a strong summer season especially as sales last year were impacted with the onset of Covid related restrictions. Analyst estimates forecast a double-digit growth this summer for categories such as Air Conditioners, Refrigerators etc.

India's Air Cooler market is estimated at ₹2,600 crore which includes various brands and Onida has seen huge potential in this segment. Onida recently launched Air Coolers with 2 variants and in 2 capacities for 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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BALANCE SHEET

₹ in Crore

| | As at 31st March 2021 | As at 31st March 2020 | As at 31st March 2019 |
|---|--------------------------|--------------------------|--------------------------|
| I. Assets | | | |
| Non-current assets | | | |
| (a) Property, Plant and Equipment | 86.30 | 95.26 | 101.01 |
| (b) Capital work-in-progress | 5.23 | 0.29 | - |
| (c) Other Intangible assets | 0.24 | 0.29 | 0.35 |
| (d) Financial Assets | | | |
| (i) Investments | 1.04 | 4.33 | 3.89 |
| (ii) Others | 1.73 | 10.73 | 9.96 |
| (f) Income Tax Assets (Net) | 1.72 | 1.10 | 1.07 |
| (g) Other non-current assets | 26.57 | 36.46 | 35.01 |
| (h) Deferred tax Asset (Net) | - | - | - |
| Total non-current assets | 122.83 | 148.46 | 151.29 |
| Current assets | | | |
| (a) Inventories | 354.44 | 329.05 | 214.92 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 114.79 | 78.72 | 119.60 |
| (ii) Cash and cash equivalents | 8.13 | 0.90 | 7.13 |
| (iii) Bank balances | 20.78 | 5.24 | 5.86 |
| (iv) Others | 13.26 | 3.23 | 3.54 |
| (c) Other current assets | 31.14 | 11.86 | 10.49 |
| Total current assets | 542.54 | 429.00 | 361.54 |
| Total Assets | 665.37 | 577.46 | 512.83 |
| II. Equity and Liabilities | | | |
| Equity | | | |
| (a) Equity Share capital | 23.11 | 23.11 | 23.11 |
| (b) Other Equity | 200.39 | 198.81 | 192.44 |
| (c) Money received against share warrants | - | - | 18.01 |
| Total equity | 223.50 | 221.92 | 233.56 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 8.40 | 13.18 | 17.57 |
| (ii) Others | 3.99 | - | - |
| (b) Provisions | 6.40 | 5.55 | 5.89 |
| Total Non current liabilities | 18.79 | 18.73 | 23.46 |
| Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 69.22 | 61.35 | 47.81 |
| (ii) Trade payables | 323.71 | 248.06 | 179.08 |
| (iii) Others | 20.79 | 14.46 | 16.39 |
| (b) Other current liabilities | 4.28 | 8.22 | 6.81 |
| (c) Provisions | 5.08 | 4.72 | 5.72 |
| Total current liabilities | 423.08 | 336.81 | 255.81 |
| Total Equity and Liabilities | 665.37 | 577.46 | 512.83 |

STATEMENT OF PROFIT AND LOSS

₹ in Crore

| | 2020-21 | 2019-20 | 2018-19 |
|---|---------------|----------------|---------------|
| Income | | | |
| Revenue from operations | 765.84 | 604.31 | 644.46 |
| Other Income | 2.19 | 2.55 | 3.63 |
| Total Income | 768.03 | 606.86 | 648.09 |
| Expenses | | | |
| Cost of raw materials and components consumed | 460.46 | 219.72 | 213.07 |
| Purchases of Traded Goods | 122.68 | 311.60 | 264.02 |
| Changes in inventories of Finished Goods, Work-in-progress and Stock in Trade | 57.47 | (73.86) | (4.21) |
| Employee benefits expense | 51.09 | 60.77 | 67.74 |
| Freight and forwarding expenses | 19.66 | 24.21 | 25.01 |
| Advertisement | 1.48 | 7.44 | 12.55 |
| Other Expenses | 39.51 | 49.86 | 49.64 |
| Total Expenses | 752.35 | 599.74 | 627.82 |
| Profit before depreciation, finance cost and tax | 15.68 | 7.12 | 20.27 |
| Finance Cost | 14.94 | 11.98 | 14.80 |
| Profit before depreciation and tax | 0.74 | (4.86) | 5.47 |
| Depreciation and amortisation expense | 6.69 | 6.61 | 8.27 |
| Profit before exceptional items and tax | (5.95) | (11.47) | (2.80) |
| Exceptional items | 7.84 | - | 1.60 |
| Profit / (Loss) before tax | 1.89 | (11.47) | (4.40) |
| Tax Expense | | | |
| Current Tax | - | - | - |
| Deferred Tax | - | - | - |
| Total tax expense | - | - | - |
| Profit / (Loss) for the year | 1.89 | (11.47) | (4.40) |
| Other Comprehensive Income (net of tax) | - | - | - |
| Items that will not be reclassified to Profit or Loss | - | - | - |
| Remeasurement of the defined benefit plans | (0.30) | (0.18) | 0.57 |
| Total Other Comprehensive Income (net of tax) | (0.30) | (0.18) | 0.57 |
| Total Comprehensive Income for the year (net of tax) | 1.59 | (11.65) | (3.83) |
| Equity dividend paid | - | - | - |
| Year end price (₹) | 13.35 | 3.99 | 21.95 |
| Market capitalisation | 308.32 | 92.15 | 506.94 |

Dear Members,

MIRC Electronics Limited
Mumbai.

Your Directors are pleased to present the Fortieth Annual Report along with the Audited Financial Statements of the Company for the financial year ended March 31, 2021.

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

Results of Operations

(₹ in Crores)

| Particulars | Financial year ended March 31, 2021 | Financial year ended March 31, 2020 |
|--|-------------------------------------|-------------------------------------|
| Gross Turnover | 762.69 | 603.11 |
| Gross Profit (before interest, depreciation, tax and writing off of preliminary expense) | 15.69 | 7.12 |
| Interest | 14.94 | 11.97 |
| Depreciation | 6.69 | 6.61 |
| Net Profit/(Loss) before tax | (5.95) | (11.46) |
| Exceptional Profit/(Loss) | 7.84 | - |
| Profit/(Loss) After Tax | 1.89 | (11.46) |
| Balance in Profit & Loss A/c carried forward from the last year | (29.68) | (18.03) |

Financial Performance:

During the year under review, your Company has made gross turnover of Rs. 762.69 crores as against Rs. 603.11 crores for the previous year. The Company has made a Profit of Rs. 1.89 crores.

The financial statements are prepared in accordance with Indian Accounting Standards for the financial year ended March 31, 2021 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 regret and do not propose dividend for the year ended March 31, 2021. 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. Vijay Mansukhani, Managing Director, was re-appointed by the Board of Directors of the Company in the Board meeting held on February 11, 2021 as the Managing Director for a further period of three (3) years with effect from April 01, 2021, subject to approval of the members of the Company at the ensuing Annual General Meeting.

** Mr. Lokesh Sikka who was appointed as an Additional Director and Whole Time Director at the Board Meeting held on February 13, 2020 for a period of three (3) years with effect from February 13, 2020 was approved by the members of the Company at the Thirty Ninth Annual General Meeting held on September 24, 2020.

*** Mr. Arvind Sharma, Independent Director, was re-appointed by the Board of Directors of the Company in its Board meeting held on June 14, 2021 as an Independent Director for a further period of five (5) years with effect from November 14, 2021, subject to approval of the members of the Company at the ensuing Annual General Meeting.

**** Ms. Mohita Arora who was appointed by the Board of Directors of the Company on June 26, 2020 as an Additional and Independent Director of the Company for a period of 5 (five) years was approved by the members of the Company at the Thirty Ninth Annual General Meeting held on September 24, 2020.

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. Kaval G. Mirchandani, Whole Time 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, 2021, 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, 2021 and of the profit and loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Corporate Governance:

Your Company believes in adopting best Corporate Governance practices. The Company has also implemented several best Corporate Governance practices as prevalent globally. The report on Corporate Governance as stipulated under Regulation 27 and Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof till date) forms an integral part of this Annual Report.

The requisite certificate from M/s. Nilesh Shah & Associates, Practicing Company Secretaries (Mr. Rakesh Achhpal, Partner, Membership No. ACS – 20438 & C.P. No: 54525), confirming the compliance with the conditions of the Corporate Governance as stipulated under Regulation 34(3) and Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification and re-enactment thereof till date) is annexed to this Annual Report.

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

Disclosure of Employee Stock Option Scheme (ESOS):

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

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

Management Discussion and Analysis:

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

Contracts and Arrangements with Related Parties:

During the year under review, all contracts/arrangements/transactions entered by the Company with related parties were

in the ordinary course of business and on an arm's length basis. The Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of the related party transactions.

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

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

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

Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company having net worth of Rs. 500 crores or more or turnover of Rs. 1000 crores or more or net profit of Rs. 5 crores or more during immediately preceding financial year shall ensure that it spends, in every financial year, at least 2 (Two) percent of the average net profits made during three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The aforesaid requirement will not be applicable to the Company for the financial year 2020-2021.

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, 2021 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. Karthi Chandramouli** | Chief Financial Officer |
| 7. | Mr. Sanjay Jhawar *** | Chief Financial Officer |
| 8. | Mr. Lalit Chendvankar | Head - Corporate Affairs, Legal & Company Secretary |

* Mr. Lokesh Sikka was appointed as an Additional Director and Whole Time Director at the Board Meeting held on February 13, 2020 for a period of three (3) years with effect from February 13, 2020 and regularized as Director and Whole Time Director by the members of the Company at the Thirty Ninth Annual General Meeting held on September 24, 2020.

** Mr. Karthi Chandramouli has resigned as Chief Financial Officer of the Company w.e.f. July 31, 2020.

*** Mr. Sanjay Jhawar was appointed as Chief Financial Officer of the Company w.e.f. February 11, 2021 and has resigned w.e.f. June 03, 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 expresses their satisfaction with the evaluation process.

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

The following policies of the Company are annexed herewith marked as **Annexure - 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 Forty-Second Annual General Meeting of the Company to be held for the financial year 2022-2023.

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 2021-2022. The remuneration of Cost Auditor needs to be approved by the members of the Company. The Board recommends passing of the resolution for the same.

Secretarial Auditors:

M/s. Ragini Chokshi & Co., Practicing Company Secretaries (Firm Registration No. 92897 with the Institute of Company Secretaries of India), was appointed to conduct the secretarial audit of the Company for the financial year 2020-2021 as required under Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 amended from time to time. The Secretarial Audit Report for financial year ended March 31, 2021 is annexed herewith marked as **Annexure - C** to this Board Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except appointment of Chief Financial Officer which was made beyond the prescribed time limit with delay of 12 days.

Annual Secretarial Compliance Report:

The Company has undertaken an audit for the financial year 2020-2021 for all applicable compliances as per Securities and Exchange Board of India Regulations and circulars/guidelines issued thereunder. The Annual Secretarial Compliance Report will be submitted to the stock exchanges in compliance with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 as amended from time to time.

Reporting of Frauds by Auditors:

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

Disclosures:

Meetings of the Board

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

Audit Committee

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

All the members of the Audit Committee are Independent Directors.

Nomination and Remuneration Committee

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

All the members of the Nomination and Remuneration Committee are Independent Directors.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of Mr. Rafique Malik, Chairman, Mr. Gulu Mirchandani, Mr. Vijay Mansukhani and Ms. Mohita Arora as the members.

Corporate Social Responsibility (CSR) Committee

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

The details of all 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. www.onida.com.

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 (UPSII)' ("**Code**") as formulated under Securities and Exchange of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

The Insider Trading Policy of the Company laid down the guidelines and procedure to be followed and disclosures to be made while dealing with the shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of dealings by employees of the Company. The Insider Trading Policy of the Company as amended from time to time, is available on the website of the Company i.e. www.onida.com.

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 2021-2022 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 March 31, 2021 is as under:

| S r . 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 funds 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 is 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 Rs. 1.02 crore or more, or employed for part of the year and in receipt of Rs. 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 Centres in Mumbai and Shenzhen (China), who facilitate in making state-of-the-art technology products, satisfying customer expectations.

This team conducts research in the areas of:

- Embedded Software.

- Industrial Design.
- Mechanical Design.
- Electrical Circuit Design.

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

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

Environment

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

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

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

General:

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

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

Prevention of Sexual Harassment:

Your Company recognizes its responsibility and continues to provide a safe working environment for women, free from sexual

harassment and discrimination. In Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on prevention of Sexual Harassment of Women at workplace, is available on the website of the Company i.e. www.onida.com 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, 2021.

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 Income Tax Department, Ministry of Commerce, Ministry of Finance, Ministry of Corporate Affairs, the Reserve Bank of India, the State Governments and other government agencies for the support and look forward for the continued support from them in the future.

For and on behalf of the Board of Directors

Place : Mumbai
Date : June 14, 2021

Gulu Mirchandani
Chairman and Managing Director
DIN:00026664



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, 2021

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

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

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

ANNEXURE TO THE DIRECTORS' REPORT

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

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

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

Place: Mumbai
Date: June 14, 2021

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

2. APPLICABILITY:

- (i) This Remuneration Policy shall apply to all existing and future appointment agreements with Managing and Whole Time Director, KMPs and SMPs and also with the Non-Executive Directors.
- (ii) The Remuneration Policy shall be subject to overall guidance of the Board of Directors.
- (iii) Any change or amendment in the 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
 - (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

ANNEXURE TO THE DIRECTORS' REPORT

- the Company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company; or
- (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
 - (vi) who is less than 21 years of age.
- (f) who possesses such other qualifications as may be prescribed.
- iii) Key Managerial Personnel means and includes:
 - (i) The Chief Executive Officer or the Managing Director or the Manager;
 - (ii) The Company secretary;
 - (ii) The Whole-time Director; and
 - (iv) The Chief Financial Officer.
 - iv) Non-Executive Director shall mean director not in full time employment of the Company.
 - v) Nomination and Remuneration Committee means Nomination and Remuneration Committee as defined in Section 178 of the Companies Act, 2013 consisting of three or more non Executive Directors out of which not less than 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 KMP/SMP.
6. Special consideration for attracting top notch hi flier in case of KMP/SMP.
7. Past performance, past remuneration and special accreditation or meritorious performance.
8. Bring a balance between the interest of the Company and the shareholder.

3.0 REMUNERATION TO MANAGING DIRECTOR / WHOLE TIME DIRECTOR:

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

ANNEXURE TO THE DIRECTORS' REPORT

- (i) If any Directors draws or receives directly or indirectly by way of remuneration any sums in excess of the limits prescribed by the Act or without prior sanction of the Central Government where it is required, he/she shall refund such sums to the Company and until such sums are refunded held in trust for the Company.

3.1 REMUNERATION TO NON EXECUTIVE DIRECTORS (NED)

a) Non Independent

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

b) Independent Directors (ID)

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

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

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

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

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

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

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

4.0 DIRECTOR AND OFFICERS LIABILITY INSURANCE:

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

5.0. DISCLOSURES:

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

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

6.0. DISEMINATION:

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.
 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

ANNEXURE TO THE DIRECTORS' REPORT

promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 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 Personnel) Rules, 2014]

FOR THE PERIOD 01-04-2020 TO 31-03-2021

To,
The Members,
MIRC ELECTRONICS LIMITED
(CIN-L32300MH1981PLC023637)
Onida House, G-1, MIDC, Mahakali Caves Road,
Andheri (East), Mumbai – 400093

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

Due to COVID-19 pandemic impact and situation of partial lockdown, the verification and examination of documents as facilitated by the Company were conducted through electronic mode and based on our verification of Company's 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, 2020 to 31st March, 2021 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 **MIRC ELECTRONICS LIMITED** for the audit period 1st April, 2020 to 31st March, 2021 according to the provisions of:

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

Commercial borrowings(to the extent applicable) –

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018 ;**(Not Applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;**(Not Applicable to the Company during the Audit Period)**
 - (f) 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 period under review)**
 - (g) 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 registered as Registrar to an Issue and Share Transfer Agent during the financial year under review)**
 - (h) 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 period under review)**
 - (i) 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 period under review.**

We further report that having regard to the compliance system prevailing in the Company and on examination of

ANNEXURE TO THE DIRECTORS' REPORT

the relevant documents and records on test check basis and compliance certificate placed before the Board and the Company has generally complied with the following laws applicable specifically to the Company.

1. Factories Act, 1948;
2. MIDC and other local municipal Authorities & Act framed thereunder;
3. The Legal Metrology Act, 2009
4. The Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971.
5. The Negotiable Instruments Act, 1881
6. The Industrial Disputes Act, 1947
7. The Employees' State Insurance Act, 1948
8. The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
9. The Environment (Protection) Act, 1986
10. The Water (Prevention and Control of Pollution) Act, 1981
11. The Air (Prevention and Control of Pollution) Act, 1974
12. The Hazardous Waste (Management and Handling) Rules, 1989
13. The Minimum Wages Act, 1948
14. The Payment of Bonus Act, 1965.
15. The Payment of Gratuity Act, 1972.
16. The Industrial Employment (Standing Orders) Act, 1946.
17. The Workmen Compensation Act, 1923.
18. The Contract Labour (Regulation and Abolition) Act, 1970.
19. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959.
20. The Payment of Wages Act, 1936.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges as specified in the Securities Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Section 203 (4) of the Companies Act, 2013 provides that office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy. However it was observed that the during the financial year appointment of Chief Financial Officer was made beyond the prescribed time limit with delay of 12 days .

