



MIRC ELECTRONICS LIMITED

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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, (the "Act"), 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 resolutions appended below are proposed to be passed as Special Resolutions by way of postal ballot/e-voting. The explanatory statement pertaining to the aforesaid resolutions setting out the material facts concerning each item 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 Friday, 19th December, 2014.

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 Managing Director of the Company on Monday, 22nd December 2014 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 RESOLUTIONS:

1. Borrowing Powers of the Board

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"Resolved That in supersession of the earlier resolution passed by the shareholders of the Company at the Extra Ordinary General Meeting of the Company held on 29th November, 1999, and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification and re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) to borrow any sum(s) of money from time to time as they may deem necessary for the purpose of business of the Company, notwithstanding that the moneys so borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from Company's bankers in the ordinary course of business and remaining outstanding at any point of time) may exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose but so howsoever that the total amount up to which the moneys may be borrowed by the Board and outstanding at any time, shall not exceed the sum of ₹ 1,000 Crores [Rupees One Thousand Crores].

Resolved Further That the Board be and is hereby authorized on behalf of the company to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required pursuant to above resolution".

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2. Creation of Charges on Company's Properties.

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“Resolved That in supersession of the resolution passed at Extra Ordinary General Meeting of the Company held on 29th November, 1999 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification and re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **“Board”** which term shall be deemed to include any committee thereof) for the creation of such mortgage(s), charge(s) and hypothecation(s) in addition to the existing mortgages, charges and hypothecations created by the Company on such movable and immovable properties, wheresoever situate, both present or future and on such terms at such time in such form and manner as the Board may think fit, together with the power to takeover the management and concern of the Company in certain events to and in favour of all or any of the following i.e. Banks, Financial Institution, Insurance companies, Investment Institutions and Investing agencies or Trustees for holders of Debentures/Securities/ Debt Instruments and other Secured lenders (hereinafter referred as Lenders) to secure repayment of any rupee loan/ foreign currency loan and/or issue of debentures, and/ or any other financial assistance and/or guarantee facilities already obtained or that may be hereinafter be obtained, upto ₹ 1,000 crores [Rupees One Thousand Crores].”

Resolved Further That the Board be and is hereby authorized on behalf of the company to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required pursuant to above Resolution”.

3. Re-appointment of Mr. Kaval G. Mirchandani, a relative of Directors as ‘Vice President - Corporate Strategy’.

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“Resolved That pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 read together with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (including any statutory modification and re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to the re-appointment of Mr. Kaval G. Mirchandani, a relative of Mr. Gulu L. Mirchandani, Chairman & Managing Director of the Company, for holding and continuing to hold an office or place of profit under the Company as Vice President - Corporate Strategy with effect from April 01, 2015 for a period of 5 (five) years on the following terms and conditions:-

- A] Salary:- ₹ 1,20,000 per month
- B] Designation: Vice President - Corporate Strategy
- C] Accommodation: Rent free furnished accommodation or upto 50% of salary as house rent allowance in lieu of accommodation.
- D] Other allowances and Perquisites (Special Allowance, Education Allowance, LTA, Bonus etc.) upto 60% of the salary and as determined by the Board of Directors from time to time.
- E] Performance/Variable pay: As per his performance evaluated by Nomination & Remuneration Committee.

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

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

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

Resolved Further That the remuneration payable to Mr. Kaval Mirchandani would be on a time scale basis to be revised annually on the 1st of April every year w.e.f. April 1, 2016 onwards, for the term of his appointment, at the discretion of the Board of Directors of the Company and subject to the performance of Mr. Kaval Mirchandani.

Resolved Further That the Board of Directors be and is hereby authorised to vary his terms of remuneration and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper in the best interest of the Company for the purpose of giving effect to this resolution”.

By order of the Board

Place : Mumbai

Date : November 7, 2014

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

Notes:

1. An explanatory statement pursuant to Section 102 of the Act, setting out the material facts and reasons for the proposed special resolutions at Item Nos. 1 to 3 above, 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, 7th November, 2014.
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. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical ‘Form’ may indicate their option to receive the physical ‘Form’ from the Company by clicking on the box provided in the e-mail or alternatively download the ‘Form’ from the link www.evotingindia.co.in or from the ‘Investors’ section on the Company’s website www.onida.com.

EXPLANATORY STATEMENT

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

Item No. 1 and 2:

The Members of the Company at the Extra Ordinary General Meeting of the Company held on 29th November, 1999 had accorded by way of Ordinary Resolution, their approval to the Board of Directors of the Company to borrow from time to time such sums of money as they may deem necessary for purpose of business of the Company and also for creation of charge on Company’s properties as required under Section 293(1) (d) and Section 293(1) (a) respectively of the Companies Act, 1956 upto ₹ 1000 crores.

After the applicability of the Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013 which were made effective from September 12, 2013, it provides for approval of the shareholders by way of a Special Resolution.

The Ministry of Corporate Affairs vide general circular no. 04/2014 has clarified that a special resolution under above section has to be passed within one year from the date of notification of Section 180 i.e. 12/09/2013. This item requires to be approved only by means of a Postal Ballot as per Section 110 of the Companies Act, 2013.

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The Resolution at item no 1 & 2 are therefore proposed to be passed to seek fresh consent of the shareholders by means of a Special Resolution under Section 180(1) (c) and Section 180(1) (a) of the Companies Act, 2013 to borrow money exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in ordinary course of business) and for the creation of charge/ mortgage/pledge/hypothecation in favour of lender(s) respectively upto ₹ 1,000 crores [Rupees One Thousand Crores].

The Board recommends the Special Resolutions mentioned at Item No. 1 & 2 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.

Item No. 3:

Mr. Kaval Mirchandani, son of Mr. Gulu L. Mirchandani , Chairman and Managing Director is presently working in the Company as "Vice President - Corporate Strategy". His present terms of appointment and remuneration were approved by the members in the Annual General Meeting of the Company held on 28.06.2010. The Central Government vide letter dated 20th September, 2010 approved his appointment and remuneration under Section 314(1B) of the Companies Act 1956 from 28.06.2010 to 31.03.2015.

Mr. Kaval Mirchandani (aged 39 years) is an M.B.A. in International Management from Thunderbird American Graduate School of International Management, U.S.A. and has wide experience in Electronics Industry.

Section 188 (1) (f) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, *inter alia* provides that except with the consent of the Board of Directors duly authorised by a Special Resolution passed by the shareholders, no Company shall enter into any contract or arrangement with a related party with respect to such related party's appointment to the office or place of profit in the company, subsidiary or associate company at a monthly remuneration exceeding ₹ 2,50,000/-.

The Board of Directors on the recommendation of the Nomination & Remuneration Committee at their meeting held on November 7, 2014, have approved his terms and conditions and have sought approval of members for the re-appointment of Mr. Kaval G. Mirchandani as Vice President -Corporate Strategy for a further period of 5 (five) years w.e.f. 1st April, 2015; as per the terms and conditions mentioned in the above resolution.

The Board recommends the Special Resolution mentioned at Item No. 3 of the notice for approval by the members.

Mr. Kaval Mirchandani is related to Mr. Gulu L. Mirchandani, Chairman & Managing Director and is nephew of Mr. Vijay J. Mansukhani, Managing Director, and both of them are deemed to be directly or indirectly concerned or interested in his appointment and remuneration paid to him, 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.

None of the other Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the said Resolution.

By order of the Board

Place : Mumbai

Date : November 7, 2014

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