

MIRC ELECTRONICS LIMITED

NOTICE

NOTICE is hereby given that an Extra-Ordinary General Meeting of the Members of the Company will be held on Monday, the 20th day of January, 2014 at 3:00 p.m., at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 to transact the following Special Business:

SPECIAL BUSINESS:

1. Raising of funds by way of Rights Issue.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"Resolved That in accordance with the provisions of Section 81(1) and 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Companies Act, 2013, to the extent applicable, any other law for the time being in force and the provisions in the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI ICDR Regulations"), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and other guidelines issued by the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India, Foreign Investment promotion Board, Central Government, and any other appropriate authorities, institutions or bodies, Listing Agreements entered into by the Company with the stock exchange and subject to the approval, permissions and sanctions of the lenders of the Company, SEBI, stock exchanges, Reserve Bank of India ("RBI"), the Foreign Investment Promotion Board ("FIPB"), Government of India and other concerned authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of the aforementioned authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board of the Directors 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 hereinafter constitute to exercise its powers including the powers conferred hereunder), the consent, authority and approval of the Members of the Company be and is hereby accorded to create, offer and issue, to the equity shareholders of the Company as on the record date (to be fixed for the purpose. Hereinafter referred to as **Record Date**) or to such person or persons who may or may not be shareholders of the Company in whose favour (in full or in part) the rights may be renounced by respective shareholders on such terms and conditions, as the Board may in its absolute discretion think fit, equity shares of ₹ 1/- each of the Company for a sum upto ₹ 33 crore (Rupees thirty three crore only) or such sum as may be determined by the Board in this regard, in the ratio and price to be determined by the Board (the "Rights Issue") and on such other terms and conditions as may be mentioned in the offer documents to be issued by the Company in respect of the Rights Issue and as the Board may in its absolute discretion think fit, in consultation with the Lead Manager to the Rights Issue and/or such other persons as it may think fit.

Resolved Further That the Rights Issue shall be subject to the following terms and conditions:

1. Equity shares shall be issued to all persons (as per their entitlements) who holds equity shares of the Company on the Record Date. Record Date will be finalized in consultation with the stock exchanges at a later date;
2. The equity shares shall be issued at a price as decided by the Board;
3. Rights Issue will be made in the ratio as decided by the Board;
4. The monies to be called for, from the equity shareholders as on the Record Date, for the issue and allotment of equity shares shall be in such a manner as the Board may determine in its own discretion. Further, the Board shall ensure that the full amount payable in the Rights Issue is called within twelve months from the date of allotment in the Rights Issue;
5. Every equity shareholder who is eligible to apply under Rights issue shall have a right to renounce their rights entitlement being offered, in favour of any other person(s) who may or may not be shareholders of the Company. Every equity shareholder(s) including renouncee(s) shall be entitled to apply for additional equity shares and the allotment of the additional equity shares shall be made in the proportion to be decided by the Board in consultation with stock exchanges;
6. The equity shares issued pursuant to the Rights Issue shall rank pari passu with the existing equity shares of the Company in all respects;
7. The equity shares shall be issued on such other terms and conditions as the Board may determine including the final size of the Rights Issue and as may be mentioned in the offer documents to be issued by the Company in respect of the Rights Issue and the Board be and is hereby authorized to finalize the same;

8. Treatment of fractional entitlements will be finalized in consultation with stock exchanges and disclosed in the offering documents.

Resolved Further That:

- I. all monies received out of Rights Issue shall be transferred to separate bank account referred to in sub-section (3) of section 73 of the Companies Act, 1956 and the Company shall have recourse to the proceeds of the Rights Issue only after the finalization of the basis of allotment;
- II. the details of all monies utilised out of the Rights Issue referred to in (i) hereinabove shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies had been utilised; and
- III. details of all unutilised monies out of the Rights Issue, if any, referred to in (i) hereinabove shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

