

# **TREND ELECTRONICS LIMITED**

**ANNUAL REPORT  
2014**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Vivek D. Dharm  
Mr. Bhopinder J. Chopra  
Mr. Subhash S. Nabar  
Mrs. Smita Dharm

### AUDITORS

#### **KHANDELWAL JAIN & CO.**

Chartered Accountants  
12- B, Baldota Bhavan, 117, Maharshi Karve Road,  
Opp. Churchgate Railway Station,  
Mumbai – 400 020

#### **KADAM & CO.**

Chartered Accountants  
“Vedant”, 8/9 Viraj Estate, Opp. Tarakpur Bus Stand,  
Ahmednagar – 414 003

### COMPANY SECRETARY

Mr. Kaustubha Sahasrabudhe

### REGISTERED OFFICE AND MANUFACTURING FACILITY

20 K. M. Stone, Aurangabad - Beed Road, Village: Bhalgaon Aurangabad - 431 210 (Maharashtra)

### BANKERS

- Canara Bank
- Central Bank of India
- Indian Bank
- ING Vysya Bank Limited
- Punjab National Bank
- State Bank of Hyderabad

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## NOTICE

**NOTICE** is hereby given that the Twenty-Fifth Annual General Meeting of the members of **TREND ELECTRONICS LIMITED** (the "Company") will be held on Saturday, 27th June, 2015, at the Registered Office of the Company at 20 K. M. Stone, Aurangabad-Beed Road, Village: Bhalgaon, Aurangabad – 431 210 (Maharashtra) at 3.30 p.m. to transact the following business:

### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended on 31st December, 2014 and the Audited Balance Sheet as at that date together with the Cash Flow Statement, Reports of the Board of Directors and Auditors thereon.

- To ratify appointment of Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai (Firm Registration No. 105049W) and M/s. Kadam & Co., Chartered Accountants, Ahmednagar (Firm Registration No. 104524W), as Statutory Auditors of the Company to hold office from the conclusion of this Meeting, i.e 25th Annual General Meeting until the conclusion of the 27th Annual General Meeting (subject to ratification by the Members at every subsequent Annual General Meeting), on such remuneration as shall be fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS:

- To appoint Mrs. Smita Dharm (DIN: 07144712), as a Director liable to retire by rotation, at the ensuing Annual General Meeting and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and such other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mrs. Smita Dharm (DIN:07144712), who was appointed as an Additional Director on the Board of the Company and who holds office of Director upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member signifying its intention to propose candidature of Mrs. Smita Dharm for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

- To confirm/appoint Mr. Subhash S. Nabar (DIN: 01341057), as an Independent Director at the ensuing Annual General Meeting and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Subhash S. Nabar (DIN:01341057), who was originally appointed by the shareholder as an Independent Director within the meaning of Clause 49 of the Listing Agreement entered into with the Stock Exchange, liable to retire by rotation, and subsequently classified/appointed as an Independent Director within the meaning of the provisions of Section 149 of the Companies Act, 2013, by the Board of Directors of the Company at their meeting held on 14th August, 2014 to comply with the requirement of Companies Act, 2013 and Rules made thereunder, to hold office upto a term of five consecutive years from 14th August, 2014, and in respect of whom the Company has also received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose candidature of Mr. Subhash S. Nabar for the office of Director of the Company, be and is hereby confirmed/appointed as an Independent Director, to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation."

- To confirm/appoint Mr. Bhopinder J. Chopra (DIN:00329550), as an Independent Director at the ensuing Annual General Meeting and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Bhopinder J. Chopra (DIN:00329550) who was originally appointed by the shareholders as an Independent Director within the meaning of Clause 49 of the Listing Agreement entered into with the Stock Exchange, liable to retire by rotation, and subsequently classified/appointed as an Independent Director within the meaning of the provisions of Section 149 of the Companies Act, 2013, by

the Board of Directors of the Company at their meeting held on 14th August, 2014, to comply with the requirement of Companies Act, 2013 and Rules made thereunder, to hold office upto a term of five consecutive years from 14th August, 2014 and in respect of whom the Company has also received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Bhopinder J. Chopra for the office of Director of the Company, be and is hereby confirmed/appointed as an Independent Director to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation."

- To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 consent of the Company be and is hereby accorded for increasing the Authorised Share Capital of the Company from ₹ 125,00,00,000/- (Rupees One Hundred and Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lakh) Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each and 1,00,00,000 (One Crore) Preference Shares of face value of ₹ 100/- (Rupees One Hundred Only) each to ₹ 225,00,00,000/- (Rupees Two Hundred and Twenty Five Crores Only) by creating additional 1,00,00,000 (One Crore) Redeemable Preference Shares of face value of ₹ 100/- (Rupees One Hundred Only) each.