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions 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.

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

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

We further report that during the audit period the company has following 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.

1. Appointment of Ms. Mohita Arora on June 26, 2020 as a Non-Executive - Independent Director.
2. Appointment of Mr. Sanjay Kumar Jhawar on February 11, 2021 as a Chief Financial Officer.
3. Resignation of Mr. Karthi Chandramouli as Chief Financial Officer on July 31, 2020.

FOR RAGINI CHOKSHI & CO

**UMASHANKAR HEGDE
(PARTNER)**

**Date: 14.06.2021
Place: Mumbai**

**M.No: A22133 #CP No: 11161
UDIN : A022133C000455533**

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members,

MIRC ELECTRONICS LIMITED

CIN:L32300MH1981PLC023637

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR RAGINI CHOKSHI & CO

**UMASHANKAR HEGDE
(PARTNER)**

**M.No: A22133 #CP No: 11161
UDIN : A022133C000455533**

**Date: 14.06.2021
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 | 15:1 |
| | | B | Mr. Vijay J. Mansukhani Managing Director | 22:1 |
| | | C | Mr. Kaval G. Mirchandani Whole Time Director | 6:1 |
| | | D | Mr. Lokesh Sikka Whole Time Director | 9:1 |
| 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 |
| | | F | Mr. Karthi Chandramouli Chief Financial Officer (Resigned w.e.f. 31.07.2020) | — |
| | | G | Mr. Lalit Chendvankar Head - Corporate Affairs, Legal & Company Secretary | No Increase |
| | | H | Mr. Sanjay Jhawar Chief Financial Officer (Appointed w.e.f. 11.02.2021) | 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 20%. | | |
| 4 | The number of permanent employees on the rolls of the Company. | 591 employees as on March 31, 2021. | | |
| 5 | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | There has been an average decrease in the remuneration of both, the managerial personnel and the other employees of the Company during the financial year of around 27% | | |
| 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, 2021 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:-
- Purposed Fixed Demand charges reduced from 1400KVA to 1000KVA. Per KVA charges are Rs. 411.00. Total saving per month as per 55% consumption is Rs. 90,420/-
 - Replacement of 250 Flood Light with 30W LED Street Light in Guest House.
 - Replace of 85W CFL lights with 50W LED lights in Molding passage.
- b) For plants situated at Roorkee, Uttarakhand:-
- Plant floor ceiling light has been replaced from 56 watt tube light to 24 watt LED Tube light conserving 32 watts per tube light. At present 200 Nos Tube light replaced with LED light and another 50 Nos replacement is in process.
 - For gardening, the Company has made water storage tank for regular water supply, hence no need to run Submersible Pump frequently, resulting saving of energy.
 - The Company is planning to install Heating Jacket in Injection Moulding Machine heating barrel to prevent heat desperation to save Energy.
 - Auto stop Preset Timer provision in Motor Control Circuit to Stop the motor in No load

condition in Injection Moulding Machine to save energy.

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

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

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

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

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

ANNEXURE TO THE DIRECTORS' REPORT

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 2020-2021.

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. This year it has introduced second generation FireTVs. 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.

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).

Washing Machine:

A completely new 7Kg. Top loading Washing machines moulds and tools were developed for production at Roorkee plant. A range of 7Kg. models with 5 Star Energy efficiency ratings were introduced to the market. To complement these models, 5.5Kg. and 6.5Kg. models were added in Top loading range of products. Total of 9 models got approval for BEE 5 Star rating.

Dishwasher and Driers:

As there was Lock Down during Covid 19 Pandemic, the help at homes were not available. Customers were looking for appliances to help in washing dishes and drying of clothes. Two models of Dishwasher with 12PS and 14PS capacity were introduced. Similarly, Wash-Dryer model of 7Kg. capacity was introduced.

Air Conditioner:

The complete range of Air conditioner was changed to use Environment friendly, High efficiency R32 Refrigerant.

Refrigerator:

Refrigerator was the only Product Which was not in our portfolio for Home appliances. This year, we added Direct cool Refrigerator models with new innovative and colourful design. As many as 14 models in 190L and 215L capacity were introduced.

ANNEXURE TO THE DIRECTORS' REPORT

Air Cooler:

Launched 60L. and 75L. capacity models in popular category for home use. The attractively designed models use Honey Comb cooling Pads.

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:**(Rs. in lakhs)**

| Particulars of expenditures | | Financial year 2020-2021 | Financial year 2019-2020 |
|-----------------------------|--|--------------------------|--------------------------|
| A | Capital | 0 | 0 |
| B | Recurring | 261.54 | 388.24 |
| C | Total | 261.54 | 388.24 |
| D | * Total Expenditure as a % of total Turnover | 0.34 | 0.64 |

* 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.

(Rs. in lakhs)

| Particulars | | Financial year 2020-2021 | Financial year 2019-2020 |
|-------------|---------------------------|--------------------------|--------------------------|
| A | Foreign exchange earnings | 24.10 | 108.93 |
| B | Foreign exchange outgo | 515.84 | 487.82 |

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

India's economy, which was showing signs of recovery in early 2021 after the first Covid-19 surge, has now been hit by the second wave of the pandemic. India became a global hotspot for the pandemic with daily fresh cases of touching a record high of 4.12 lakh. Central Government and State Governments are working hard to control the spread by initiating localised lockdown, faster vaccination drive etc. The country is expect to be in a better state by early July 2021.

After the 1st wave, the consumer durables demand was quick to overtake pre-Covid levels due to a combination of festive demand and pent-up demand in the second half of 2020. However, impact of 2nd wave is across the country and is also expect to hit the rural demand. A number of retail and wholesale businesses have been deeply hurt by the localised lockdowns, but the fact that the movement of goods has not been stopped and industries are being allowed to function could significantly limit the economic loss. Government and the Central bank have taken various measures to sustain the economy. After the 2nd wave, US and European countries are showing strong recovery and same is expected to happen in India.

The Indian consumer electronics market is expected to grow in double digits over the next several years on the back of India's consumption story. More encouragingly, domestic manufacturing in the sector can grow faster if all the pieces of the puzzle fall in place. The appliances and consumer electronics (ACE) market - air conditioners (ACs), audio, refrigerators, televisions, and washing machines - is projected to sail at a compounded growth rate of 11.7 per cent between 2018/19 and 2024/25. Or from Rs 76,400 crore now, the market is expected to swell to Rs 1,48,600 crore in six years, a new study by Frost & Sullivan and the Consumer Electronics and Appliances Manufacturers Association (CEAMA) estimates.

Domestic manufacturing in this category is expected to grow 17.8 per cent. "With the rise in the purchase of ACE products and favourable government initiatives like 'Make in India' and the National Policy on Electronics, India can transform itself into a global consumer electronics manufacturing hub. The domestic value addition for the ACE products stands at 34 per cent in 2018/19 and is likely to grow to 54 per cent by 2024/25," the report stated. India has a median age of 27 years and millennials (18-34 years) constitute about 25 per cent.

The working age population will thereby expand over the next several years, leading to the purchase of more consumer electronics products. We see increase in demand for washing machine due to behavioral change in maintaining high level of cleanliness and hygiene. Air conditioner has become an all season product. We anticipate good demand for our product portfolio. Meanwhile, the penetration of many categories, such as ACs, is low.

Various new opportunity will come up for Contract Manufacturing. Global brands are working on China + 1 strategy for manufacturing of goods. However, there are issues both outside and within most factories. Outside the factory, infrastructure bottlenecks continue to trouble manufacturers. Within the factory, India still has a productivity gap versus the rest of the world. With the help of the various schemes like production linked incentive scheme and public private partnerships to improve the overall infrastructure like supply chain management, enable a shift towards renewable sources of energy etc. will significantly help the manufacturing eco-system.

The mantra for global businesses - 'First - Make In India For India and then gradually Make in India for the World'.

LED TVs:

Building on the success of India's First Fire TV Edition which was launched back in 2019, Onida once again saw an opportunity to improvise and meet the ever so demanding needs of Indian Consumers with an upgraded version of the Fire TV Edition. With the Pandemic at large and majority of the Country working from home, the TV Consumption at home started growing tremendously. A large number of users were switching to OTT content and hence Smart TVs with Superior Picture and Sound Clarity were the need of the hour. As Onida is known to explore new horizons and develop futuristic innovative products, the Company launched Onida Fire TV Edition Version 2.0, 2021. As the Fire TV OS is voted by some bloggers as the best OS with its smooth interface and AI technology, there was no doubt that Onida would go with the same OS and upgrade around it as per consumer needs. What Onida did was upgrade the Sound performance and the Picture Clarity to give the user a Superior Viewing Experience like no other. Onida launched version 2 online with its online variant which is available on amazon.in and has received a tremendous response being one of amazon's highest rated TV brand as well as offline in leading stores with the Onida KY ROCK Fire TV Edition Version 2.0

What's even more exciting about this new version is that this TV also comes with an upgraded Live TV Experience where it eliminates the need of a set top box and you can view your favourite channels with live content on the platform via subscription. Another bonus added is the TV is IR blaster

MANAGEMENT DISCUSSION AND ANALYSIS

compatible which means that you can connect and operate any device in the room via the TV's Alexa voice remote.

Air Conditioners:

The Indian room ACs market is all set to undergo a phenomenal upheaval in the next 5 years. The factors such as changing consumer lifestyle, awareness about green and energy efficient products, rising per capita income and extremely hot and humid climate through most part of the year are playing a critical role. The Policy imposed by government in 2020 stating the ban of import of ACs with refrigerants will help the domestic manufacturers to grow. The government has committed to support domestic manufacturers with PLI (Production Linked Incentive) scheme the details of which will be finalised during course of the year.

This AC season witnessed the successful launch of new Inverter ACs with efficient cooling – Grande and Ivory for Online and offline markets. Onida has also launched a wide range of Inverter Air Conditioners, continuing to deliver technologically superior products for consumers who want the best of functionality and design. Besides the introduction of Dual Rotary Compressor, the company has also focused on durability and introduced Gold Hydrophilic Fins Technology. This technology protects the condenser coils from various external damages that can be caused by water, acids and other salts accumulation. Thus, it enhances the lifespan of this appliance. In the Fixed speed segment, the Company launched a Heavy Duty Cooling Air Conditioner which cools even in the most extreme conditions called 'Magnus, Silk and Aspro'.

Washing Machines:

India washing machine market is projected to witness a CAGR of over 7-8% during 2020-2025. Numerous technological advancements have been carried out in these machines during the last decade, leading to their higher efficiency, in terms of saving water and electricity. Moreover, the government has taken various initiatives towards the development of rural household in India, which is further expected to increase the demand for washing machines. Increasing disposable income and improvements in rural electrification are driving India washing machine industry.

In 2020 Onida introduced a wide range of 5 star rated washing machines giving the consumer effective and efficient wash programs. With a focus to cater to the increasing demand in hinterland, Onida also launched the largest 5 star 8 kg Semi-Automatic range in India. With superior glass lid floral designs, a powerful motor, super drum wash and loads of wash programs, Onida's Semi-automatic range promises to be top notch. To add to the range is an upcoming model which for the first time will be integrated with a special feature known as Dual Waterfall technology for an intensive,

powerful and effective wash.

We have thoroughly studied the customers buying preference. Hence we have focused on 7 kg Fully Automatic segment as we were sensing a big opportunity in this slot. Majority of the customers upgrade from Semi-Automatic WM and 6 kg Fully Automatic WM to a 7 Kg Fully Automatic WM. This segment looks very promising and growing at a healthy rate, so we invested in doing this product manufacturing in our Roorkee plant from August 2020 and the product coming out of our factory is doing extremely well. With all the machines made in India to meet Indian wash needs, Onida's top load fully automatic range is now also available in every major selling capacity right from 5.5 KG to 7 KG depending upon the consumer need and wash load.

Growing disposable income and easy financing options have led to shortened replacement cycles whereas rising influence of modern lifestyle has perceived products such as washing machines as utility items rather than luxury goods. Penetration of washing machines is around 9% in India and is expected to increase in the coming years with sales from rural India. Demand for washing machines goes up during monsoons and there is a greater need among urban and metro consumers to upgrade their machines during coming seasons.

Fully automatic machines have surpassed the sales of semi-automatic ones in the last two years, which indicates that there is a trend of premiumization in the market. In 2016, fully automatic washing machine sales were more than 3.50 million units whereas sales of semi-automatic machines were less than that. North churns majority of revenue in the market whereas East is the lowest penetrated region. Also, demand from urban cities is far more than rural areas where the product is still considered as an upper class phenomenon. We have turned our focus towards these rural areas. Going ahead, the factors which will propel the washing machine market to grow are rise in disposable income, rapid urbanization, increasing nuclear families, working women and growth in per capita income of consumers. Apart from this, greater varieties of choice are also forcing urban consumers to upgrade their semi-automatic machines to fully automatic ones. The price difference between fully automatic top loaders and semi-automatic have decreased to a great extent and this is helping brands to pitch aggressively for the former.

Microwave Oven:

India Microwave Oven Market had witnessed growth in the past few years owing to increasing disposable incomes and rising living standards of the customers in the country. The key factors driving the demand for the microwave oven market in India are growing awareness regarding advanced kitchen appliances and increasing demand for ready-to-

MANAGEMENT DISCUSSION AND ANALYSIS

eat and frozen food. Furthermore, the growing demand for energy-efficient kitchen appliances would propel the growth of the microwave oven market in India.

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

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

Refrigerator:

Onida has been India's trusted brand for 40 years with innovations in all categories right from Televisions, Air Conditioners to Washing Machines and the brand recently completed the segment in the large appliance space with the launch of Made-in-India Refrigerators.

Insta Chill refrigerators are a great addition to the family and Onida has emphasized a lot on its fast cooling technology which will not only cool faster but also keep your food fresh and preserve it for a longer period of time. Insta Chill Refrigerators by Onida also comes with a designer look to add a style quotient to your homes. The refrigerators are skilfully designed with a floral glossy glass finish giving you an edge over competition.

Once again based on feedback from our customers, Onida has also paid a great deal of attention to the storage capacity of the refrigerators giving it ample of space to store your favourite food items and beverages, hence introducing 195 & 215 Litre Capacity refrigerators with a longer height giving you a larger performance. Moreover, Onida's focus has always been about introducing Eco-friendly products and they've implemented the same focus here as the InstaChill refrigerators uses a refrigerant that is free of chlorofluorocarbons, hydro chlorofluorocarbons, and more to ensure ozone layer protection. The refrigerator also comes with Toughened Glass Shelves where you can safely place utensils and containers that weigh up to 150 kg.

Onida has launched 3 Different SKUS. 190 L is 3 & 2 Star and 215 is 2 Star. In the 190L 3 Star segment there will be 4 colours available (Wine Lily, Blue Lily, Floral Red and Floral Blue). Floral Red and Floral Blue is exclusive for Flipkart. We also launched new segment 195L last month with 2 Star in four colours (Passion Wine, Passion Blue, Wine Lily and Scarlet

Violet) and 215L has two colours Wine Lily and Floral Red.

A couple of unique additions like Anti-bacterial removal gasket and Power Cut EvoCool Technology which allows your food to stay fresh and cooler for a longer gives our refrigerators an edge over competition and is currently available on E-commerce market places and offline via trade channels.

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 2020-21

- (a) **Washing Machine:** This segment has witnessed a de-growth of 20 percent.

MANAGEMENT DISCUSSION AND ANALYSIS

- (b) **Air Conditioner:** This segment has witnessed growth/de-growth of 31 percent.
- (c) **LED/Panel:** This segment has witnessed a growth of 123 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 lowered spending on Travel / other luxury 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.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

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

a) Risk Management Policy

This policy sets out Company's risk, oversee's management of material business risks and internal control. The purpose of this policy is to encourage an appropriate level of risk tolerance throughout the Company; establish procedures to analyze risks within agreed parameters across the Company; establish appropriate risk delegations and corresponding risk management framework across the Company and ensure the Company has a risk management framework that can noticeably respond the risk profile of the Company.

b) Whistle Blower Policy

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

c) Policy on Related Party Transactions

This policy is framed to ensure compliance of the applicable provisions of the Companies Act, 2013 and the rules made thereunder and SEBI (LODR) Regulation, 2015 as amended or re-enacted from time to time and intended to ensure the proper approval and reporting of transactions between the Company and related parties. Such transactions are appropriate only if they are in the best interest of the Company and the shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Following are the financial highlights of the Company for the year ended March 31, 2021 on comparable basis: -

a. INCOME

The total income for the year ended March 31, 2021 was Rs. 768.03 crores as compared to Rs. 606.86 crores in the previous year, an increase of 26.56 %.

b. COST OF SALES

The cost of sales for the year ended March 31, 2021 was Rs. 640.61 crores as compared to Rs. 457.46 crores in the previous year. This cost was 83.65% of the Revenue from operations in the current year as compared to 75.70% in the previous year.

c. EMPLOYEE REMUNERATION AND BENEFITS

Employee cost for the year at Rs. 51.09 crores decreased by 15.93% as compared to Rs.60.77 crores in the previous year. The employee cost was 6.65 % of the total Income in the current year as compare to 10.01% in the previous year.

d. OPERATING AND GENERAL EXPENSES

Operating and general expenses in current year decreased to Rs. 60.65 crores from Rs.81.51 crores in the previous year. As a percentage of total Income, the operating and general expenses for the year were at 7.90 % as compared to 13.43 % in the previous year.

e. FINANCIAL EXPENSES

Financial expenses for the year was at Rs.14.94 crores as compared to Rs. 11.98 crores in the previous year. The financial cost for the year is 1.95 % of the total Income as compared to 1.97 % in the previous year.

f. DEPRECIATION

Depreciation charge for the year increased to Rs.6.69 crores as compare to Rs. 6.61 crores in the previous year.

g. PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS

Loss before tax and exceptional items for FY 2020-21 is Rs.5.95 Crores as compared to Rs. 11.47 Crores in FY 2019-20. Loss before tax and exceptional items was 0.78 % of the total Income as compared to 1.89 % in the previous year.

h. EXECPTIONAL ITEMS

Exceptional income for the year was Rs.7.84 crores.

i. PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS

Profit before tax and after exceptional items for FY 2020-21 is Rs.1.89 Cr. as compared to a loss of Rs. 11.47 Crores in FY 2019-20. Profit before tax and after exceptional items was 0.25 % of the total Income in the current year as compared to a loss of 1.89 % in the previous years.