Resolved Further That, for the purpose of giving effect to the Rights Issue, the Board may, either by itself or through a special committee of the Board, under the name and style of "Rights Issue Committee" comprising of Mr. Gulu L. Mirchandani, Chairman & Managing Director and Mr. Vijay Mansukhani, Managing Director of the Company, alongwith Mr. Predeep Kumar Gupta, Chief Financial Officer of the Company, be and is hereby authorised to do the following, if necessary:

1. to appoint and enter into arrangements with lead managers, legal advisors, registrars, bankers to the issue and all other intermediaries and advisors necessary for the Rights Issue and to negotiate, authorise and approve fees in connection therewith;
2. to pay commission, fees, remuneration, expenses and/ or any other charges to the above agencies / persons and to give them such directions or instructions as it may deem fit from time to time;
3. to negotiate, finalise, settle and execute all necessary documents, deeds, agreements and instruments including the Issue Agreement, Underwriting Agreement, if any;
4. to take necessary actions and steps for obtaining relevant approvals, consents from FIPB, SEBI, Stock Exchanges, RBI and such other authorities as may be necessary in relation to the Rights Issue;
5. to finalise, settle, execute and deliver or arrange the delivery the Draft Letter of Offer, Letter of Offer, Composite Application Form, Split Application Form, abridged Letter of Offer and other documents and to file the same with SEBI, the Stock Exchanges and other concerned authorities and issue the same to the equity shareholders of the Company;
6. to finalize, approve, adopt and execute and deliver or arrange the delivery/filing with regulatory authorities of the offering documents (the draft letter of offer and the letter of offer) escrow and other agreements, documents, deeds, agreements and instruments as may be required or desirable in connection with the Rights Issue, including effecting changes in the offering documents and other documents as may be required by regulatory authorities or applicable laws, rules, regulations, guidelines, notifications, circulars or directions, or those required pursuant to factual changes, or otherwise so required at the discretion of the committee;
7. to approve all notices, including any advertisement(s) required to be issued, as allowed by SEBI and such other applicable authorities and to decide on other terms and conditions of the Rights Issue;
8. to decide/ modify on the terms and conditions of the Rights Issue including but not limited to fixing the Record Date, the size of the Issue, payment methods, Issue Structure, Issue Price and the ratio of equity shares to be issued pursuant to this Rights Issue;
9. to make application and obtain necessary approvals and listing for equity shares issued in Rights Issue from the Stock Exchanges;
10. to appoint the Collecting Bankers for the purpose of collection of application money for the proposed Rights Issue at the mandatory collection centres at the various locations in India;
11. to open Bank Accounts, as required with any nationalized bank/ private bank / foreign bank for the purpose of the Right Issue;
12. to decide on the marketing strategy of the Rights Issue and the costs involved;
13. to decide date of opening and closing of the Rights Issue and to extend, vary or alter the same as it may deem fit at its absolute discretion or as may be suggested or stipulated by SEBI, Stock Exchanges or other authorities from time to time;