**RESOLVED FURTHER THAT** Clause V of Memorandum of Association of the Company be and is hereby altered accordingly to read as under:

- V The Authorised Capital of the Company is ₹ 225,00,00,000/- (Rupees Two Hundred and Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lakh) equity shares of face value of ₹ 10/- (Rupees Ten Only) each and 2,00,00,000 (Two Crores) Redeemable Preference Shares of face value of ₹ 100/- (Rupees One Hundred Only) each. The Company has power from time to time to increase, or reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges or conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions or restrictions, for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

**RESOLVED FURTHER THAT** the copies of Memorandum of Association of the Company be altered accordingly by incorporating new Clause No. V in place of existing Clause No. V.

**RESOLVED FURTHER THAT** any one of the Directors or Company Secretary of the Company be and is hereby severally authorized to file the necessary Forms/ Returns / Application / Documents / papers as are required to be filed with the Registrar of Companies and other appropriate authorities and to do all such acts, deeds and things as are deemed expedient and necessary to give effect to this resolution."

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

"**RESOLVED THAT** pursuant to the provisions of Section 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), and other applicable laws, provisions of Articles of Association of the Company and subject to all other statutory and regulatory approvals, consents, permissions and/or sanctions of the Government of India and all other concerned authorities (hereinafter singly or collectively referred to as the "Appropriate Authorities") as may be required, and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval, consent, permission and/or sanction and agreed to by the Board of Directors of the Company (hereinafter called the "Board"), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot Non-Convertible, Non-Cumulative, Non-Participating, Redeemable Preference Shares ("Preference Shares"), for an amount not exceeding ₹ 100,00,00,000/- (Rupees One Hundred Crore Only), to any person/investor whether or not such person is existing shareholder of the Company on the date of the offer, on private placement basis through issue of a private placement offer letter, in one or more tranches as may be deemed appropriate by the Board and such issue and allotment to be made on such occasion or occasions, at such value or values, at a discount or at a premium and in such form and manner and on

such terms and conditions or such modifications thereto as the Board may determine, with or without voting rights in general meetings/ class meetings, including the number of Preference Shares to be issued, face value, rate of dividend/interest, redemption period, manner of redemption, fixing of record date or book closure and all other related or incidental matters as the Board may in its absolute discretion think fit and decide in consultation with the Appropriate Authority(ies), and/or such other person(s), but without requiring any further approval or consent from the shareholders and also subject to the applicable regulations for the time being in force.

**RESOLVED FURTHER THAT** pursuant to Rule 9(2) of the Companies (Share Capital and Debentures) Rules, 2014, particulars in respect of proposed issue of Preference Shares shall be as under:

- Preference Shares shall be paid dividend only upon declaration of dividend on Equity Shares and not otherwise. The dividend payable on Preference Shares shall not be cumulative in nature. The Preference Shares shall have priority in repayment of Capital over Equity Shares.
- The Preference Shares shall not be entitled to participate in the surplus fund.
- The Preference Shares shall not be entitled to participate in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid.
- The Preference Shares dividend shall be on non-cumulative basis.
- The Preference Shares shall not have option of conversion into Equity Shares.
- The Preference Shares shall not have any voting rights at any other meeting other than meeting of Preference Shareholders as and when held.
- The Preference Shares shall be redeemed within a period not exceeding twenty years from the date of issue.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized on behalf of the Company to agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue(s)/ offer(s) or allotment(s) or otherwise and utilization of the issue proceeds and/ or otherwise to alter or modify the terms of issue, if any, as it may in its absolute discretion deem fit and proper without being required to seek any further consent or approval of the Company to the end and intent that the Company shall be deemed to have given its approval thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this Resolution on it, to any Committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this Resolution.

**RESOLVED FURTHER THAT** any one of the Director or Company Secretary be and is hereby authorized to file the necessary Forms, Returns, Certificates, Application, Deeds and documents as are required to be filed with the Registrar of Companies or other Authorities Statutory or otherwise as are required and to do all such acts, deeds and things as are deemed expedient and necessary to give effect to this Resolution."