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

The philosophy of Human Resource function is to enable each and every employee to deliver their best with commitment and dedication which will in turn help them navigate to the next level.

Health, safety and hygiene was always a priority, and this took an upward significance due to the pandemic. The company ensured all offices maintained standard norms of sanitization process, monitoring staff temperature while they enter premises, wearing masks and maintaining distance while operating from office. Various drives and webinars were introduced to ensure employees' well-being is secured.

The talent acquisition process enables the company to recruit the right talent to meet business demands. Leveraging technology, using different modes of recruitment and networking initiatives made the process seamless. Post-offer engagement activities also witnessed increased focus. The Company continued to provide internal growth and development opportunities to people, moderated through assessment centres and supported by regular mentoring and coaching.

The Company's Learning and Development cell – Onida Learning Academy conducted rigorous online training programs to meet the needs from behavioural and technical front covering majority of the employee strength. Engaging and connecting with the teams during work from home mode was also focused, highlights were Budget programs, team connect, engagement seminars and e-koffee sessions which aimed at increasing the culture of innovation and collaboration across all strata of the workforce. Appreciation goes a long way in promoting employee motivation. With this thought the company rewarded performers and nominees in the "PURASKAR – Rewards & Recognition Programme" during the annual Town Hall event. The entire event was conducted through video-conferencing mode and covered all employees across India.

Given the changing business world, it is necessary to refine the value proposition to our employees. The emphasis is to provide an opportunity for our employees to make a larger

impact by doing purposeful work and to provide them with an inclusive culture and environment where they can give their best and achieve their potential.

Your Company has 591 employees on its payroll as on March 31, 2021.

9. MATERIAL FINANCIAL & COMMERCIAL TRANSACTIONS INVOLVING SENIOR MANAGEMENT

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

Cautionary Statement

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

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

On behalf of the Board of Directors

Gulu Mirchandani

Place: Mumbai
Date: 14.06.2021

Chairman and Managing Director
(DIN: 00026664)

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report, as applicable for the year ended March 31, 2021 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 shareholders’ value on a sustained basis.

II. Board of Directors

A] Composition

The Board of Directors of the Company has an optimum combination of executive and non executive directors with one woman director and not less than 50% (Fifty Percent) of the Board comprising of non-executive directors. As at March 31, 2021, 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 Company appointed Ms. Mohita Arora as an independent director w.e.f. June 26, 2020. The Chairman is a Promoter and Executive Director.

During the financial year 2020-2021, 4 (Four) meetings of the Board of Directors were held. These 4 (Four) meetings were held on June 26, 2020, September 10, 2020, November 12, 2020 and February 11, 2021. 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. 11/2020 dated March 24, 2020 and Securities and Exchange Board of India (“SEBI”) vide circular bearing no. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020. The constitution of the Board of Directors of the Company, the details of meetings attended by the Directors of the Company and the information with regard to their membership of Committees are as under:

| Name | Category | Attendance Particulars | | | No. of Directorships and Committee Chairmanship / Membership (including the Company) | | | | |
|-----------------------|--------------------|--------------------------|----------|----------|--|----------------------------------|----------------------------------|------------------------|----------------------|
| | | Number of Board Meetings | | Last AGM | Directorship | Chairmanship in Listed companies | Directorship in Listed companies | Committee Chairmanship | Committee Membership |
| | | Held during tenure | Attended | | | | | | |
| Mr. Gulu Mirchandani | Promoter [CMD] | 4 | 4 | Yes | 4 | 1 | 2 | 0 | 1 |
| Mr. Vijay Mansukhani | Promoter [MD] | 4 | 4 | Yes | 2 | 0 | 1 | 0 | 1 |
| Mr. Kaval Mirchandani | Promoter [WTD] | 4 | 4 | Yes | 3 | 0 | 1 | 0 | 0 |
| Mr. Rafique Malik | I & NED* | 4 | 4 | Yes | 3 | 0 | 2 | 1 | 3 |
| Mr. Carlton Pereira | I & NED* | 4 | 4 | No | 2 | 0 | 2 | 3 | 2 |
| Mr. Arvind Sharma | I & NED* | 4 | 3 # | Yes | 1 | 0 | 1 | 0 | 1 |
| Mr. Lokesh Sikka ** | Non Promoter [WTD] | 4 | 3 ## | Yes | 1 | 0 | 1 | 0 | 0 |
| Ms. Mohita Arora *** | I & NED* | 3 | 3 | No | 1 | 0 | 1 | 0 | 1 |

* Independent & Non-Executive Director;

** Mr. Lokesh Sikka was appointed as Additional and Non-Promoter, Whole-Time Director on February 13, 2020, further regularised as Director and Whole-Time Director in the Annual General Meeting held on September 24, 2020;

CORPORATE GOVERNANCE REPORT

*** Ms. Mohita Arora was appointed as Additional and Non-Promoter, Independent & Non-Executive Director on June 26, 2020, further regularised as Director and Non-Promoter, Independent & Non-Executive Director in the Annual General Meeting held on September 24, 2020.

Leave of Absence was granted for the Board Meeting held on June 26, 2020; and

Leave of Absence was granted for the Board Meeting held on November 12, 2020.

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 26, 2020 | 7 | 6 |
| September 10, 2020 | 8 | 8 |
| November 12, 2020 | 8 | 7 |
| February 11, 2021 | 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 |
| 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

The Company Secretary prepares the Agenda in consultation with the Chairman of the Board of Directors and the Chairman of the various Committees. The Agenda of the meeting inter-alia includes the information as specified to be provided under Part-A of Schedule II of Regulation 17(7) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amended from time to time (hereinafter referred to as "SEBI (LODR) Regulations, 2015").

SEBI (LODR) Regulations, 2015 is made available to the Board. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, presentation and papers are circulated well in advance of the meetings to enable the Board and the Committees to deliberate and take informed decisions.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/ half yearly unaudited financial statements and the audited annual financial statements, annual operating plans and budgets, minutes of meetings of audit committee and other committees of the Board, quarterly details of foreign exchange exposures

CORPORATE GOVERNANCE REPORT

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. Arvind Sharma was appointed as an Independent Director for a period of 5 (Five) years with effect from November 14, 2016 by the shareholders at the Thirty-Sixth Annual General Meeting of the Company. His term expires on November 13, 2021. Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors in their Board Meeting held on June 14, 2021, approved the re-appointment of Mr. Arvind Sharma (DIN: 01229072), Independent Director of the Company, for a second consecutive term of 5 (five) years i.e. up to November 13, 2026, subject to the approval of members at the ensuing Fortieth Annual General Meeting of the Company.

Mr. Carlton Pereira and Mr. Rafique Malik, were appointed as an Independent Directors for second consecutive term of 5 (Five) years at the Thirty Eighth Annual General Meeting of the Company.

The Board upon recommendation of Nomination and Remuneration Committee, appointed Ms. Mohita Arora as an Additional Independent Woman Director, beyond the period of 3 months on June 26, 2020, for the term of 5 (five) years, pursuant to the provisions of the Section 149 read with Schedule IV of the Companies Act, 2013 and was approved by the members at the Thirty Ninth Annual General Meeting of the Company held on September 24, 2020.

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 11, 2021 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, study of agenda and active participation, contribution in discussions on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his / her experience and adherence to the code of conduct.

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

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

Pursuant to SEBI (LODR), Regulations 2015, a matrix chart setting out the core skills/expertise/competence of the Board as on March 31, 2021 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, 2021, 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.

B] Meetings of Audit Committee

During the financial year 2020-2021, 4 (four) meetings of the members of the Audit Committee were held. These meetings were held on June 26, 2020, September 10, 2020, November 12, 2020 and February 11, 2021. Mr. Gulu Mirchandani, Chairman and Managing Director, Mr. Vijay Mansukhani, Managing Director, Mr. Kaval Mirchandani, Whole Time Director and Mr. G. Sundar, Chief Executive Officer are permanent invitees to the Audit Committee meetings. The Chief Financial Officer, the Internal Auditors, the Statutory Auditors and Vice Presidents of various functions are also invited to the Audit Committee meetings as and when necessary. The attendance of each member of the Audit Committee in the above meetings is given hereunder: -

| Name of Member | Audit Committee Meetings (Financial Year 2020-2021) | |
|---|--|----------|
| | Held during tenure | Attended |
| Mr. Carlton Pereira (Chairman) I & NED* | 4 | 4 |
| Mr. Rafique Malik (Member) I & NED* | 4 | 4 |
| Mr. Arvind Sharma (Member) I & NED* | 4 | 3 # |

* Independent & Non-Executive Director.

Leave of Absence was granted for Audit Committee Meeting held on June 26, 2020.

| Dates on which Audit Committee Meetings were held | Total Strength of the Committee | No of Members Present |
|---|---------------------------------|-----------------------|
| June 26, 2020 | 3 | 2 |
| September 10, 2020 | 3 | 3 |
| November 12, 2020 | 3 | 3 |
| February 11, 2021 | 3 | 3 |

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.

CORPORATE GOVERNANCE REPORT

D] Role / Terms of Reference of Audit Committee

The role of the Audit Committee includes the following:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by the management;
 - d. significant adjustments made in the financial statements and information arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinions on the draft audit report.
5. reviewing with the management, the quarterly financial statements before submission to the Board for its approval;
6. reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
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;

CORPORATE GOVERNANCE REPORT

19. approval of appointment of Chief Financial Officer (CFO) (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
20. carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

E] Review of information by Audit Committee

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

1. Management Discussion and Analysis of the financial condition and results of operations;
2. Statement of significant related party transactions submitted by the management;
3. Management letters/letters on internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
6. Statement of deviations:
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (LODR) Regulations, 2015.
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (LODR) Regulations, 2015.

Nomination and Remuneration Committee:

A] Constitution:

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

As at March 31, 2021, the Nomination and Remuneration Committee consists of the following members:

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

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

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

Mr. Rafique Malik, Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on September 24, 2020 to reply to the queries raised by the members of the Company.

B] Meetings of Nomination and Remuneration Committee

During the financial year 2020-2021, 2 (Two) meetings of the members of the Nomination and Remuneration Committee were held. These meetings were held on June 26, 2020 and February 11, 2021. The attendance of each member of the Nomination and Remuneration Committee in the above meetings is given below:

CORPORATE GOVERNANCE REPORT

| Name of Member | Nomination and Remuneration Committee meetings (Financial Year 2020-2021) | |
|--|---|----------|
| | Held during tenure | Attended |
| Mr. Rafique Malik, I & NED* (Chairman) | 2 | 2 |
| Mr. Carlton Pereira, I & NED* (Member) | 2 | 2 |
| Ms. Mohita Arora, I & NED* (Member)** | 1 | 1 |

* Independent & Non- Executive Director.

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

| Dates on which Nomination and Remuneration Committee Meetings were held | Total Strength of the Committee | No of Members Present |
|---|---------------------------------|-----------------------|
| June 26, 2020 | 2 | 2 |
| February 11, 2021 | 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.
- 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.

CORPORATE GOVERNANCE REPORT

The Remuneration Policy ensures that:

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

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

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

i) Remuneration to Executive Directors

The Nomination and Remuneration Committee and Board of Directors of the Company in their respective meeting held on May 29, 2019 approved the re-appointment and remuneration of Mr. Gulu Mirchandani, as Chairman & Managing Director of the Company for a period of three (3) years with effect from December 01, 2019 till November 30, 2022 (both day inclusive) pursuant to the provisions of Section 196, 197 read with Schedule V to the Companies Act, 2013 and was approved by the members at the Thirty Eighth Annual General Meeting of the Company held on August 28, 2019.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on February 11, 2021 approved the re-appointment and remuneration of Mr. Vijay Mansukhani as Managing Director

CORPORATE GOVERNANCE REPORT

of the Company for a period of 3 (three) years with effect from April 1, 2021 till March 31, 2024 (both day inclusive), subject to the approval of members of the Company at the ensuing Fortieth Annual General Meeting.

The Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meetings held on February 12, 2019 approved the re-appointment and remuneration of Mr. Kaval G. Mirchandani, Whole time Director of the Company for a period of 3 (three) years with effect from May 26, 2019 till May 25, 2022 (both day inclusive), pursuant to the provisions of Section 196, 197 read with Schedule V to the Companies Act, 2013 and was approved by the members at the Thirty Eighth Annual General Meeting of the Company held on August 28, 2019.

The Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meetings held on February 13, 2020 approved the appointment and remuneration of Mr. Lokesh Sikka, Whole- time Director of the Company for a period of 3 (three) years with effect from February 13, 2020 till February 12, 2023 (both day inclusive), pursuant to the provisions of Section 196, 197 read with Schedule V to the Companies Act, 2013 and was approved by the members at the Thirty Ninth Annual General Meeting of the Company held on September 24, 2020.

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 Rs. 20,000/- (Rupees Twenty Thousand only) per meeting for attending Board Meetings and Audit Committee Meetings respectively and Rs. 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.

The details of remuneration paid / payable to the Board of Directors for the financial year 2020-2021 are as follows:

(Amount in ₹)

| Sr. No. | Director | Relation with the Company | Inter-se Relation | Remuneration for Financial Year 2020-2021 | | | | | 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 | 9807740 | Nil | 816450 | Nil | 10624190 | 4,70,95,753 |
| 2 | Mr. Vijay Mansukhani | Promoter [MD] | Brother in Law of sr. no.1 | Nil | 10280400 | Nil | 873170 | Nil | 11153570 | 2,63,35,774 |
| 3 | Mr. Kaval Mirchandani | Promoter [WTD] | Son of sr. no. 1 | Nil | 3008122 | Nil | 172800 | Nil | 3180922 | 49,300 |
| 4 | Mr. Lokesh Sikka | Non Promoter [WTD] | N.A. | Nil | 4446700 | Nil | 161280 | Nil | 4607980 | 1 |
| 5 | Mr. Rafique Malik | I & NED* | N.A. | 2,20,000 | N.A. | Nil | N.A. | Nil | 2,20,000 | -- |
| 6 | Mr. Carlton Pereira | I & NED* | N.A. | 1,80,000 | N.A. | Nil | N.A. | Nil | 1,80,000 | -- |
| 7 | Mr. Arvind Sharma | I & NED* | N.A. | 1,20,000 | N.A. | Nil | N.A. | Nil | 1,20,000 | -- |
| 8 | Ms. Mohita Arora | I & NED* | N.A. | 1,30,000 | N.A. | Nil | N.A. | Nil | 1,30,000 | -- |

* Independent & Non Executive Director.

CORPORATE GOVERNANCE REPORT

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, 2021, 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*.

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

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

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

Mr. Rafique Malik, Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on September 24, 2020 to reply to the queries raised by the members of the Company.

B] Meetings of Stakeholders Relationship Committee

During the financial year 2020-2021, 4 (four) meetings of the members of Stakeholders Relationship Committee were held. These meetings were held on June 26, 2020, September 10, 2020, November 12, 2020 and February 11, 2021. 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 2020-2021) | |
|--|--|----------|
| | Held during tenure | Attended |
| Mr. Rafique Malik (Chairman) I & NED* | 4 | 4 |
| Mr. Gulu Mirchandani (Member) Promoter (CMD) | 4 | 4 |
| Mr. Vijay Mansukhani (Member) Promoter (MD) | 4 | 4 |
| Ms. Mohita Arora, I & NED* (Member)** | 4 | 4 |

* Independent & Non-Executive Director.