14. to do all such necessary acts, deeds including execution of agreements, applications undertaking and any other documents for listing of equity shares issued in the Rights Issue on the Stock Exchanges;
15. to issue and allot equity shares in consultation with the Lead Managers, Registrar, the designated Stock Exchange and other Stock Exchanges where existing shares are listed and to do all necessary acts, things, execution of documents, undertaking, etc. with NSDL/ CDSL in connection with admitting of equity shares issued in the Rights Issue;
16. to incur necessary expenses such as fees of various agencies, filing fees, stamp duty, etc;
17. to enter the names of the allottees in the Register of Members of the Company;
18. to decide the mode and manner of allotment of equity shares, if not subscribed and left/ remaining after allotment of equity shares and additional equity shares applied by the shareholders and renouncees;
19. to apply to regulatory authorities seeking their approval for allotment of any unsubscribed portion of the Rights Issue (in favour of the parties willing to subscribe to the same);
20. to decide the treatment to be given to the fractional entitlement, if any, including rounding upward or downwards or ignoring such fractional entitlements or issue of fractional coupons and the terms and conditions for consolidation of fractional entitlements into a whole Equity Share and application to the Company for the same as well as to decide the disposal off the equity shares representing the fractional coupons which are not so consolidated and presented to the Company for allotment of whole equity shares or treating fractional entitlement in the manner as may be approved by SEBI and the Stock Exchanges;
21. to finalise the basis of allotment of the equity shares in consultation with Lead Managers, Registrar and the designated Stock Exchange and other Stock Exchanges where the existing equity shares are listed, if necessary;
22. to take all such actions and give all such directions as may be necessary or desirable and also to settle any question or difficulty or doubts that may arise in regard to the creation, offer, issue and allotment of the equity shares and to do all acts, deeds, matters and things which they may in their discretion deem necessary or desirable for the purpose of the Rights Issue;
23. to settle any question, difficulty or doubt that may arise in connection with the Rights Issue including the issue and allotment of the equity shares as aforesaid and to do all such acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for settling such question, difficulty or doubt and making the said Rights Issue and allotment of equity shares;
24. to file necessary returns, make declarations/announcements, furnish information, etc. to the concerned authorities in connection with the Rights Issue;
25. to sign and execute any other document, agreement, undertaking in connection with the Rights Issue;
26. to take all such other steps as may be necessary in connection with this Rights Issue; and
27. to dispose of the unsubscribed portion in such manner as it may think most beneficial to the Company.

Resolved Further That For the purpose of giving effect to any offer, issue or allotment of equity shares, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deemed necessary or desirable for such purpose, including without limitation, the entering into arrangements for managing, marketing, listing, trading and to issue any documents and writing and to pay any fees, commission, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer (s) or issue (s) or allotment (s) as it may, in its absolute discretion, deem fit."

2. Alteration of Authorised Share Capital of the Company.

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 16, 31, 94 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and the applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force ("the Act") and the rules and regulations enacted thereunder and the enabling provisions of the Memorandum and Articles of Association of the Company, the Authorised Share Capital of the Company be and is hereby altered by cancelling and re-classifying 20,00,000 (Twenty Lakh) unissued 5% Cumulative Redeemable Preference Shares of face value ₹ 100/- (Rupees Hundred) each aggregating to ₹ 20,00,00,000 (Rupees Twenty Crore) into 20,00,00,000 (Twenty Crore) equity shares of ₹ 1/- (Rupee One) each aggregating to ₹ 20,00,00,000 (Rupees Twenty Crore). Consequently, the Authorised Share Capital of the Company shall be altered and reclassified from ₹ 46,90,20,000 (Rupees Forty Six Crores Ninety Lakhs Twenty Thousand) divided into 16,80,20,000 (Sixteen Crore Eighty Lakh Twenty Thousand) equity shares of

₹ 1/- (Rupee One), 20,00,000 (Twenty Lakh) 5% Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred), 10,000 (Ten thousand) 8% Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred) each and 10,00,000 (Ten Lakh) 11% Non-Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred) to ₹ 46,90,20,000 (Rupees Forty Six Crores Ninety Lakhs Twenty Thousand) divided into 36,80,20,000 (Thirty Six Crores Eighty Lakhs Twenty Thousand) equity shares of ₹ 1/- (Rupee One), 10,000 (Ten thousand) 8% Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred) each and 10,00,000 (Ten Lakh) 11% Non-Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred).

Resolved Further That the Board of Directors of the Company ("the Board") be and is hereby authorised to issue the new shares upon such terms and conditions and with such rights and privileges attached thereto as the Board may determine, subject to any directions given by the shareholders of the Company at the time of issue thereof.

