



## MIRC ELECTRONICS LIMITED

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

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Dear Member,

### Notice pursuant to Section 110 of the Companies Act, 2013

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the resolution appended below is proposed to be passed as Special Resolution by way of postal ballot. The explanatory statement pertaining to the aforesaid resolution setting out the material facts and the reasons thereof is annexed hereto along with a postal ballot form (the "Form") for your consideration. The Board of Directors of the Company (the "Board") has appointed Mr. Nilesh G. Shah, Practicing Company Secretary, (FCS No. 4554, CP No. 2631) as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and return the same in original, duly completed in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer, not later than the close of working hours i.e. 6.00 p.m. on Wednesday, 24<sup>th</sup> June, 2015.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Form. References to Postal Ballot in this notice include votes received electronically.

Upon completion of the scrutiny of the Form, the Scrutinizer will submit his report to the Chairman. The result of the postal ballot would be announced by a Chairman & Managing Director or in his absence by the Director of the Company on Friday, 26<sup>th</sup> June, 2015 at 4.00 p.m. at the registered office of the Company. The aforesaid result would be displayed at the registered office of the Company, intimated to the Stock Exchanges where the shares of the Company are listed and displayed along with the Scrutinizer's report on the Company's website viz. www.onida.com.

### SPECIAL RESOLUTION:

#### Item No. 1:

#### Preferential issue of Warrant

**To consider and if thought fit to pass, the following resolution for the preferential allotment of warrant as a Special Resolution:**

**"Resolved That** pursuant to the provisions of Section 42, 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the applicable Rules thereunder (the "Act") and any applicable subsisting sections of the Companies Act, 1956, as amended, and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"), the Listing Agreements entered into with the respective stock exchanges where the shares of the Company are listed, the provisions of the Foreign Exchange Management Act, 1999, as amended, and rules and regulations framed thereunder as in force and in accordance with other applicable rules, regulations, circulars, notifications, clarifications and guidelines thereon issued from time to time by the Government of India, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Registrar of Companies (the "RoC") and the Stock Exchanges where the shares of the Company are listed ("Stock Exchanges") and subject to requisite approvals, consents, permissions and/or sanctions if any of them and other appropriate statutory, regulatory or other authority (including RBI) and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting any such approvals, consents, permissions, and/or sanctions, which may be agreed to by the Board of Directors or of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred hereunder), the Board be and is hereby authorized to and on behalf of the Company, to create, offer, issue and allot on Preferential basis, 1 (One) Warrant (hereinafter referred to as the "Warrant") to BENNETT COLEMAN & CO. LTD. (hereinafter referred to as the BCCL/ Warrant holder) being Person other than Promoter and /or Promoter Group exercisable for equity shares aggregating to Rs. 22,75,00,000 (Twenty Two Crores Seventy Five Lacs Only) with such warrant carrying an option / entitlement to the warrant holder to subscribe to equity shares of the face value of Re. 1/- each for cash at a minimum price of Rs. 10/- each ( including premium of Rs 9/- each) per share or such higher price as may be arrived at in accordance with the SEBI ICDR Regulations as on the 'Relevant Date' or such higher price per share equal to the average of the weekly high and low of the closing prices of the equity share of the company as quoted on the National Stock Exchange of India Ltd. during the 26 (twenty six) weeks preceding the last date of 17 (seventeenth) month from the date of allotment of warrant, after making adjustment for any bonus issue / split / consolidation (hereinafter referred as Formula price) as the Board may think fit.

**Resolved Further That** the "Relevant Date" as per SEBI ICDR Regulations for the purpose of determining the price of equity shares on exercise of warrant shall be May 27, 2015. The Relevant Date shall be 30 days prior to the date of passing of the Special Resolution i.e. declaration of result of postal ballot i.e. June 26, 2015 which is deemed to be the date of passing the resolution in accordance with Section 62(1)(c) of the Act and the applicable Rules thereunder.

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**Resolved Further That** the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon exercise of option by the warrant holder and the equity shares issued on conversion of said warrant shall be subject to the Memorandum and Articles of Association of the company and shall rank pari passu in all respects including dividend with the existing fully paid up equity shares of the company.