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

CORPORATE GOVERNANCE REPORT

| Dates on which Stakeholders Relationship Committee Meetings were held | Total Strength of the Committee | Number of Members Present |
|---|---------------------------------|---------------------------|
| June 26, 2020 | 4 | 4 |
| September 10, 2020 | 4 | 4 |
| November 12, 2020 | 4 | 4 |
| February 11, 2021 | 4 | 4 |

Status Report of investor queries and complaints for the period from April 01, 2020 to March 31, 2021 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 | Nil |
| 3 | Investor complaints disposed off during the year | Nil |
| 4 | Investor complaints remaining unresolved at the end of the year | Nil |

C] Powers of Stakeholders Relationship Committee

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

D] Role / Terms of Reference of Stakeholders Relationship Committee

The role of the Stakeholders Relationship Committee includes the following:

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

IV General Body Meetings

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

| Financial Year | Location | Date | Time | No. of Special Resolutions passed at AGM |
|----------------|---|--------------------|------------|--|
| 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 |
| 2017-2018 | | August 23, 2018 | | 3 |

* 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.

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 does not have any subsidiary company.

Pursuant to the Explanation under Regulation 16(1) (c) of the SEBI (LODR) Regulations, 2015, the Company has made a policy for determining 'material' subsidiary and is available on the website of the Company i.e. www.onida.com 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 Rs. 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.

CORPORATE GOVERNANCE REPORT

H] Management Discussion and Analysis Report

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

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

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

J] Insider Trading Code

The Board of Directors amended and adopted the 'Code for Insider Trading & Fair Disclosure of Unpublished Price Sensitive Information (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 2020-2021 (₹ In Lakhs) |
|---|--|
| Audit fees (including quarterly audits) | 33.50 |
| For other services (certifications, etc.) | Nil |
| For taxation matters | 4.00 |
| For reimbursement of expenses | 1.00 |
| Total | 38.50 |

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 2020-2021. 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, 2021 was placed before the Board of Directors of the Company in their meeting held on June 14, 2021 and is annexed to this Report.

N] Non - Compliance of any requirement of Corporate Governance Report

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

CORPORATE GOVERNANCE REPORT

O] Compliance with Mandatory and Non-Mandatory Requirements

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

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 internal auditor is present during the Audit Committee meeting.

(b) Shareholder Rights:

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

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

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

The certificate in terms of Regulation 34(3) read with Part C of Schedule V to the SEBI (LODR) Regulations, 2015 (including any amendments for the time being in force) confirming that none of the directors on the Board of the Company as on March 31, 2021 have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, was placed before the Board of Directors of the Company in their meeting held on June 14, 2021 and is annexed to this Report.

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

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

- a. Number of complaints 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 2020-2021.

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(1) in respect of constitution of Board of Directors 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

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 2020-2021. In term of the circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/140 dated July 29, 2020 issued by SEBI as amended from time to time, in respect of first quarter of financial year 2020-2021, the Company had to furnish the financial results on or before September 15, 2020 and accordingly, the meeting of the Board of Directors of the Company for considering the financial results of first quarter was held on September 10, 2020.

The quarterly financial results of the Company were published within 48 hours of conclusion of the meeting of the Board of Directors of the Company in English Newspaper viz. "Financial Express" and "Mumbai Lakshdeep", a newspaper published in the language of the region where the registered office of the Company is situated. The audited annual results for financial year 2020-2021 were published in "Financial Express" and "Mumbai Lakshdeep". The Company informs the stock exchanges where its shares are listed, about the meeting of the Board of Directors of the Company at least 7 (seven) days in advance pursuant to the Regulation 29 (2) of SEBI (LODR) Regulations, 2015 and also issues an advertisement in at least one national newspaper (Financial Express) and one in regional language newspaper (Mumbai Lakshdeep) about the meetings of the Board of Directors of the Company.

In terms of Regulation 46 of the SEBI (LODR) Regulations, 2015, the Company is maintaining its functional website i.e. www.onida.com, 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 Date, Time and Mode | Monday, September 27, 2021 at 3.00 p.m. through Video Conferencing / Other Audio Visual Means |
| Financial year | 1st April – 31st March |
| Book Closure | Monday, September 20, 2021 to Monday, September 27, 2021 (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 2021-2022 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 | www.onida.com |
| Email ID | investors@onida.com |
| Corporate Identification No. (CIN) | L32300MH1981PLC023637 |
| Details of securities suspended | Not Applicable |

Unclaimed Dividends

Since there was no dividend declared and paid from financial year 2011-2012, your Company did not have any funds as lying unpaid or unclaimed for a period of seven (7) years in terms of provisions of the Section 124 of the Companies Act, 2013. Therefore, there is

CORPORATE GOVERNANCE REPORT

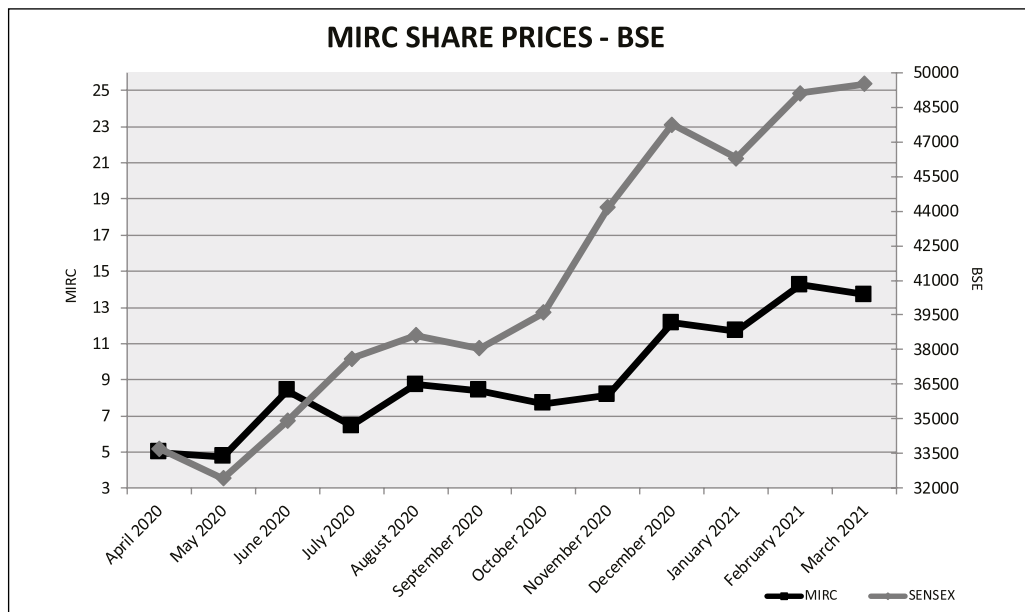
no funds which required to be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to provisions of the Section 125 of the Companies Act, 2013.

Market Price Data: (Financial Year 2020-2021)

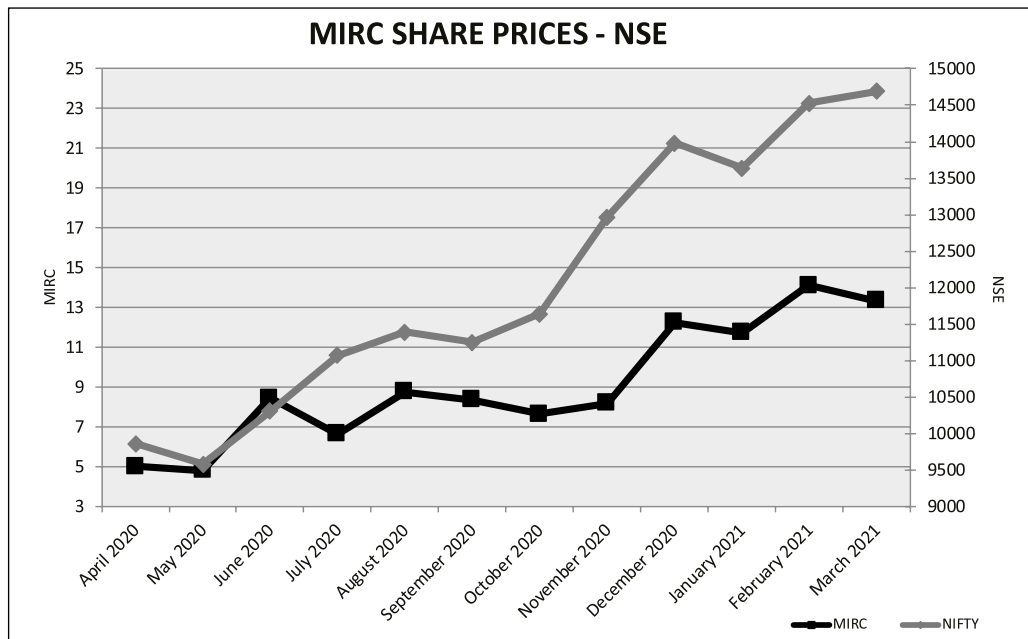
| Month | STOCK EXCHANGE | | | | | | | |
|----------------|------------------|-----------|------------|-----------|---------------------------------------|-----------|------------|-----------|
| | BSE Ltd. | | | | National Stock Exchange of India Ltd. | | | |
| | MIRC Share Price | | Sensex | | MIRC Share Price | | Nifty | |
| | High (Rs.) | Low (Rs.) | High (Rs.) | Low (Rs.) | High (Rs.) | Low (Rs.) | High (Rs.) | Low (Rs.) |
| April 2020 | 5.49 | 3.61 | 33887.25 | 27500.79 | 5.60 | 3.65 | 9889.05 | 8055.8 |
| May 2020 | 5.12 | 4.48 | 32845.48 | 29968.45 | 5.20 | 4.40 | 9598.85 | 8806.75 |
| June 2020 | 9.18 | 4.79 | 35706.55 | 32348.10 | 9.10 | 4.80 | 10553.15 | 9544.35 |
| July 2020 | 8.55 | 5.86 | 38617.03 | 34927.20 | 8.45 | 5.95 | 11341.40 | 10299.6 |
| August 2020 | 11.88 | 6.78 | 40010.17 | 36911.23 | 11.90 | 6.95 | 11794.25 | 10882.25 |
| September 2020 | 10.20 | 7.79 | 39359.51 | 36495.98 | 10.15 | 7.70 | 11618.10 | 10790.2 |
| October 2020 | 8.84 | 7.36 | 41048.05 | 38410.20 | 8.85 | 7.45 | 12025.45 | 11347.05 |
| November 2020 | 9.55 | 7.59 | 44825.37 | 39334.92 | 9.55 | 7.55 | 13145.85 | 11557.4 |
| December 2020 | 13.50 | 8.14 | 47896.97 | 44118.10 | 13.40 | 8.15 | 14024.85 | 12962.8 |
| January 2021 | 14.65 | 10.90 | 50184.01 | 46160.46 | 14.80 | 11.00 | 14753.55 | 13596.75 |
| February 2021 | 15.20 | 10.60 | 52516.76 | 46433.65 | 15.05 | 10.55 | 15431.75 | 13661.75 |
| March 2021 | 15.50 | 12.23 | 51821.84 | 48236.35 | 15.45 | 12.20 | 15336.30 | 14264.4 |

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

Graphical presentation of Company’s High Stock Price vs. Stock Exchange Index



CORPORATE GOVERNANCE REPORT

**Registrar & Share Transfer Agent**

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

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, 2021

| Equity shares held | Shareholders | % | Shares | % |
|--------------------|--------------|---------------|------------------|---------------|
| 1-500 | 45176 | 73.85 | 6122543 | 2.65 |
| 501-1000 | 6734 | 11.01 | 5948432 | 2.58 |
| 1001-2000 | 4833 | 7.90 | 8392711 | 3.63 |
| 2001-3000 | 1343 | 2.19 | 3542741 | 1.53 |
| 3001-4000 | 616 | 1.01 | 2270797 | 0.98 |
| 4001-5000 | 673 | 1.10 | 3245952 | 1.41 |
| 5001-10000 | 880 | 1.44 | 6830840 | 2.96 |
| 10001 and above | 916 | 1.50 | 194598603 | 84.26 |
| Total | 61171 | 100.00 | 230952619 | 100.00 |

CORPORATE GOVERNANCE REPORT

Shareholding pattern as on March 31, 2021

| 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 | 32,25,993 | 1.40 |
| 3 | Financial Institutions / Banks | 4,173 | 0.00 |
| | Total (Institutional Investors) | 32,31,866 | 1.40 |
| | Non Institutional Investors | | |
| 1 | Individuals | 7,90,53,518 | 34.23 |
| 2 | NBFCs registered with RBI | 14,190 | 0.01 |
| 3 | IEPF | 18,03,384 | 0.78 |
| 4 | Trusts | 7,010 | 0.00 |
| 5 | Hindu Undivided Family | 33,05,392 | 1.43 |
| 6 | Non Resident Indians | 13,58,851 | 0.59 |
| 7 | Clearing Member | 9,25,214 | 0.40 |
| 8 | Bodies Corporate | 1,80,10,556 | 7.80 |
| 9 | Government Companies | 0 | 0.00 |
| | Total (Non-Institutional Investors) | 10,44,78,115 | 45.24 |
| | 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, 2021, 98.77% (22,81,04,373 shares) of paid up share capital was held in dematerialised form with NSDL and CDSL, while 1.23% (28,48,246 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, 2021 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

Gulu Mirchandani

Chairman and Managing Director

(DIN: 00026664)

Place : Mumbai

Date : June 14, 2021

CORPORATE GOVERNANCE REPORT

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

I, G. Sundar, Chief Executive Officer of MIRC Electronics Limited hereby certify to Board that:

- a. I have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of my 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 my 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. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit committee that:
 - (i) there are no significant changes in internal control over financial reporting during the year;
 - (ii) there have been no significant changes in accounting policies during the year which are required to be disclosed in the notes to the financial statements; and
 - (iii) there have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For MIRC Electronics Limited

Place: Mumbai
Date: June 14, 2021

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, 2021.

For MIRC Electronics Limited

Place: Mumbai
Date: June 14, 2021

G. Sundar
Chief Executive Officer

CORPORATE GOVERNANCE REPORT

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
MIRC Electronics Limited
Mumbai

We have examined the compliance of conditions of Corporate Governance by **MIRC Electronics Limited** ('the Company'), for the financial year ended on 31st March, 2021, 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 further be noted that the constitution of Board and Nomination and Remuneration Committee was not proper due to resignation of Women Independent Director upto June 26, 2020 wherein the Company has appointed Women Independent Director and achieved proper constitution of Board and Nomination and Remuneration Committee.

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

For Nilesh Shah & Associates
Company Secretaries

Rakesh Achhpal
Partner
ACS - 20438
C.P.No: 54525

Place: Mumbai
Date: 14.06.2021
UDIN: A054525C000455640

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

CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) 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, 2021** 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 | Mr. Gulu Mirchandani | 00026664 | 01/01/1981 |
| 2 | Mr. Vijay Mansukhani | 01041809 | 01/01/1981 |
| 3 | Mr. Kaval Mirchandani | 01179978 | 26/05/2016 |
| 4 | Mr. Carlton Pereira | 00106962 | 15/05/2014 |
| 5 | Mr. Rafique Malik | 00521563 | 28/01/2014 |
| 6 | Mr. Arvind Sharma | 01229072 | 14/11/2016 |
| 7 | Mr. Lokesh Sikka | 08665841 | 13/02/2020 |
| 8 | Ms. 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.