Resolved Further That Clause V of the Memorandum of Association of the Company be deleted and the following Clause V be substituted in its place and stead:

"The Authorised Share Capital of the Company is ₹ 46,90,20,000 (Rupees Forty Six Crores Ninety Lakhs Twenty Thousand) divided into 36,80,20,000 (Thirty Six Crores Eighty Lakhs Twenty Thousand) equity shares of ₹ 1/- (Rupee One), 10,000 (Ten thousand) 8% Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred) each and 10,00,000 (Ten Lakh) 11% Non-Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred) with the power to the Company to increase or reduce or modify the share capital of the Company and/or divide all or any of the shares in the capital for the time being into several classes and classify and reclassify such shares from the shares of one class into shares of other class or classes and attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions, or restrictions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may be permitted by the legislative provisions or by the Articles of Association of the Company for the time being in force. The Board will have powers to attach to the said preference shares such preferential qualities or special rights and to provide for such rate of dividend on the Preference shares as may be determined by the Directors."

Resolved Further That Article 3 of the Articles of Association of the Company be deleted and the following Article 3 be substituted in its place and stead:

"The Authorised Share Capital of the Company is ₹ 46,90,20,000 (Rupees Forty Six Crores Ninety Lakhs Twenty Thousand) divided into 36,80,20,000 (Thirty Six Crores Eighty Lakhs Twenty Thousand) equity shares of ₹ 1/- (Rupee One), 10,000 (Ten thousand) 8% Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred) each and 10,00,000 (Ten Lakh) 11% Non-Cumulative Redeemable Preference Shares of ₹ 100/- (Rupees Hundred) with the power to the Company to increase or reduce or modify the share capital of the Company and/or divide all or any of the shares in the capital for the time being into several classes and classify and reclassify such shares from the shares of one class into shares of other class or classes and attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions, or restrictions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may be permitted by the legislative provisions or by the Articles of Association of the Company for the time being in force. The Board will have powers to attach to the said preference shares such preferential qualities or special rights and to provide for such rate of dividend on the Preference shares as may be determined by the Directors."

Resolved Further That for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate."

By Order of the Board

Sd/-

Gulu L. Mirchandani
Chairman & Managing Director

Registered Office:

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

Place : Mumbai

Date : 04.12.2013

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of resolutions set out hereinabove is annexed hereto and forms part of this notice.
3. Only registered members of the Company may attend and vote at the meeting. In case of joint holders attending the meeting, only such joint holder who is higher in order of the names will be entitled to vote.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a duly certified copy of board resolution on the letterhead of the company, signed by one of the directors or company secretary or any other authorised signatory and/ or duly notarized power of attorney, authorizing their representatives to attend and vote on their behalf at the meeting.
5. For the convenience of the members and for proper conduct of the meeting, members are requested to bring their copy/ printout of notice along with the attendance slips to the meeting and hand over the slips at the entrance duly signed by them.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID No. and those who hold shares in physical form are requested to write their folio no. in the attendance slip for attending the meeting.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT TO THE SPECIAL BUSINESSES:

Item No. 1

The Company requires to raise capital to the extent of ₹ 33 Crores to augment the long term working capital requirements of the Company. The Company proposes to raise the required capital by issue of equity shares on a rights basis to the existing shareholders of the Company, subject to the approval of the shareholders and compliances/approval required to be obtained under applicable laws.

The resolution contained in the business of the notice relates to a proposal by the Company to create, offer, issue and allot such number of equity shares of the Company of face value of ₹ 1/- each ("Equity Share(s)"), for a sum not exceeding ₹ 33 Crores (Rupees Thirty Three Crores only) on a rights basis in such ratio and at such premium as may be decided by the Board or Committee formed by the Board for this purpose ("**Rights Issue**"), to the shareholders of the Company whose names appear on the Register of Members or on the list of depositories as beneficial owners, as at the end of the business hours on such date as may hereafter be fixed for the purpose by the Board.

Accordingly, the consent of the Members is being sought in accordance with the provisions of Section 81(1), Section 81 (1A), other applicable provisions of the Companies Act, 1956, the Companies Act, 2013, to the extent applicable, the SEBI ICDR Regulations. The special resolution, if passed, will have the effect of allowing the Board to proceed with the Rights Issue to the existing shareholders.

The Board of Directors believes that the proposed Rights Issue to be undertaken is in the interest of the Company and therefore recommends the resolution for your approval.