**Resolved Further That:**

- a) The Warrant to be offered, issued and allotted shall be subject to the provisions of the Act and the "SEBI ICDR Regulations".
- b) An amount equivalent to 25% (twenty five per cent) of Rs 22,75,00,000 shall be payable at the time of subscription of the Warrant. The balance 75% (Seventy five per cent) of Rs 22,75,00,000 shall be payable by the warrant holder upon exercise of the entitlement attached to Warrant to subscribe for Equity Share(s). The amount paid against Warrant shall be adjusted / set off against the price payable for the resultant Equity Shares.
- c) Subject to applicable provisions of law, such Warrant may at the option of the holder, be exercised for equity shares of the Company, within 18 months from the date of allotment, and on such terms and the conditions, in such form and manner as the Board and the holder of the Warrant may, in their absolute discretion, think fit.
- d) The Equity Shares to be issued and allotted by the Company on exercise of the Warrant in the manner aforesaid shall be in dematerialized form.
- e) The Warrant shall be locked in for a period of 1(one) year from the date of allotment of Warrant and the Equity Shares allotted pursuant to the conversion of the Warrant will be put under fresh lock in for a period of 1 (one) year from the date of on receipt of trading approval from stock exchange where the company's equity shares are listed or as may be required under SEBI ICDR Regulations.

**Resolved Further That** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modifications to the terms of the issue) entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the shareholders of the company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrant and Equity Shares and utilization of proceeds of the Equity Shares, take all other stages which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

**Resolved Further That** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolutions.

**Resolved Further That** all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects".

**By order of the Board**

**Place: Mumbai**  
**Date: May 13, 2015**

**Gulu L. Mirchandani**  
**Chairman & Managing Director**

**Notes:**

1. An explanatory statement pursuant to Section 102 of the Act, setting out the material facts and reasons for the proposed special resolution at Item No. 1 is appended herein below along with Postal Ballot (Form) for your consideration.
2. The Postal ballot Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited ("NSDL")/Central Depository Services (India) Limited ("CDSL") as on Friday, 8<sup>th</sup> May, 2015.
3. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 and the Listing Agreement entered into with the Stock Exchanges, the Company is pleased to offer e-voting facility as an option to all the Members of the Company. The Company has entered into an agreement with CDSL for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Form. E-voting is optional.
4. As per Section 110 of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the Members through electronic means. Members who have registered their e-mail IDs with depositories or with the Company are being sent this Notice of Postal Ballot by e-mail and the members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with physical Form through post/courier.

**EXPLANATORY STATEMENT**

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

**Item No. 1:**

The Company is in the business of manufacturing and marketing of consumer durables i.e. Air conditioners, TV, washing machines, microwave ovens and others products and have to rely on continuous brand promotion to keep up the brand visibility. The Company has pan India presence and there are diverse territories and markets. Brand promotion requires a sustained advertising campaign and coverage is very wide with options of Print and Non Print avenues to reach out diverse customers. To sustain a brand promotion campaign the company would require additional finance as banks do not have focused finance facility for such objectives.

Bennett Coleman & Co. Ltd. (BCCL) a prominent name in media has agreed to subscribe to the warrant and extend a Line of Credit to support such brand promotion objectives.

Pursuant to provisions of Section 42, 62 (1)(c) of Companies Act, 2013 (the "Act") and Regulation 72 of SEBI ICDR Regulations, any preferential allotment of Securities needs to be approved by the shareholders by way of a Special Resolution.

The consent of the shareholders is being sought by a special resolution to enable the Board to issue such securities as may be permitted under applicable laws to BCCL in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, SEBI ICDR Regulations, as amended, Listing Agreement and any other applicable laws, including with respect to the pricing of the securities proposed to be issued.

Further, in terms of Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 73 of SEBI ICDR Regulations, the following disclosures are required to be made in the Explanatory Statement to the Notice:

- A) The objects of the preferential issue :  
To meet funding requirements towards Brand Building through advertising in the Print and Non-Print Medium/Media.
- B) The proposal of the promoters, directors or key management personnel of the Company to subscribe to the offer :  
No warrant are being offered to Promoters, Directors or Key Managerial Personnel or relatives of the Promoters, Directors or Key Managerial Personnel of the Company.
- C) The shareholding pattern of the Company before and after the preferential issue:

Sr. No.	Category of Investor	Pre - Issue (As on 31.03.2015)		Post - Issue (After exercise of Warrant)	
		No. of Shares held	% of shareholding	No. of Shares held	% of shareholding
<b>A</b>	<b>Promoters and Promoters Group</b>				
1	Indian:				
	Individual	54330820	27.69	54330820	24.81
	Bodies Corporate	67861818	34.58	67861818	30.99
	<b>Sub Total</b>	<b>122192638</b>	<b>62.27</b>	<b>122192638</b>	<b>55.80</b>
2	Foreign Promoters	-	-	-	-
	<b>Sub Total (A)</b>	<b>122192638</b>	<b>62.27</b>	<b>122192638</b>	<b>55.80</b>
<b>B</b>	<b>Non-Promoters' holding:</b>				
1.	Institutional Investors				
	Mutual Funds	2700	0.00	2700	0.00
	Financial Institutions/ Banks	1208	0.00	1208	0.00
	Insurance Companies	800000	0.41	800000	0.36
	Foreign Institutional Investors/FFI	215000	0.11	215000	0.10
2	Non-Institution:				
	Corporate Bodies (Refer Note 1)	10290630	5.24	33040630	15.09
	Directors and Relatives	-	-	-	-
	Indian Public	54655074	27.85	54655074	24.96
	Others (Including NRIs)	8076952	4.12	8076952	3.69
	<b>Sub Total (B)</b>	<b>74041564</b>	<b>37.73</b>	<b>96791564</b>	<b>44.20</b>
	<b>Grand Total</b>	<b>196234202</b>	<b>100.00</b>	<b>218984202</b>	<b>100.00</b>