For Nilesh Shah & Associates
Company Secretaries

Date:- 14.06.2021
Place:- Mumbai
UDIN:- F004554C000455653

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

INDEPENDENT AUDITOR'S REPORT

To the Members of MIRC Electronics Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of MIRC Electronics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

Emphasis of Matter

We draw attention to Note 48 to the Ind AS financial statements which describes the uncertainty due to spread of COVID-19 pandemic and assessment of the Management of its likely impact on the financial statements of the Company.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

| Key audit matters | How our audit addressed the key audit matter |
|--|---|
| Identification and value adjustments to slow-moving and non-moving inventories (Refer Note 8 to the Ind-AS financial statement) | |
| <p>As at March 31, 2021, the carrying value of total inventories amounted to ₹ 35,443.95 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 / sales forecast of inventory items for the purpose of identification of slow-moving and non-moving items, against which it makes adjustments 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> | <ul style="list-style-type: none"> We 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 / sales plan of inventory. 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. |

INDEPENDENT AUDITOR'S REPORT

| Tax Litigations (as described in note 38 of the Ind AS financial statements) | |
|---|--|
| <p>As at the balance sheet date, the Company has certain tax litigations which are pending with various level of judicial authorities. The total tax exposure amount as at March 31, 2021 is ₹9,919.16 lakhs. The Company has tax balances recoverable of ₹2,627.28 lakhs related to these tax exposures. The recoverability of these tax balances is dependent on the outcome of these tax litigations.</p> <p>The accounting for these tax positions comprise significant judgement by the management mainly in the area whether to recognize these uncertain positions as a contingent liability or as a provision and also the recoverability of outstanding tax receivable. Given the high level of management judgement, tax laws interpretations and significant amount of litigations involved, we considered this area to be a key audit matter.</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 submissions 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 Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate

internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 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 Ind AS financial statements – Refer Note 38 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 21037924AAAAFF5669
Place of Signature: Mumbai
Date: June 14, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals for the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, manufacture of consumer appliances and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases. The provisions relating to sales-tax, service tax, duty of excise and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to sales-tax, service tax, duty of excise and value added tax are not applicable to the Company.
- (c) According to the records of the Company, the unpaid dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

| Name of the statute | Nature of Dues | Amount of dispute ₹ in lakhs | Period to which the amount relates | Forum where the dispute is pending |
|------------------------------|----------------|------------------------------|---|------------------------------------|
| The Income-tax Act, 1961 | Income-tax | 217 | 2009-10, 2011-12 & 2012-13 | ITAT |
| | | 93 | 2015-16 | CIT(A) |
| | | 540 | 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2010-11 | High Court |
| The Finance Act, 1994 | Service Tax | 6,506 | 2005-2015 | CESTAT |
| | | 129 | 2016 | High Court |
| | | 8 | January 16 to June 17 | Commissioner (Appeals) |
| The Central Excise Act, 1944 | Excise Duty | 231 | March 2012 to December 2012 (2012-13), December 2007 - December 2015 | Commissioner (Appeals) |
| | | 10 | 1998-99 | HIGH COURT |
| | | 209 | December 2007 to March 2016 | CESTAT |

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

| Name of the statute | Nature of Dues | Amount of dispute ₹ in lakhs | Period to which the amount relates | Forum where the dispute is pending |
|--------------------------------------|---------------------------|------------------------------|---|--|
| The Customs Act, 1962 | Customs Duty | 22 | 2013 | CESTAT |
| | | 51 | 2013, 2014 | Commissioner of Customs |
| | | - | 2016 | Commissioner of Customs (Appeals) |
| | | 89 | 2015, 2016 | Deputy Commissioner of Customs |
| The Sales Tax Act (Centre and state) | Sales Tax | - | 2009-10, 2011-12 | AA Shrinagar/ Jammu circle J |
| | | 1 | 2011 | Additional Commissioner (Appeals) |
| | | 13 | 2011-12, 2013-14 | Appellate Authority |
| | | 672 | 2011- 2013 | Assessing Authority |
| | | 270 | 2010-2015 | Assistant Commissioner |
| | | 10 | 1998 | Board of Madhya Pradesh Commercial Taxes, Bhopal |
| | | 83 | 2006-2009 | Commissioner |
| | | 225 | 2001 | Deputy Commissioner (Appeals) |
| | | 75 | 1993, 1994, 1996 to 2010, 2013 | Deputy excise and taxation Commissioner/ Commercial Taxes/ Sales tax |
| | | 254 | 2011, 2012, 2016, 2017 | Deputy Commissioner |
| | | 4 | 2009 | Excise & Taxation officer |
| | | 218 | 2003- 2005, 2011 | High Court |
| | | 32 | 2001-02, 2003-04, 2005-06, 2008-09, 2010-11, 2012-13, 2013-14, 2014-15, 2015-16 | Joint Commissioner |
| | | 5,287 | 2005-06, 2006-07, 2007-08, 2009-10, 2010-11, 2012-13, 2013-14, 2014-15, 2015-16 | Joint Commissioner (Appeals) |
| | | 451 | 2005-2011 | Revisional Board |
| | | 18 | 2011-13 | VAT Officer |
| | | - | 2013 | Sr. Joint commissioner |
| 1,080 | 2008, 2010-2011 | Supreme Court | | |
| 163 | 2003-04, 2005-06, 2006-07 | Tribunal | | |

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company did not have any loans or borrowing in respect of debentures during the year.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised any money by way of initial public offer / further public offer / debt instruments.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

with the related parties are in compliance with section 177 and 188 of Act, where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 21037924AAAAFF5669

Place of Signature: Mumbai

Date: June 14, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

Annexure 2 to the Independent Auditor's Report of Even Date on the Ind AS Financial Statements of MIRC Electronics Limited

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

We have audited the internal financial controls with reference to Ind AS financial statements of MIRC Electronics Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the 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 Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to these Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these Ind AS financial statements and such internal financial controls with reference to these Ind AS financial statements were operating effectively as at March 31, 2021, 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 Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 21037924AAAAFF5669
Place of Signature: Mumbai
Date: June 14, 2021

IND AS BALANCE SHEET AS AT 31st MARCH 2021

| | Notes | As at 31st March, 2021 ₹ in lakhs | As at 31st March, 2020 ₹ in lakhs |
|--|-------|---|---|
| I. Assets | | | |
| Non-current assets | | | |
| (a) Property, Plant and Equipment | 2 | 8,629.93 | 9,525.81 |
| (b) Capital work-in-progress | 2A | 522.72 | 29.50 |
| (c) Other Intangible assets | 3 | 24.21 | 29.14 |
| (d) Financial Assets | | | |
| (i) Investments | 4 | 103.57 | 432.52 |
| (ii) Others | 5 | 173.25 | 1,073.28 |
| (e) Income Tax Assets (Net) | 6 | 172.02 | 110.45 |
| (f) Other non-current assets | 7 | 2,656.82 | 3,645.96 |
| (g) Deferred tax assets (Net) | 17 | - | - |
| Total non-current assets | | 12,282.52 | 14,846.66 |
| Current assets | | | |
| (a) Inventories | 8 | 35,443.95 | 32,905.13 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 9 | 11,478.94 | 7,872.46 |
| (ii) Cash and cash equivalents | 10A | 813.23 | 89.67 |
| (iii) Bank balances (other than note (ii) above) | 10B | 2,078.09 | 523.88 |
| (iv) Others | 11 | 1,326.07 | 322.92 |
| (c) Other current assets | 12 | 3,114.01 | 1,185.72 |
| Total current assets | | 54,254.29 | 42,899.78 |
| Total Assets | | 66,536.81 | 57,746.44 |
| II. Equity and Liabilities | | | |
| Equity | | | |
| (a) Equity Share capital | 13 | 2,311.39 | 2,311.39 |
| (b) Other Equity | 14 | 20,039.12 | 19,880.47 |
| Total equity | | 22,350.51 | 22,191.86 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 839.70 | 1,318.30 |
| (ii) Others | 16 | 398.80 | - |
| (b) Provisions | 18 | 640.47 | 554.98 |
| Total Non current liabilities | | 1,878.97 | 1,873.28 |
| Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 6,921.72 | 6,134.51 |
| (ii) Trade payables | 20 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 631.01 | 120.76 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 31,740.03 | 24,685.44 |
| (iii) Others | 21 | 2,078.76 | 1,446.06 |
| (b) Other current liabilities | 22 | 427.59 | 822.19 |
| (c) Provisions | 23 | 508.22 | 472.34 |
| Total current liabilities | | 42,307.33 | 33,681.30 |
| Total Equity and Liabilities | | 66,536.81 | 57,746.44 |
| Summary of significant accounting policies | 1 | | |

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

For S R B C & CO LLP

ICAI Firm Regn. No. 324982E/E300003

Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : 14th June, 2021

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

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

Lalit Chendvankar
Head Corporate Affairs,
Legal and Company Secretary

V.J.Mansukhani
Managing Director
DIN : 01041809

MIRC

MIRC ELECTRONICS LIMITED

IND AS STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

| | Notes | For the year ended 31st March, 2021 ₹ in lakhs | For the year ended 31st March, 2020 ₹ in lakhs |
|---|-------|---|---|
| Income | | | |
| Revenue from operations | 24 | 76,584.35 | 60,431.37 |
| Other Income | 25 | 218.67 | 254.81 |
| Total Income | | 76,803.02 | 60,686.18 |
| Expenses | | | |
| Cost of raw materials and components consumed | 26 | 46,045.55 | 21,971.93 |
| Purchases of Traded Goods | 27 | 12,268.30 | 31,159.92 |
| Changes in inventories of Finished Goods, Work-in-progress and Stock in Trade | 28 | 5,747.25 | (7,385.87) |
| Employee benefits expense | 29 | 5,108.53 | 6,076.90 |
| Finance Cost | 30 | 1,494.28 | 1,197.87 |
| Depreciation and amortisation expenses | 31 | 669.41 | 661.35 |
| Other Expenses | 32 | 6,064.87 | 8,151.05 |
| Total Expenses | | 77,398.19 | 61,833.15 |
| Profit/(Loss) before exceptional items and tax | | (595.17) | (1,146.97) |
| Exceptional items | 34 | 783.82 | - |
| Profit/(Loss) before tax | | 188.65 | (1,146.97) |
| Tax Expense | | | |
| Current Tax | 17 | - | - |
| Deferred Tax | 17 | - | - |
| Total tax expense | | - | - |
| Profit/(Loss) for the year | | 188.65 | (1,146.97) |
| Other Comprehensive Income (net of tax) | | | |
| Items that will not be reclassified to Profit or Loss | | | |
| Remeasurement of the defined benefit plans | | (30.00) | (17.88) |
| Total Other Comprehensive Income (net of tax) | | (30.00) | (17.88) |
| Total Comprehensive Income for the year (net of tax) | | 158.65 | (1,164.85) |
| Earnings per Equity Share [Face Value of share Re. 1 each (31 March, 2020: Re. 1 each)] | 40 | | |
| - Basic (₹) | | 0.08 | (0.50) |
| - Diluted (₹) | | 0.08 | (0.50) |

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

For S R B C & CO LLP

ICAI Firm Regn. No. 324982E/E300003
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : 14th June, 2021

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

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

Lalit Chendvankar
Head Corporate Affairs,
Legal and Company Secretary

V.J.Mansukhani
Managing Director
DIN : 01041809

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

| | For the year ended 31st March, 2021 ₹ in lakhs | For the year ended 31st March, 2020 ₹ in lakhs |
|--|---|---|
| Cash flow from Operating Activities | | |
| Profit / (Loss) before tax | 188.65 | (1,146.97) |
| Adjustments to reconcile profit / (loss) before tax to net cash flows : | | |
| Depreciation of property, plant and equipment | 664.48 | 655.81 |
| Amortization and impairment of intangible assets | 4.93 | 5.54 |
| Gain on disposal of property, plant and equipment | (1,346.00) | (2.36) |
| Loss on disposal of property, plant and equipment | 119.18 | 10.24 |
| Provision on Inventory | 125.21 | - |
| Net Unrealised Foreign exchange difference | 34.00 | 242.47 |
| Provision for doubtful debts/Bad debts written off. | 208.22 | 153.88 |
| Amortisation of Security Deposits | 111.23 | - |
| Impairment of investment in Preference shares | 334.69 | - |
| Liabilities written back | (87.04) | (31.82) |
| Finance expenses | 1,494.28 | 1,197.87 |
| Finance income | (202.29) | (198.33) |
| Dividend Income | (6.11) | (4.67) |
| Working capital adjustments : | | |
| Increase in trade payables | 7,607.56 | 6,646.11 |
| Increase/(Decrease) in Current provision | 35.88 | (99.20) |
| Increase/(Decrease) in Current financial liabilities | 120.18 | (237.07) |
| Increase/(Decrease) in Other current liabilities | (393.60) | 173.32 |
| Increase/(Decrease) in Non Current provision | 85.49 | (51.72) |
| (Increase)/Decrease in trade receivables | (3,944.53) | 3,927.49 |
| (Increase)/Decrease in inventories | (2,664.03) | (11,413.38) |
| (Increase)/Decrease in Current financial assets | (989.24) | 5.70 |
| (Increase) in other current assets | (1,848.11) | (136.47) |
| Decrease in Non Current financial assets | 949.74 | 30.62 |
| (Increase)/Decrease in other Non Current assets | 989.14 | (145.27) |
| | 1,591.91 | (418.21) |
| Income tax paid (Net) | (61.57) | (2.96) |
| Net cash flow from/(used in) operating activities (A) | 1,530.34 | (421.17) |
| Investing activities | | |
| Purchase of property, plant and equipment | (580.26) | (123.36) |
| Sale of property plant and equipment | 2,071.12 | 4.33 |
| (Increase)/decrease in Bank deposits | (1,612.50) | 62.45 |
| Interest received | 33.90 | 56.79 |
| Dividend received on Mutual Funds | 6.11 | 4.67 |
| Purchase of Mutual Funds | (6.11) | (4.66) |
| Net cash from/(used in) investing activities (B) | (87.74) | 0.22 |
| Financing activities | | |
| Proceeds from long term borrowings | 350.00 | - |
| Repayment of long term borrowings | (498.82) | (387.60) |
| Proceeds from short term borrowings (net) | 787.21 | 1,354.31 |
| Interest paid | (1,357.43) | (1,169.09) |
| Net cash from/(used in) financing activities (C) | (719.04) | (202.38) |
| Net Increase/(Decrease) in cash and cash equivalents (A + B + C) | 723.56 | (623.33) |
| Cash and cash equivalents at the beginning of the year | 89.67 | 713.00 |
| Cash and cash equivalents at year end | 813.23 | 89.67 |
| Components of cash and cash equivalents | | |
| Cash in hand | 9.55 | 7.04 |
| Balances with banks | 37.59 | 29.73 |
| Cheques in hand | 766.09 | 52.90 |
| Cash and cash equivalents | 813.23 | 89.67 |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Reconciliation of Liabilities from financing activities

| Particulars | As at 31st March, 2020 | Cash Flows | | Non Cash Transaction | As at 31st March, 2021 |
|--|---------------------------|-----------------|---------------|-------------------------|---------------------------|
| | | Proceeds | Payment | | |
| Long term Borrowing (including current maturities) | 1,772.47 | 350.00 | 498.82 | 10.63 | 1,613.02 |
| Short Term Borrowing | 6,134.51 | 787.21 | - | - | 6,921.72 |
| | 7,906.98 | 1,137.21 | 498.82 | 10.63 | 8,534.74 |

₹ in lakhs

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

₹ 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.

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

For S R B C & CO LLP

ICAI Firm Regn. No. 324982E/E300003
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

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

V.J.Mansukhani
Managing Director
DIN : 01041809

Place : Mumbai
Date : 14th June, 2021

Lalit Chendvankar
Head Corporate Affairs,
Legal and Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021.

EQUITY SHARE CAPITAL (Refer Note 13)

| Equity Shares of INR 1 each issued and subscribed | No. in lakhs | ₹ in lakhs |
|---|-----------------|-----------------|
| At 1st April 2020 | 2,312.01 | 2,311.39 |
| Issue of share capital | - | - |
| At 31st March 2021 | 2,312.01 | 2,311.39 |

| Equity Shares of INR 1 each issued and subscribed | No. in lakhs | ₹ in lakhs |
|---|-----------------|-----------------|
| At 1st April 2019 | 2,312.01 | 2,311.39 |
| Issue of share capital | - | - |
| At 31st March 2020 | 2,312.01 | 2,311.39 |

OTHER EQUITY

| | ₹ in lakhs | | | | | | Total Other Equity |
|---|-----------------|----------------------------|----------------------------|-----------------|-------------------|----------------------------|--------------------|
| | Capital Reserve | Capital Redemption Reserve | Securities Premium Account | General Reserve | Retained earnings | Other Comprehensive Income | |
| For the year ended 31st March 2021 | | | | | | | |
| 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/(Loss) for the year | - | - | - | - | 188.65 | - | 188.65 |
| Other Comprehensive Income for the year | - | - | - | - | - | (30.00) | (30.00) |
| Total Comprehensive Income | 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 |

| | ₹ in lakhs | | | | | | Total Other Equity |
|--|-----------------|----------------------------|----------------------------|-----------------|-------------------|----------------------------|--------------------|
| | Capital Reserve | Capital Redemption Reserve | Securities Premium Account | General Reserve | Retained earnings | Other Comprehensive Income | |
| For the year ended 31st March 2020 | | | | | | | |
| Balance as at 1st April 2019 | 214.62 | 1,990.74 | 11,748.64 | 7,092.91 | (1,715.44) | (87.59) | 19,243.88 |
| Money received againsts share warrants forfeited (Refer note 35) | 1,801.44 | - | - | - | - | - | 1,801.44 |
| Profit/(Loss) for the year | - | - | - | - | (1,146.97) | - | (1,146.97) |
| Other Comprehensive Income for the year | - | - | - | - | - | (17.88) | (17.88) |
| Total Comprehensive Income | 2,016.06 | 1,990.74 | 11,748.64 | 7,092.91 | (2,862.41) | (105.47) | 19,880.47 |
| Balance as at 31st March 2020 | 2,016.06 | 1,990.74 | 11,748.64 | 7,092.91 | (2,862.41) | (105.47) | 19,880.47 |

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

For S R B C & CO LLP

ICAI Firm Regn. No. 324982E/E300003
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : 14th June, 2021

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

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

Lalit Chendvankar
Head Corporate Affairs,
Legal and Company Secretary

V.J.Mansukhani
Managing Director
DIN : 01041809



NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

Corporate information

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

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

1 Significant accounting policies

a Statement of Compliances and basis of preparation and presentation

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

b Basis of Measurement

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

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

These financial statements were approved by the Company's Board of Directors and authorized for issue on 14th June 2021.

c Fair value measurement

Fair value measurement

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

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

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

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

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

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

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

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

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

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

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

d Use of estimates and judgments

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

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

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

iv) Provision against obsolete and slow-moving inventories

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

v) Impairment of financial assets

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

e Property, Plant and Equipment

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

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

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

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

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

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

f Impairment of Non- Financial Assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

g Intangible Assets

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

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

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

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

h Leases

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

For arrangements entered into prior to 1 April 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

Company as a lessee

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

i Provisions

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

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

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

Warranty provisions

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

j Foreign Currency Transactions and Translation

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

Initial Recognition

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

Conversion

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

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

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

k Revenue Recognition

Revenue 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

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.