None of the Directors, key managerial personnel of the Company, and any relatives of such director, key managerial personnel of the Company is in any way concerned or interested in this Resolution except to the extent of their shareholding in the Company.

Item No. 2

The Board has been exploring various means of fund raising including raising of further capital by issuance of equity shares to the existing shareholders of the Company on a rights basis in accordance with the provisions of Companies Act, 1956, Companies Act, 2013, to the extent applicable, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI ICDR Regulations") and other applicable laws.

To facilitate any such capital infusion through further issue of Equity shares, the present authorized capital may need to be augmented. The Board thinks it prudent to reclassify part of the existing Preference Share Capital into Equity Share Capital instead of increasing the Authorised Share Capital of the Company. Hence it is proposed to re-classify 20,00,000 (Twenty Lakh) unissued 5% Cumulative Redeemable Preference Shares of face value ₹ 100/- (Rupees Hundred) each aggregating to ₹ 20,00,00,000 (Rupees Twenty Crore) into 20,00,00,000 (Twenty Crore) equity shares of ₹ 1/- (Rupee One) each aggregating to ₹ 20,00,00,000 (Rupees Twenty Crore).

Any alteration in the authorized share capital of the Company would need the consent of the shareholders and the amendments in the Memorandum and Articles of Association of the Company are consequential in nature.

Hence the Board recommends your approval for alteration the existing Authorized Share Capital of the Company.

The Board has at its meeting held on December 4, 2013 approved the above proposal of re-classification of the Share Capital and the alteration in the share capital clause of the Memorandum and Articles of Association of the Company.

A copy of the Memorandum and Articles of the Company together with proposed alterations is available for inspection by members of the Company at its Registered Office between 10.00 a.m. to 12.00 p.m. on any working day.

None of the Directors, key managerial personnel of the Company, and any relatives of such director, key managerial personnel of the Company is in any way concerned or interested in this Resolution except to the extent of their shareholding in the Company.

By Order of the Board

Sd/-

Gulu L. Mirchandani
Chairman & Managing Director

Registered Office:

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

Place : Mumbai

Date : 04.12.2013

MIRC ELECTRONICS LIMITED

Onida House, G-1, MIDC, Mahakali Caves Road, Andheri (E), Mumbai - 400 093

E-MAIL IDs REGISTRATION FORM

I, _____ (name of first/individual shareholder) holding _____ (no. of shares) equity shares in physical mode vide folio no. _____ in the Company, would like to register below mentioned e-mail ID for receiving all the communications/ documents/ notices/ correspondences from the Company in electronic mode instead of getting physical copies of the same. Kindly register the same.

E-mail ID: _____

Yours truly,

Name : _____

Address : _____

Dated : _____

MIRC ELECTRONICS LIMITED

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

PROXY FORM

I/We _____ of _____ being a member of **MIRC ELECTRONICS LIMITED, MUMBAI**
and having Regd. Folio No./ DP & Client ID No. _____, holding _____ equity shares and
hereby appoint _____ of _____ or failing him _____ of _____
as my/ our proxy to attend and vote for me/ us on my/ our behalf at the Extra-Ordinary General
Meeting of the Company to be held on Monday, January 20, 2014 at 3.00 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013/2014.

Affix ₹ 1
Revenue stamp

(Signature of the Shareholder)

Note: The proxy must be deposited duly filled and stamped at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

MIRC ELECTRONICS LIMITED

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

ATTENDANCE SLIP

(Please present this slip at the entrance of the Meeting Hall)

I hereby record my presence at the Extra-Ordinary General Meeting of the Company held at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Monday, January 20, 2014 at 3.00 p.m.

Regd. Folio No./ DP & Client ID. _____ No. of Shares _____

Name of Shareholder _____

Address _____

(Signature of the Shareholder/ Proxy)
(To be signed at the time of meeting
over at the Meeting Hall)

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If undelivered, please return to:

Link Intime India Private Limited
(Unit: MIRC Electronics Limited)

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400078
Ph: 022-25963838; E-mail: mumbai@linkintime.co.in