Note:-

- 1. Includes maximum 2,27,50,000 equity shares which will be allotted on exercise of warrant.

- D) The time within which the preferential issue shall be completed :

The allotment of the Warrant on preferential basis will be completed within a period of 15 days from the date of passing of the aforesaid special resolution. Provided that where any approval or permission by any regulatory authority for allotment is pending, the allotment of the Warrant shall be completed within 15 days from the date of such approval or permission.

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E) Identity of the proposed allottee :

Name of proposed allottee	Ultimate beneficial owners	No. of Shares to be allotted	Post-Issue shareholding after exercise of Warrant
Bennett Coleman & Co. Ltd. (BCCL)	a) Bharat Nidhi Limited b) PNB Finance & Industries Limited c) Camac Commercial Company Limited d) Arth Udyog Limited e) Ashoka Viniyoga Limited	Upto 2,27,50,000	Up to 10.39%

Save and except proposed Preferential Issue in the resolution as set in the accompanying Notice, the Company has made no other issue or allotment of securities on preferential basis during the year.

F) Change in control, if any, in the Company consequent to the preferential issue :

There will be no change in control of the Company pursuant to the exercise of Warrant by BCCL, as on exercise of warrant their shareholding will be only upto the extent of 10.39% post -issue shareholding.

G) Basis or Justification of Price :

The pricing for equity shares shall be higher of the following:

- minimum exercise price of Rs 10/- per share or;
- price as may be arrived at in accordance with the provisions of SEBI ICDR Regulations, as amended as on relevant date or;
- price per share equal to the average of the weekly high and low of the closing prices of the equity share of the Company as quoted on the National Stock Exchange of India Ltd. during the 26 (twenty six) weeks as on the last date preceding the 17 (seventeenth) month from the date of allotment of warrant, after making adjustment for any bonus issue / split / consolidation. (referred as Formula Price)

H) Certificate from Statutory Auditors.

The certificate of the Statutory Auditors of the Company to the effect that the present preferential offer is being made in accordance with the requirements contained in Chapter VII of the SEBI ICDR Regulations shall be available for inspection at the Registered Office of the Company between 10.00 am to 4.00 p.m. from the relevant date upto the date of passing of the special resolution.

I) Relevant Date :

"Relevant Date" as per SEBI ICDR Regulations for the purpose of determining pricing of equity shares shall be May 27, 2015. The Relevant Date is 30 days prior to the date of date of passing of the Special Resolution i.e. declaration of result of postal ballot i.e. June 26, 2015 which is deemed to be the date of passing resolution in accordance with Section 62(1)(c) of the Act and the applicable Rules there under.

J) Terms of Warrant to be issued to the allottee:

- At any time after 17<sup>th</sup> month from the date of allotment of the Warrant but on or before the expiry of 18 months from the date of allotment of the Warrant, the warrant holder will be entitled, to apply for and obtain allotment of such number of equity shares of face value of Re. 1/- each of the Company, aggregating to Rs 22,75,00,000 at a price calculated on the basis of para G above.
- Upon exercise of warrant by the warrant holder, the Board (or a Committee authorized by the Board) shall allot such number of Equity Shares of face value of Re.1/- each as may be required to be issued and allotted, as would be calculated on the basis of a price as determined above.
- The equity shares issued pursuant to an exercise of the warrant will be subject to the Memorandum of Association of the Company and shall rank pari passu in all respects including with respect to dividend, with the then fully paid-up equity shares of the Company.
- The equity shares to be allotted on exercise of warrant will be subject to lock in for a period of one year from the date of receipt of trading approval from stock exchange where the Company's equity shares are listed.

The Board believes that the proposed offer, issue will be in the interest of the Company and its shareholders.

The Board recommends the Special Resolution mentioned at Item No. 1 of the notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the said Resolutions except to the shareholding if any held by them in the Company.

**By order of the Board**

Place: Mumbai  
Date: May 13, 2015

**Gulu L. Mirchandani**  
Chairman & Managing Director