I Employee retirement and other benefits

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

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

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

Short-term and other long-term employee benefits

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

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

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

m Taxes

Current income tax

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

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

Deferred tax

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

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

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

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

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

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

n Borrowing costs

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

o Inventories

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

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

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

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

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

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

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

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.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

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

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

Financial Assets

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

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

Financial assets at amortised cost

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

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Impairment of investments

The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected 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.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derivative financial instruments

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Leasing arrangement

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

q Earnings per Share

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

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.

u Change in accounting policies and disclosures

Ind AS 116 – Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than was required under Ind AS 17.

The Company has entered into operating leases for office premises, godowns and residential accommodation, with lease terms between 11 months to seven years and with low value. The company has the option, under some of its leases, to lease the assets for additional terms between 11 months to three years. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for all the leases.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

NOTE 2 - PROPERTY, PLANT AND EQUIPMENT

| Particulars | ₹ in lakhs | | | | | | | | | | TOTAL | |
|------------------------|----------------|---------------|-----------|---|------------------------|--------------------|----------------|------------------|---|-------------------------------|-------|--------------------------|
| | Leasehold land | Freehold land | Buildings | Plant and Machinery and Electrical Fittings | Furniture and Fixtures | Office Equipment's | Motor Vehicles | R & D - Building | R & D - Plant and Machinery and Electrical Fittings | R & D - Furniture and Fixture | | R & D - Office Equipment |
| Cost | | | | | | | | | | | | |
| As at 1st April, 2019 | 551.37 | 1,776.68 | 10,738.91 | 19,398.95 | 761.13 | 604.28 | 270.37 | 157.08 | 663.05 | 87.05 | 45.51 | 35,054.38 |
| Additions | - | - | - | 74.69 | 1.56 | 16.94 | - | - | - | - | - | 93.19 |
| Disposals | - | - | - | 235.34 | 97.51 | 84.86 | - | - | 5.59 | - | 1.34 | 424.64 |
| As at 31st March, 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 |
| Depreciation | | | | | | | | | | | | |
| As at 1st April, 2019 | 143.53 | - | 5,508.43 | 17,088.65 | 696.15 | 522.38 | 186.32 | 106.51 | 579.50 | 83.03 | 39.24 | 24,953.74 |
| Charge for the year | 6.62 | - | 305.96 | 283.06 | 10.55 | 16.10 | 15.17 | 1.10 | 15.60 | 0.19 | 1.46 | 655.81 |
| Disposals | - | - | - | 230.79 | 93.50 | 81.94 | - | - | 4.93 | - | 1.27 | 412.43 |
| As at 31st March, 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 |
| Net Block | | | | | | | | | | | | |
| As at 31st March, 2020 | 401.22 | 1,776.68 | 4,924.52 | 2,097.38 | 51.98 | 79.82 | 68.88 | 49.47 | 67.29 | 3.83 | 4.74 | 9,525.81 |
| 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 |

Refer Note 15 and 19 for details of assets given as mortgage against borrowings.

NOTE 2A - CAPITAL WORK IN PROGRESS

| Particulars | TOTAL |
|-----------------------------|--------|
| As at 1st April, 2019 | - |
| Additions | 29.50 |
| Capitalised during the year | - |
| As at 31st March, 2020 | 29.50 |
| Additions | 522.72 |
| Capitalised during the year | 29.50 |
| As at 31st March, 2021 | 522.72 |

Capital work in progress mainly comprises of gas charging line being set up.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

NOTE 3 - OTHER INTANGIBLE ASSETS

| Particulars | ₹ in lakhs | | |
|-------------------------------|--------------|----------------|--------------|
| | R&D Software | Other Software | TOTAL |
| Cost | | | |
| As at 1st April, 2019 | 66.92 | 31.10 | 98.02 |
| Additions | - | - | - |
| Disposals | - | - | - |
| As at 31st March, 2020 | 66.92 | 31.10 | 98.02 |
| Additions | - | - | - |
| Disposals | - | - | - |
| As at 31st March, 2021 | 66.92 | 31.10 | 98.02 |
| Depreciation | | | |
| As at 1st April, 2019 | 63.33 | 0.01 | 63.34 |
| Charge for the year | 0.62 | 4.92 | 5.54 |
| Disposals | - | - | - |
| As at 31st March, 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 |
| Net Block | | | |
| As at 31st March, 2020 | 2.97 | 26.17 | 29.14 |
| As at 31st March, 2021 | 2.97 | 21.24 | 24.21 |

Intangible assets comprises of software used in Research and development.

NOTE 4 - NON-CURRENT INVESTMENTS

| | 31st March, 2021 | | 31st March, 2020 | |
|---|------------------|---------------|------------------|---------------|
| | Nos. | ₹ in lakhs | Nos. | ₹ in lakhs |
| Unquoted Investment carried at amortised cost | | | | |
| Adonis Electronics Pvt. Ltd. (0.01% Cumulative redeemable preference shares of ₹10 each, fully paid up) Less : Impairment provision (Refer Note 34) | 2,648 | 334.69 | 2,648 | 334.69 |
| | | 334.69 | | - |
| | | - | | 334.69 |
| Quoted Investment carried at fair value through Profit and Loss | | | | |
| Aditya Birla Sun Life Savings Fund -Daily Dividend - Reinvestment Mutual Fund | 1,02,863.02 | 103.57 | 97,673.92 | 97.83 |
| | | 103.57 | | 432.52 |
| Investment carried at amortised cost | | - | | 334.69 |
| Market Value of unquoted Investments | | 103.57 | | 97.83 |
| Aggregate Carrying Value (NAV) of unquoted Investments | | 103.57 | | 97.83 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

NOTE 5 - OTHER NON CURRENT - FINANCIAL ASSETS

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Unsecured Security Deposits carried at amortised cost | 114.53 | 1,073.28 |
| Balance with Banks on margin accounts | 58.29 | - |
| Interest accrued | 0.43 | - |
| | 173.25 | 1,073.28 |

NOTE 6 - INCOME TAX ASSETS (NET)

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Advance Income-tax (Net of Provisions) | 172.02 | 110.45 |
| | 172.02 | 110.45 |

NOTE 7 - OTHER NON-CURRENT ASSETS

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|-------------------------------------|--------------------------------|--------------------------------|
| Unsecured, considered good | | |
| Deferred rent expenses | 0.69 | 37.06 |
| Capital advance | - | 7.12 |
| Other Advances | | |
| Balance with Government Authorities | 2,628.00 | 2,613.00 |
| Prepaid Expenses | 28.13 | 10.19 |
| Advance paid to Vendors | - | 978.59 |
| | 2,656.82 | 3,645.96 |

NOTE 8 - INVENTORIES

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Raw materials and components [includes Goods in transit ₹6,878.48 lakhs (31st March, 2020 ₹3,698.58 lakhs)] | 17,641.62 | 9,311.98 |
| Stores and Spares | 264.03 | 241.87 |
| Work-in-Progress | 7,056.61 | 819.67 |
| Finished Goods | 3,398.63 | 5,823.79 |
| Traded Goods [includes Goods in transit ₹1,006.31 lakhs (31st March, 2020 ₹10,448.42 lakhs)] | 7,083.06 | 16,707.82 |
| | 35,443.95 | 32,905.13 |

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 19).

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

NOTE 9 - TRADE RECEIVABLES

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|-------------------------------------|--------------------------------|--------------------------------|
| Trade Receivables | 13,886.93 | 10,524.64 |
| Less : Impairment allowance | 2,407.99 | 2,652.18 |
| Trade receivables (net) | 11,478.94 | 7,872.46 |
| Footnotes : | | |
| Breakup of security details | | |
| Unsecured, considered good | 12,283.27 | 8,582.70 |
| Trade Receivables - credit impaired | 1,603.66 | 1,941.94 |
| | 13,886.93 | 10,524.64 |
| Less : Allowance for credit loss | 2,407.99 | 2,652.18 |
| | 11,478.94 | 7,872.46 |

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.

Movement in the expected credit loss allowance

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|--------------------------------------|--------------------------------|--------------------------------|
| Balance at the beginning of the year | 2,652.18 | 2,498.30 |
| Add : Allowance during the year | 208.22 | 153.88 |
| Less : Written off during the year | (452.41) | - |
| Balance at the end of the year | 2,407.99 | 2,652.18 |

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 generally on terms of 28 days of credit period.

NOTE 10A - CASH AND CASH EQUIVALENTS

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|--------------------|--------------------------------|--------------------------------|
| Cash in hand | 9.55 | 7.04 |
| Cheques on hand | 766.09 | 52.90 |
| Balance with Banks | | |
| On Current Account | 37.59 | 29.73 |
| | 813.23 | 89.67 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

NOTE 10B - OTHER BANK BALANCES

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| Fixed Deposits with Banks given as margin money | 2,078.09 | 523.88 |
| | 2,078.09 | 523.88 |

NOTE 11 - OTHER CURRENT FINANCIAL ASSETS - At amortised cost, unless otherwise stated

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|-----------------------------------|--------------------------------|--------------------------------|
| Unsecured, considered good | | |
| Insurance claims receivable | 21.30 | 27.50 |
| Interest accrued | 31.03 | 17.12 |
| Other Receivables | 1,273.74 | 278.30 |
| | 1,326.07 | 322.92 |

NOTE 12 - OTHER CURRENT ASSETS

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|-------------------------------------|--------------------------------|--------------------------------|
| Unsecured, considered good | | |
| Balance with Government Authorities | 1,051.21 | 107.05 |
| Prepaid Expenses | 199.47 | 210.83 |
| Capital advances | 80.18 | - |
| Advance paid to Vendors | 1,747.18 | 757.01 |
| Deferred rent expenses | 35.97 | 110.83 |
| | 3,114.01 | 1,185.72 |

NOTE 13 - EQUITY SHARE CAPITAL

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| Authorised : | | |
| 57,80,20,000 Equity Shares of Re.1 each (31st March, 2020 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, 2020 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, 2020 10,00,000 11% Non-Cumulative Redeemable Preference Shares of ₹100 each) | 1,000.00 | 1,000.00 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| Issued, Subscribed and Paid Up : | | |
| 23,09,52,619 Equity Shares of Re.1 each fully paid up (31st March, 2020 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, 2020 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, 2021 | | 31st March, 2020 | |
|--------------------------------|------------------|-----------------|------------------|-----------------|
| | 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.

(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, 2021.

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

| | 31st March, 2021 | | 31st March, 2020 | |
|---|------------------|------------------------|------------------|------------------------|
| | 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 |
| Bennett Coleman and Company Limited | - | - | 153.51 | 6.65 |
| IIFL Investment Adviser & Trustee Services Limited (Formerly IIFL Trustee Services Limited) (Beneficial owner Mr. Vijay J. Mansukhani) | 141.75 | 6.14 | 141.75 | 6.14 |

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

NOTE 14 - OTHER EQUITY**Nature and purpose of Reserves**

Capital Reserve : The amount is largely on account of forfeiture of money received againsts share warrants and reduction in share capital.

Capital Redemption Reserve : The capital redemption reserve was created for buyback / redemption of shares.

Securities Premium Account : Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve : The general reserves comprises of transfer of profits from retained earnings for appropriation purposes. The reserves can be distributed / utilised by the Company in accordance with the Companies Act, 2013.

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Capital Reserve | | |
| Balance as per last Balance Sheet | 2,016.06 | 214.62 |
| Add : Money received againsts share warrants forfeited (Refer note 35) | - | 1,801.44 |
| | 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 | (2,967.88) | (1,803.03) |
| Add : Profit/(Loss) for the year | 188.65 | (1,146.97) |
| Add : Other comprehensive income (net of tax) | (30.00) | (17.88) |
| | (2,809.23) | (2,967.88) |
| | 20,039.12 | 19,880.47 |

NOTE 15 - NON CURRENT BORROWINGS - At amortised cost

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|----------------|--------------------------------|--------------------------------|
| Secured | | |
| Term Loan | 789.38 | 1,318.30 |
| CCECL Loan | 50.32 | - |
| | 839.70 | 1,318.30 |

Security and rate of interest

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.

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.

Repayment terms

Quarterly in equal installments of ₹50 lakhs upto 15.9.2020 there after in quarterly equal instalment of ₹133.33 lakhs upto 15.9.2023. Last instalment is due on 15th September, 2023.

CCECL loan is payable in 18 equal installments of ₹ 20 lakhs per month starting from January 2021.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

| Terms of Payment | ₹ in lakhs | ₹ in lakhs |
|---|-----------------|-----------------|
| Years | | |
| 2020 - 21 | - | 454.17 |
| 2021 - 22 | 773.32 | 533.33 |
| 2022 - 23 | 583.65 | 533.33 |
| 2023 - 24 | 266.66 | 266.66 |
| Less : IND AS impact on processing fees | 10.61 | 15.02 |
| Total | 1,613.02 | 1,772.47 |

NOTE 16 - OTHER NON CURRENT FINANCIAL LIABILITIES

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|-------------------|--------------------------------|--------------------------------|
| Capital Creditors | 398.80 | - |
| | 398.80 | - |

NOTE 17 DEFERRED TAX ASSETS (NET)

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|------------------------|--------------------------------|--------------------------------|
| Deferred tax liability | 1,723.93 | 1,737.16 |
| Deferred tax Asset | (1,723.93) | (1,737.16) |
| | - | - |

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

| Deferred Tax Liability / (asset) in relation to | Opening Balance | On Transaction Recognised in Statement of Profit & Loss | Closing Balance |
|--|-----------------|---|-----------------|
| 2019-2020 | | | |
| Deferred tax Liability | | | |
| Fixed Assets:- Impact of difference between tax Depreciation and Depreciation / amortisation charged for the financial reporting | 1,807.06 | (78.46) | 1,728.60 |
| Ind AS impact on other assets | 15.85 | (7.29) | 8.56 |
| Deferred tax Asset | | | |
| Discounting of Financial Assets | (732.36) | (75.91) | (808.27) |
| Impact of expenditure charged to the statement of Profit and loss but allowed for tax purposes on payment basis | (217.65) | 215.43 | (2.22) |
| Allowance on trade receivables | (872.90) | (53.77) | (926.67) |
| | - | - | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

| Deferred Tax Liability / (asset) in relation to | Opening Balance | On Transaction Recognised in Statement of Profit & Loss Account | Closing Balance |
|--|-----------------|---|-----------------|
| 2020-2021 | | | |
| 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) | - |
| Deferred tax Asset | | | |
| 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 DTL) | - | (571.02) | (571.02) |
| | - | - | - |

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 be 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 ₹16,530.47 lakhs on which deferred tax asset is not recognised. Out of these losses, ₹ 6,617.10 lakhs does not have any expiry and ₹9,913.36 lakhs will expire over a period of next 8 years.

Reconciliation of estimated income tax expense at statutory Income-tax rate to income tax expense reported in statement of profit and loss is as follows:

| Particulars | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Profit/(Loss) for the year | 188.65 | (1,146.97) |
| Indian statutory tax rate | 34.94% | 34.94% |
| Effect of unused tax losses | (415.71) | 68.94 |
| Effect of Difference in Depreciation As per Books & As Per Income Tax | 18.83 | (81.38) |
| Provision for Doubtful Debt Not Allowed as Deduction | 85.32 | 53.76 |
| Expenses Disallowed u/s 43B of Income Tax Act, 1961 (net off) | 87.78 | 30.68 |
| Additional Deduction u/s 35(2AB) of Income Tax Act, 1961 | - | (67.83) |
| Disallowances under section 40A(3) and under section 40(a)(ia) of Income Tax Act, 1961 | 223.78 | (4.17) |
| | - | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

NOTE 18 - NON CURRENT PROVISIONS

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Provision for employee benefits | | |
| Provision for gratuity (Refer note 38) | 640.47 | 554.98 |
| | 640.47 | 554.98 |

NOTE 19 - SHORT-TERM BORROWINGS - At amortised cost

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|---------------------------------|--------------------------------|--------------------------------|
| Secured : | | |
| Cash Credit Facility from banks | 5,972.54 | 5,264.73 |
| Loan from NBFC - Line of Credit | 949.18 | 869.78 |
| | 6,921.72 | 6,134.51 |

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.

NOTE 20 - TRADE PAYABLES

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Acceptances | 5,197.53 | 2,398.80 |
| Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises (refer note 46) | 631.01 | 120.76 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 26,542.50 | 22,286.64 |
| | 32,371.04 | 24,806.20 |

NOTE 21 - OTHER CURRENT FINANCIAL LIABILITIES

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Current maturities of Long-term borrowings (Refer note 15) | 773.32 | 454.17 |
| Interest accrued on borrowings | 22.90 | 52.99 |
| Others payables | | |
| Dealer Deposits | 251.94 | 59.41 |
| Employee Benefits | 806.17 | 878.52 |
| Capital creditors | 224.43 | 0.97 |
| | 1,282.54 | 938.90 |
| | 2,078.76 | 1,446.06 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

NOTE 22 - OTHER CURRENT LIABILITIES

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|-------------------------|--------------------------------|--------------------------------|
| Advances from Customers | 209.00 | 640.65 |
| Statutory Dues | 214.66 | 168.32 |
| Others | 3.93 | 13.22 |
| | 427.59 | 822.19 |

NOTE 23 - CURRENT PROVISIONS

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| Provision for employee benefits (refer note 38) | | |
| Gratuity | 125.77 | 109.09 |
| Leave encashment | 251.99 | 242.11 |
| Provision for warranty | 130.46 | 121.14 |
| | 508.22 | 472.34 |
| Provision for warranty | | |
| Opening | 121.14 | 197.67 |
| Add : Additions during the year | 130.46 | 121.14 |
| Less : Utilised during the year | 121.14 | 197.67 |
| Closing | 130.46 | 121.14 |

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 24 - REVENUE FROM OPERATIONS

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| Revenue from operations | | |
| Sale of Products (net of discounts and rebates) | | |
| Finished Goods | 53,254.99 | 28,260.63 |
| Traded Goods | 23,013.70 | 32,050.14 |
| | 76,268.69 | 60,310.77 |
| Other operating revenue | | |
| Sale of Scrap | 36.33 | 79.36 |
| Liabilities written back | 80.43 | - |
| Job work | 184.00 | - |
| Others | 14.90 | 41.24 |
| | 315.66 | 120.60 |
| | 76,584.35 | 60,431.37 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

NOTE 25 - OTHER INCOME

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Interest Income on : | | |
| Financial Assets held at Amortised cost | | |
| Interest income on financial assets | 120.24 | 107.63 |
| Financial Assets carried at fair value through Profit & Loss | | |
| Interest income on Investments | 21.47 | 39.13 |
| Interest income on Deposits | 60.58 | 51.20 |
| Dividend from Mutual Funds on Mutual Fund Units | 6.11 | 4.67 |
| Liabilities written back | 6.61 | 31.82 |
| Profit on sale of property, plant and equipment | 3.66 | 2.36 |
| Others | - | 18.00 |
| | 218.67 | 254.81 |

NOTE 26 - COST OF RAW MATERIALS AND COMPONENTS CONSUMED

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| Inventory at the beginning of the year | 9,311.98 | 5,270.04 |
| Add : Purchases | 54,434.66 | 26,013.87 |
| | 63,746.64 | 31,283.91 |
| Less : Inventory at the end of the year | 17,641.62 | 9,311.98 |
| Less : Discontinued product provision (Refer note 34) | 59.47 | - |
| | 46,045.55 | 21,971.93 |

NOTE 27 - PURCHASES OF TRADED GOODS

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|------------------|--------------------------------|--------------------------------|
| Display Devices | 332.41 | 171.52 |
| Washing Machines | 2,328.67 | 3,516.09 |
| Refrigerator | 1,270.20 | - |
| Air Conditioners | 7,774.00 | 26,677.92 |
| Microwave Ovens | 125.44 | 671.55 |
| Others | 437.58 | 122.84 |
| | 12,268.30 | 31,159.92 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

NOTE 28 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| Inventory at the beginning of the year | | |
| Finished Goods | 5,823.79 | 3,604.71 |
| Work in Progress | 819.67 | 688.35 |
| Traded Goods | <u>16,707.82</u> | <u>11,672.35</u> |
| | 23,351.28 | 15,965.41 |
| Less : Inventory at the end of the year | | |
| Finished Goods | 3,398.63 | 5,823.79 |
| Work in Progress | 7,056.61 | 819.67 |
| Traded Goods | <u>7,083.06</u> | <u>16,707.82</u> |
| | 17,538.30 | 23,351.28 |
| Less : Discontinued product provision (Refer note 34) | 65.73 | - |
| | <u>5,747.25</u> | <u>(7,385.87)</u> |

NOTE 29 - EMPLOYEE BENEFITS EXPENSE

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Salaries, Wages and Bonus | 4,410.77 | 5,167.23 |
| Contribution to Provident Fund and Other Funds | 208.35 | 275.25 |
| Gratuity expense | 75.54 | 95.40 |
| Staff Welfare Expenses | 413.87 | 539.02 |
| | <u>5,108.53</u> | <u>6,076.90</u> |

NOTE 30 - FINANCE COST

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|-----------------------|--------------------------------|--------------------------------|
| Interest Expense | 1,184.55 | 1,069.92 |
| Discounting charges | 129.83 | - |
| Other Borrowing costs | 179.90 | 127.95 |
| | <u>1,494.28</u> | <u>1,197.87</u> |

NOTE 31 - DEPRECIATION AND AMORTISATION EXPENSES

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| Depreciation of property, plant and equipment | 664.48 | 655.81 |
| Amortisation of intangible assets | 4.93 | 5.54 |
| | <u>669.41</u> | <u>661.35</u> |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

NOTE 32 - OTHER EXPENSES

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| Power and Fuel | 284.51 | 344.42 |
| Rent | 384.39 | 533.50 |
| Rates and Taxes | 94.82 | 131.12 |
| Repairs to | | |
| Plant and Machinery | 52.26 | 47.46 |
| Building | 2.44 | 5.07 |
| Others | 255.21 | 246.78 |
| | 309.91 | 299.31 |
| Insurance Charges | 48.48 | 43.24 |
| Freight and Forwarding Charges | 1,966.05 | 2,421.49 |
| Advertisement | 148.01 | 743.92 |
| Service Charges | 960.36 | 1,176.94 |
| Travelling and Conveyance | 114.41 | 363.51 |
| Provision for / write off - Doubtful Debts and advances | 208.22 | 153.88 |
| Research and Development Expenses | 261.54 | 388.24 |
| Exchange loss (Net) | 34.50 | 445.73 |
| Payment to auditor (Refer Note 33) | 38.50 | 35.32 |
| Miscellaneous Expenses | 1,211.17 | 1,070.43 |
| | 6,064.87 | 8,151.05 |

NOTE 33

| Payment to auditor | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| As auditor (excluding Goods and Service Tax) | | |
| Audit fees | 24.50 | 20.50 |
| Tax audit fees | 4.00 | 4.00 |
| Limited reviews | 9.00 | 9.00 |
| In other capacity | | |
| Reimbursement of expenses | 1.00 | 1.82 |
| | 38.50 | 35.32 |

34 Exceptional items -

The Company has recognised total expenses of ₹783.82 lakhs for the year ended 31st March, 2021 as exceptional items on account of the following reasons;

- The Company has sold land and building located at Noida resulting in to a profit of ₹ 1303.92 lakhs.
- The Company has sold land and building located at Roorkee (Unit - 1) resulting in to a loss of ₹ 60.21 lakhs.
- The Company has written off investments in Adonis Electronics Ltd of ₹334.69 lakhs
- The Company has written off discontinued products inventory of ₹125.20 lakhs.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

- 35** In the financial year 2017-18 year the Company had allotted 1,92,00,000 Equity Shares and 1,92,00,000 Convertible Share Warrants (Convertible into 1 Equity Share each) at an issue price of ₹ 37.53 per equity share (including a premium of ₹ 36.53 per equity share) to the non-promoters on preferential basis in accordance with the provision of chapter VII of SEBI ICDR regulations. Consequent to the issue of equity shares, the paid up equity share capital of the Company had increased from ₹ 2,119.39 lakhs to ₹ 2,311.39 lakhs and securities premium account had increased from ₹4,734.88 lakhs to ₹11,748.64 lakhs as on 31st March, 2018. The Company had received an amount of ₹1,801.44 lakhs being 25% of the value of warrants as per provisions of SEBI (ICDR) Regulations, 2009 and remaining balance had to be paid before exchange of warrants for equity shares. Since the option to acquire equity shares was not exercised within 18 months from the date of issue of warrants, the amount had been forfeited by the Company in the financial year 2019-20 and shown under Capital Reserve as money received againsts share warrants forfeited.
- 36** The Company at its extraordinary general meeting dated 29th March, 2017 have approved an Employee Stock option Scheme 2017. However the scheme is not yet offered to employees as on date and hence no effect is considered in the financial statements for the year ended 31st March, 2021.
- 37 Contingent Liabilities and Commitments :**

| | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|--|--------------------------------|--------------------------------|
| Contingent Liabilities | | |
| a) Guarantees given by Bank against which ₹143.12 lakhs (31st March, 2020 ₹ 64.43 lakhs) has been deposited as margin money. | 374.43 | 712.43 |
| 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 | 9,820.61 | 16,112.18 |
| d) Claims made against the Company not acknowledged as debts | 844.54 | 2,793.36 |
| Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 27.63 | 2.88 |

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.

38 Employee Benefits :**a) Defined contribution plans**

The Company has recognised an expense of ₹191.20 lakhs (previous year ₹240.11 lakhs) towards defined contribution plans, in respect of Provident Fund.

b) Defined benefit plans**Gratuity**

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date. Company has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India. Under the plan, employee at retirement is eligible for benefit which will be equal to 15 days' salary for each completed year of service.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

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

| | | Valuation as at | |
|--|-------------------------------------|--|--|
| | | 31st March, 2021 | 31st March, 2020 |
| | Employee Attrition Rate | 6.00% | 6.00% |
| | Discount rate(s) | 6.33% | 6.04% |
| | Expected rate(s) of salary increase | 3.36% | 3.36% |
| | Mortality table | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |

| | | Funded Plan Gratuity | |
|-----|--|---|--|
| | | 31st March, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
| I | 1 | Expense recognised in the Statement of Profit and Loss for the year ended | |
| | | Service Cost | |
| | | | Current Service Cost |
| | | 38.96 | 33.92 |
| | | | Net interest expense |
| | | 40.11 | 51.32 |
| | | | Components of defined benefit costs recognized in profit or loss |
| | | 79.07 | 85.24 |
| | | | Less : Transferred to Research and Development expenses |
| | | 3.53 | 1.83 |
| | | | Add : Gratuity paid not provided for earlier |
| | | - | 11.99 |
| | | | Net Gratuity expenses disclosed under employee benefits expense. |
| | | 75.54 | 95.40 |
| | 2 | Included in other Comprehensive Income | |
| | | | Actuarial (Gain) / Loss recognized for the period |
| | | 17.56 | 20.57 |
| | | | Return on Plan Assets excluding net interest |
| | | 12.44 | (2.69) |
| | | | Actuarial (Gain) / Loss recognized in OCI |
| | | 30.00 | 17.88 |
| II | Net Asset / (Liability) recognised in the Balance Sheet as at | | |
| | 1 | | Present value of defined benefit obligation as at |
| | | (935.60) | (888.82) |
| | 2 | | Fair value of plan assets as at |
| | | 169.36 | 224.75 |
| | 3 | | Surplus / (Deficit) |
| | | (766.24) | (664.07) |
| | 4 | | Current portion of the above |
| | | (125.77) | (109.09) |
| III | Change in the obligation during the year ended 31st March 2021 | | |
| | 1 | | Present value of defined benefit obligation at the beginning of the year |
| | | 888.82 | 825.16 |
| | 2 | Expenses Recognised in Profit and Loss Account | |
| | | | - Current Service Cost |
| | | 38.96 | 33.92 |
| | | | - Interest Expense (Income) |
| | | 53.68 | 59.57 |
| | 3 | Recognised in Other Comprehensive Income | |
| | | Remeasurement gains / (losses) | |
| | | Actuarial Gain (Loss) | |
| | | | i. Demographic Assumptions |
| | | - | (28.21) |
| | | | ii. Financial Assumptions |
| | | (9.30) | 31.67 |
| | | | iii. Experience Adjustments |
| | | 26.86 | 17.12 |
| | 4 | | Benefit payments |
| | | (63.42) | (50.41) |
| | 5 | | Present value of defined benefit obligation at the end of the year |
| | | 935.60 | 888.82 |
| IV | Change in fair value of assets during the year ended 31st March 2021 | | |
| | 1 | | Fair value of plan assets at the beginning of the year |
| | | 224.75 | 114.37 |
| | 2 | | Interest Income |
| | | 13.57 | 8.26 |
| | 3 | | Return on Plan Assets, Excluding Interest Income |
| | | (12.74) | 2.69 |
| | 4 | | Contributions by employer (including benefit payments recoverable) |
| | | 7.20 | 149.84 |
| | 5 | | Benefit payments |
| | | (63.42) | (50.41) |
| | 6 | | Fair value of plan assets at the end of the year |
| | | 169.36 | 224.75 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

Composition of the plan assets is as follows:

Plan asset is maintained with Life Insurance Corporation of India. In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

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

₹ in lakhs

| Principal Assumptions | | Changes in assumption | Impact on defined benefit obligation | |
|-----------------------|------------------|-----------------------|--------------------------------------|-------------------------|
| | | | Increase in assumptions | Decrease in assumptions |
| Discount Rate | 31st March, 2021 | 1.00% | (30.23) | 33.19 |
| | 31st March, 2020 | 1.00% | (27.99) | 30.86 |
| Salary growth Rate | 31st March, 2021 | 1.00% | 33.84 | (31.34) |
| | 31st March, 2020 | 1.00% | 31.38 | (28.96) |
| Withdrawal Rate | 31st March, 2021 | 1.00% | 4.94 | (5.36) |
| | 31st March, 2020 | 1.00% | 3.93 | (4.32) |

The above sensitivity analysis are based on a change and assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumption used in preparing the sensitivity analysis did not change compared to prior period.

Maturity profile of projected benefit obligations

₹ in lakhs

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---------------|------------------|------------------|
| Within 1 year | 365.59 | 339.56 |
| 1-2 years | 59.12 | 65.21 |
| 2-3 years | 84.22 | 72.70 |
| 3-4 years | 65.31 | 158.12 |
| 4-5 years | 74.71 | 50.07 |
| Above 5 years | 340.93 | 219.47 |
| | 989.88 | 905.13 |

The weighted average duration of the projected benefit obligation is approximately 5 years (31st March, 2020 - 5 years). The Expected contribution to be made by the company during the financial year 2021-22 is ₹ 125.77 lakhs (Previous year ₹ 109.09 lakhs).

Risk exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk, the plan assets have been deployed in high grade insurer managed funds.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

Inflation rate risk:

Higher than expected increase in salary and medical cost will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterion.

38 Fair Value measurements

Financial Assets and Financial Liabilities

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

| | ₹ in lakhs | | | | |
|---|------------------------|------------------------|------------------|----------------------|------------------|
| Particulars | Fair Value through P&L | Fair Value through OCI | Amortised cost | Total carrying value | Total fair value |
| Financial Assets | | | | | |
| Non current | | | | | |
| Investments | 103.57 | - | - | 103.57 | 103.57 |
| Security Deposits | - | - | 173.25 | 173.25 | 173.25 |
| Current | | | | | |
| Trade receivables | - | - | 13,886.93 | 13,886.93 | 13,886.93 |
| 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 | - | 18,277.57 | 18,381.14 | 18,381.14 |
| 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 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

The carrying value and fair value of financial instruments by categories as at 31st March, 2020 is as follows:

| Particulars | ₹ in lakhs | | | | |
|---|------------------------|------------------------|------------------|----------------------|------------------|
| | Fair Value through P&L | Fair Value through OCI | Amortised cost | Total carrying value | Total fair value |
| Financial Assets | | | | | |
| Non current | | | | | |
| Investments | 97.83 | - | 334.69 | 432.52 | 432.52 |
| Security Deposits | - | - | 1,073.28 | 1,073.28 | 1,073.28 |
| Current | | | | | |
| Trade receivables | - | - | 7,872.46 | 7,872.46 | 7,872.46 |
| Cash and cash equivalents | - | - | 89.67 | 89.67 | 89.67 |
| Bank balances | - | - | 523.88 | 523.88 | 523.88 |
| Others | | | | | |
| Insurance claims receivable | - | - | 27.50 | 27.50 | 27.50 |
| Interest accrued | | | 17.12 | 17.12 | 17.12 |
| Other Receivables | - | - | 278.30 | 278.30 | 278.30 |
| Total | 97.83 | - | 10,216.90 | 10,314.73 | 10,314.73 |
| Financial liabilities | | | | | |
| Non current | | | | | |
| Borrowings (including current maturities) | - | - | 1,772.47 | 1,772.47 | 1,772.47 |
| Current | | | | | |
| Borrowings | - | - | 6,641.67 | 6,641.67 | 6,641.67 |
| Trade payables | - | - | 24,806.20 | 24,806.20 | 24,806.20 |
| Others | - | - | 484.73 | 484.73 | 484.73 |
| Total | - | - | 33,705.07 | 33,705.07 | 33,705.07 |

Fair Value hierarchy

The company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

Level 1: Fair value measurement are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There were no transfers between Level 1 and Level 2 during the year.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

₹ in lakhs

| Particulars | Fair value hierarchy as at 31st March, 2021 | | | |
|------------------------------|---|-----------------|---------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Non current | | | | |
| Investments | 103.57 | - | - | 103.57 |
| Total | 103.57 | - | - | 103.57 |
| Financial liabilities | | | | |
| Non current | | | | |
| Borrowings | - | 1,613.02 | - | 1,613.02 |
| Current | | | | |
| Borrowings | - | 6,921.72 | - | 6,921.72 |
| Total | - | 8,534.74 | - | 8,534.74 |

| Particulars | Fair value hierarchy as at 31st March, 2020 | | | |
|------------------------------|---|-----------------|---------------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Non current | | | | |
| Investments | 97.83 | - | 334.69 | 432.52 |
| Total | 97.83 | - | 334.69 | 432.52 |
| Financial liabilities | | | | |
| Non current | | | | |
| Borrowings | - | 1,772.47 | - | 1,772.47 |
| Current | | | | |
| Borrowings | - | 6,641.67 | - | 6,641.67 |
| Total | - | 8,414.14 | - | 8,414.14 |

Reconciliation of level 3 fair value measurements

For the year ended 31st March, 2021

₹ in lakhs

| Particulars | Unlisted shares valued at amortised cost |
|--|--|
| Opening Balance | 334.69 |
| Less : Investment impaired during the year | (334.69) |
| Closing Balance | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

For the year ended 31st March, 2020

| Particulars | Unlisted shares valued at amortised cost |
|------------------------|--|
| Opening Balance | 295.56 |
| Add : Interest accrued | 39.13 |
| Closing Balance | 334.69 |

Description of significant unobservable inputs to valuation

For the year ended 31st March, 2021

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

For the year ended 31st March, 2020

| | Valuation techniques | Significant unobservable inputs | Sensitivity of the input to fair value |
|--|----------------------|---------------------------------|--|
| Investment in unquoted Preference Shares | Discounted cash flow | Discount rate 13.20% | 1% variation in discount rate results in P&L impact of ₹3.18 lakhs |

Capital Management and Gearing ratio

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return capital to shareholders or fresh issue of shares. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio below 30%. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents as detailed in the notes below.

The Company's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its Capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

Gearing ratio:

The gearing ratio at the end of the reporting period was as follows:

Debt-to-equity ratio are as follows:

₹ in lakhs

| | 31st March, 2021 | 31st March, 2020 |
|--|------------------|------------------|
| Debt (i) | 8,557.64 | 8,467.13 |
| Less: Cash and Bank balances | 2,891.32 | 613.55 |
| Net debt | 5,666.32 | 7,293.43 |
| Total Capital (ii) | 22,350.51 | 22,191.86 |
| Capital and net debt | 28,016.83 | 29,485.29 |
| Net debt to Total Capital plus net debt ratio (%) | 20% | 25% |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

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

| 40 Earnings per share | As at 31st March, 2021 ₹ in lakhs | As at 31st March, 2020 ₹ in lakhs |
|---|---|---|
| Profit / (loss) attributable to equity shareholders | 188.65 | (1,146.97) |
| Number of equity shares for Basic and Diluted EPS | 23,09,52,619 | 23,09,52,619 |
| Basic earnings per equity share (in Rupees) | 0.08 | (0.50) |
| Diluted earnings per equity share (in Rupees) | 0.08 | (0.50) |
| Face value per share | 1.00 | 1.00 |

- 41 Research and development expenses consist of employee expenses and other expenses of ₹165.49 lakhs (previous year ₹268.03 lakhs), and ₹96.05 lakhs (previous year ₹120.21 lakhs) respectively. Depreciation on Research and Development assets is ₹14.93 lakhs (previous year ₹18.97 lakhs) shown under Property, Plant and Equipments.

42. 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. Sanjay Munshi - Whole - time Director (upto 13th February, 2020) Mr. Lokesh Sikka - Whole - time Director (from 13th February, 2020) Mr. Rafique Malik - Independent Director Mr. Carlton Pereira - Independent Director Mr. Arvind Sharma - Independent Director Ms. Sujata Deshmukh - Independent Director (upto 9th January, 2020) 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 Mr. Karthi Chandramouli - Chief Financial Officer (from 14th August, 2019 to 31st July, 2020) Mr. Sanjay Jhawar - Chief Financial Officer (from 11th February, 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

₹ in lakhs

| Nature of transactions | Year | Key management Personnel | Relatives of key management personnel | Enterprise over which any person described in (1) & (2) is having significant influence |
|--|------|--------------------------|---------------------------------------|---|
| | | (1) | (2) | (3) |
| Purchase / (purchase return) of goods, services, intangible assets and spares | | | | |
| Iwai Electronics Pvt.Limited | 2021 | - | - | 89.80 |
| | 2020 | - | - | 38.37 |
| Sale of goods, spares and services | | | | |
| Iwai Electronics Pvt. Limited | 2021 | - | - | 0.22 |
| | 2020 | - | - | - |
| Rent paid | | | | |
| G.L.Mirchandani | 2021 | - | - | - |
| | 2020 | 2.59 | - | - |
| Gita Mirchandani | 2021 | - | - | - |
| | 2020 | - | 10.42 | - |
| Akshay Mansukhani | 2021 | - | - | - |
| | 2020 | - | 0.89 | - |
| Ayesha Mansukhani | 2021 | - | - | - |
| | 2020 | - | 0.89 | - |
| Gulita Wealth Advisors Private Limited | 2021 | - | - | 30.00 |
| | 2020 | - | - | 30.00 |
| Adino Electronics Ltd. | 2021 | - | - | - |
| | 2020 | - | - | 5.21 |
| Refund of rent deposit | | | | |
| Gita Mirchandani | 2021 | - | - | - |
| | 2020 | - | 10.42 | - |
| Akshay Mansukhani | 2021 | - | 0.89 | - |
| | 2020 | - | - | - |
| Ayesha Mansukhani | 2021 | - | 0.89 | - |
| | 2020 | - | - | - |
| G.L.Mirchandani | 2021 | 2.59 | - | - |
| | 2020 | - | - | - |
| Loans given | | | | |
| Lokesh Sikka | 2021 | 7.00 | - | - |
| | 2020 | - | - | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ in lakhs

| Nature of transactions | Year | Key management Personnel | Relatives of key management personnel | Enterprise over which any person described in (1) & (2) is having significant influence |
|--|------|--------------------------|---------------------------------------|---|
| | | (1) | (2) | (3) |
| Loans given repaid | | | | |
| Lokesh Sikka | 2021 | 7.00 | - | - |
| | 2020 | - | - | - |
| Interest accrued on loans | | | | |
| Lokesh Sikka | 2021 | 0.02 | - | - |
| | 2020 | - | - | - |
| Remuneration of key management personnel | | | | |
| G.L. Mirchandani | | | | |
| Remuneration | 2021 | 106.24 | - | - |
| | 2020 | 121.63 | - | - |
| V.J.Mansukhani | | | | |
| Remuneration | 2021 | 111.54 | - | - |
| | 2020 | 121.63 | - | - |
| Kaval Mirchandani | | | | |
| Remuneration | 2021 | 31.81 | - | - |
| | 2020 | 34.81 | - | - |
| G. Sundar | | | | |
| Remuneration | 2021 | 214.35 | - | - |
| | 2020 | 233.99 | - | - |
| Lalit Mohan Chendvankar | | | | |
| Remuneration | 2021 | 37.44 | - | - |
| | 2020 | 40.23 | - | - |
| Sanjay Munshi | | | | |
| Remuneration | 2021 | - | - | - |
| | 2020 | 63.78 | - | - |
| Karthy Chandramouli | | | | |
| Remuneration | 2021 | 12.79 | - | - |
| | 2020 | 25.66 | - | - |
| Sanjay Jawhar | | | | |
| Remuneration | 2021 | 17.27 | - | - |
| | 2020 | - | - | - |
| Lokesh Sikka | | | | |
| Remuneration | 2021 | 46.08 | - | - |
| | 2020 | 6.59 | - | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ in lakhs

| Nature of transactions | Year | Key management Personnel | Relatives of key management personnel | Enterprise over which any person described in (1) & (2) is having significant influence |
|------------------------|------|--------------------------|---------------------------------------|---|
| | | (1) | (2) | (3) |
| Sitting Fees | | | | |
| Mr. Rafique Malik | 2021 | 2.27 | - | - |
| | 2020 | 2.38 | - | - |
| Mr. Carlton Pereira | 2021 | 1.85 | - | - |
| | 2020 | 1.95 | - | - |
| Mr. Arvind Sharma | 2021 | 1.23 | - | - |
| | 2020 | 1.64 | - | - |
| Ms. Sujata Deshmukh | 2021 | - | - | - |
| | 2020 | 0.31 | - | - |
| Ms. Mohita Arora | 2021 | 1.35 | - | - |
| | 2020 | - | - | - |

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 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Loans to Related party

There is no loan outstanding with any related party.

Related party balances

₹ in lakhs

| Nature of transactions | Year | Key management Personnel | Relatives of key management personnel | Enterprise over which any person described in (1) & (2) is having significant influence |
|------------------------|------|--------------------------|---------------------------------------|---|
| | | (1) | (2) | (3) |
| Receivable | | | | |
| Akshay Mansukhani | | | | |
| Rent Deposit given | 2021 | - | - | - |
| | 2020 | - | 0.89 | - |
| Ayesha Mansukhani | | | | |
| Rent Deposit given | 2021 | - | - | - |
| | 2020 | - | 0.89 | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ in lakhs

| Nature of transactions | Year | Key management Personnel | Relatives of key management personnel | Enterprise over which any person described in (1) & (2) is having significant influence |
|--|------|--------------------------|---------------------------------------|---|
| | | (1) | (2) | (3) |
| G.L.Mirchandani | | | | |
| Rent Deposit given | 2021 | - | - | - |
| | 2020 | 2.59 | - | - |
| Gulita Wealth Advisors Private Limited | | | | |
| Rent Deposit | 2021 | - | - | 1,000.00 |
| | 2020 | - | - | 1,000.00 |
| Adino Electronics Limited | | | | |
| Debtors | 2021 | - | - | 0.85 |
| | 2020 | - | - | 2.11 |
| Interest receivable on loans | | | | |
| Lokesh Sikka | 2021 | 0.02 | - | - |
| | 2020 | - | - | - |
| Payable | | | | |
| Iwai Electronics Pvt.Limited | | | | |
| Creditors | 2021 | - | - | 17.39 |
| | 2020 | - | - | - |
| Remuneration payable | | | | |
| G.L. Mirchandani | | | | |
| Remuneration | 2021 | 6.10 | - | - |
| | 2020 | 7.64 | - | - |
| V.J.Mansukhani | | | | |
| Remuneration | 2021 | 9.13 | - | - |
| | 2020 | 10.14 | - | - |
| Kaval Mirchandani | | | | |
| Remuneration | 2021 | 2.36 | - | - |
| | 2020 | 2.66 | - | - |
| G. Sundar | | | | |
| Remuneration | 2021 | 16.42 | - | - |
| | 2020 | 18.44 | - | - |
| Lalit Mohan Chendvankar | | | | |
| Remuneration | 2021 | 2.89 | - | - |
| | 2020 | 3.23 | - | - |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

₹ in lakhs

| Nature of transactions | Year | Key management Personnel | Relatives of key management personnel | Enterprise over which any person described in (1) & (2) is having significant influence |
|--|------|--------------------------|---------------------------------------|---|
| | | (1) | (2) | (3) |
| Karthi Chandramouli Remuneration | 2021 | - | - | - |
| | 2020 | 3.39 | - | - |
| Sanjay Jhawar Remuneration | 2021 | 5.76 | - | - |
| | 2020 | - | - | - |
| Lokesh Sikka Remuneration | 2021 | 3.51 | - | - |
| | 2020 | 3.93 | - | - |
| Sitting Fees Payable | | | | |
| Mr. Rafique Malik | 2021 | 0.62 | - | - |
| | 2020 | 0.62 | - | - |
| Mr. Carlton Pereira | 2021 | 0.52 | - | - |
| | 2020 | 0.52 | - | - |
| Mr. Arvind Sharma | 2021 | 0.41 | - | - |
| | 2020 | 0.41 | - | - |
| Ms. Sujata Deshmukh | 2021 | - | - | - |
| | 2020 | 0.31 | - | - |
| Ms. Mohita Arora | 2021 | 0.31 | - | - |
| | 2020 | - | - | - |
| Rent Payable | | | | |
| Gulita Wealth Advisors Private Limited | 2021 | - | - | 2.50 |
| | 2020 | - | - | 5.00 |
| G.L. Mirchandani | 2021 | - | - | - |
| | 2020 | - | - | 0.22 |
| Akshay Mansukhani | 2021 | - | - | - |
| | 2020 | - | - | 0.07 |
| Ayesha Mansukhani | 2021 | - | - | - |
| | 2020 | - | - | 0.07 |

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

43. In accordance with the provisions of Section 135 (5) of the Companies Act, 2013, the Company is not required to provide / spend any amount under Corporate Social Responsibility during the year ended 31st March, 2021.

44. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises two types of risk: currency rate risk and interest rate risk. Financial instruments affected by market risks include loans and borrowings, deposits and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at 31st March, 2021 and 31st March, 2020. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Companies operating activities that is buying of Raw Material and Finished Goods from international buyers. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of purchases. The Company hedges its exposure to fluctuations on the translation into INR of its imports operations. This foreign currency risk is hedged by using foreign currency forward contracts.

Following table analysis foreign currency assets and liabilities as on balance sheet date

| | 31st March, 2021 | | 31st March, 2020 | |
|-------------------------------------|---------------------------|------------|---------------------------|------------|
| | Foreign currency in lakhs | ₹ in lakhs | Foreign currency in lakhs | ₹ in lakhs |
| Foreign currency liabilities | | | | |
| In USD | 85.09 | 6,269.58 | 100.06 | 7,543.00 |
| in RMB | - | - | - | - |
| Foreign currency Assets | | | | |
| In USD | - | - | 1.02 | 76.84 |

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, 2021 is tabulated below.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

| | | Effect on profit before tax | Effect on pre tax equity |
|------------------|---------------------------------------|--------------------------------|-----------------------------|
| 31st March, 2021 | Rupee depreciates by Re.1 against USD | (85.09) | (85.09) |
| | Rupee appreciate by Re.1 against USD | 85.09 | 85.09 |
| 31st March, 2020 | Rupee depreciates by Re.1 against USD | (99.04) | (99.04) |
| | Rupee appreciate by Re.1 against USD | 99.04 | 99.04 |

Notes :

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

(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, 2021 | | 31st March, 2020 | |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
| | 50 bps increase | 50 bps decrease | 50 bps increase | 50 bps decrease |
| Interest expense on loan | 974.23 | 894.84 | 904.57 | 833.67 |
| Effect on profit before tax | 39.70 | (39.70) | 35.45 | (35.45) |

(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 companys internal assessment.

| Particulars | 31st March, 2021 | 31st March, 2020 |
|------------------------|------------------|------------------|
| Trade receivable | 11,478.94 | 7,872.46 |
| Loans | - | - |
| Other financial assets | 1,499.32 | 1,396.20 |

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

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

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 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 | 26,999.09 | 174.42 | - | 27,173.51 |
| Acceptance | 5,197.53 | - | - | 5,197.53 |
| Current maturities of Long-term borrowings from ABFL | 533.32 | - | - | 533.32 |
| Current maturities - CCECL Loan From SBI | 240.00 | - | - | 240.00 |
| 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 |
| | 41,197.10 | 1,412.92 | - | 42,610.02 |
| Year Ended March 2020 | | | | |
| Non Current Borrowings | - | 1,318.30 | - | 1,318.30 |
| Borrowings - Cash credit | 6,134.51 | - | - | 6,134.51 |
| Trade payables | 22,407.40 | - | - | 22,407.40 |
| Acceptance | 2,398.80 | - | - | 2,398.80 |
| Current maturities of Long-term borrowings from Indusind Bank | 87.51 | - | - | 87.51 |
| Current maturities of Long-term borrowings from ABFL | 366.66 | - | - | 366.66 |
| Interest accrued on borrowings | 52.99 | - | - | 52.99 |
| Others payables | | | | |
| Dealer Deposits | 59.41 | - | - | 59.41 |
| Employee Benefits | 878.52 | - | - | 878.52 |
| Creditors for Capital items | 0.97 | - | - | 0.97 |
| | 32,386.77 | 1,318.30 | - | 33,705.07 |

45. 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.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

- 46 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, 2021 ₹ in lakhs | 31st March, 2020 ₹ in lakhs |
|---|--------------------------------|--------------------------------|
| a) Principal amount remaining unpaid as | 631.01 | 120.76 |
| b) Interest due thereon as on | - | - |
| c) The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| d) The amount of Interest due and | - | - |
| e) The amount of Interest accrued and | - | - |
| f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid | - | - |

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.

- 47 The outbreak of COVID-19 globally and in India has caused significant disturbances and slow-down of economic activity. The Company's operations were substantially impacted in the months of April 2020 and May 2020 due to temporary shut-down of plants, manufacturing facilities, logistics and warehouses following nationwide lockdown announced by the Government of India. However in the subsequent period of the year, the Company's operation had returned to normalcy and resulted in growth in sales compared to the previous year.

Due to the outbreak of second wave of Covid-19 in the start of FY 2021-22, many state governments had imposed lockdown like restrictions which have impacted economic and commercial activities in the country. The management has considered impact of the second wave.

The Company continues to assess the recoverability of the carrying amount of its assets through consideration of various internal and external information. The Company does not foresee any significant incremental risk to the recoverability of carrying value as at 31st March, 2021 of its assets. Since the situations are continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of the financial statements.

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

For S R B C & CO LLP

ICAI Firm Regn. No. 324982E/E300003
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Place : Mumbai
Date : 14th June, 2021

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

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

V.J.Mansukhani
Managing Director
DIN : 01041809

Lalit Chendvankar
Head Corporate Affairs,
Legal and Company Secretary

40 YEARS

PRIDE OF INDIA



MIRC ELECTRONICS LTD

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