- To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies payment of remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) to Sneha Gaurav Badwe & Co., Cost Accountant in Whole-Time Practice, Ahmednagar, (Membership No. 35552), for conducting Audit of Cost Accounting Records maintained by the Company in respect of Electric and Electronic Equipments/Appliances for the financial year ending on 31st December, 2015.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

By order of the Board of Directors of  
**TREND ELECTRONICS LIMITED**

**KAUSTUBHA SAHASRABUDHE**  
**COMPANY SECRETARY**  
**ACS 21165**

Place : Mumbai  
Date : 14th May, 2015

**Registered Office:**

20 K.M. Stone, Aurangabad-Beed Road,  
Village: Bhalgaon, Aurangabad - 431 210 (Maharashtra)  
CIN: L99999MH1989PLC052233  
E-mail id: secretarial\_trend@videoconmail.com  
Website: www.trendelectronics.in  
Tel No.: 91-240-2644507/9/10/12/16  
Fax No.: 91-240-2644506

**NOTES:**

- IN TERMS OF THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, READ WITH RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN BE A PROXY FOR MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. PROVIDED THAT A MEMBER HOLDING MORE THAN TEN PERCENT, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A PROXY FORM FOR THE MEETING IS ENCLOSED.**
- In terms of the provisions of Section 102 of Companies Act, 2013, a statement setting out the material facts concerning special business to be transacted at the Meeting is annexed and forms part of this Notice.
- Copies of the Notice of 25th Annual General Meeting together with the Annual Report are being sent by Electronic mode to all the Members whose email addresses are registered with the Company/Depository Participant(s) and for Members who have not registered their email addresses, physical copies of the Annual Report are being sent by the permitted mode, to those Members who hold shares in physical form and whose names appear in the Company's Register of Members on Friday, 15th May, 2015 and as regards shares held in the electronic form, to those beneficial owners of the shares as at the close of business hours on Saturday, 16th May, 2015 as per the particulars of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Upon request, printed copies of Annual Report will be supplied to those Shareholders to whom copies of Notice together with the Annual Report has been sent by electronic mode.
- Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorising such representative(s) to attend and vote on their behalf at the Meeting.
- Details under Clause 49 of the Listing Agreement entered with the Stock Exchange in respect of the Director seeking confirmation/appointment at the ensuing Annual General Meeting forms integral part of the Corporate Governance Report.
- For convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by Attendance Slip, which is annexed to the Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the entrance of the venue.
- Members, who hold shares in dematerialized form, are requested to write their Client ID and Depository Participant ID and those who hold shares in physical form are requested to write their Folio Number on the Attendance Slip and bring their Attendance Slip, as enclosed, along with their copy of Annual Report to the Meeting.
- In terms of and in compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, and revised Clause 35B of the Listing Agreement, the Company is pleased to offer remote e-voting facility as an alternate to all its Members to enable them to cast their vote electronically

instead of casting the vote at the Meeting. The Members who have casted their votes by remote e-voting may participate in the Meeting even after exercising their right to vote through remote e-voting but they shall not be allowed to cast vote again at the Meeting. For this purpose the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the Shareholders to cast their votes electronically. The Company is also providing facility for voting by Ballot at the Annual General Meeting apart from providing remote e-voting facility for all those members who are present at the general meeting but have not casted their votes by availing the remote e-voting facility.

9. The remote e-voting facility shall be opened from Wednesday, 24th June, 2015 at 9.00 a.m. to Friday, 26th June, 2015 till 5.00 p.m., both days inclusive. The remote e-voting facility shall not be allowed beyond 5.00 p.m. on Friday, 26th June, 2015. During the period when facility for remote e-voting is provided, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date, may opt for remote e-voting. Provided that once the vote on a Resolution is casted by the member, he shall not be allowed to change it subsequently or cast the vote again.
10. The notice of the Meeting is placed on the website of the Company viz., [www.trendelectronics.in](http://www.trendelectronics.in) and also on the website of CDSL viz., [www.cdslindia.com](http://www.cdslindia.com).
11. Mrs. Gayathri R. Girish, Company Secretary in Whole Time Practice, (CP No.: 9255) has been appointed as a Scrutinizer for conducting the voting by Ballot at the Meeting and remote e-voting process in a fair and transparent manner.
12. The Scrutinizer shall immediately after the conclusion of the voting at the Meeting first count the votes casted by Ballot at the Meeting, thereafter unblock the votes casted through remote e-voting in the manner provided in the Rules and make, not later than 3 days of the conclusion of the Meeting, a consolidated Scrutinizer's Report of remote e-voting and voting by Ballot at the Meeting, of the total votes casted in favour or against, if any, to the Chairman of the Meeting and the Chairman or a person as may be authorized by him in writing shall declare the result of the voting forthwith and all the resolutions as mentioned in the Notice of the Meeting shall be deemed to be passed on the date of the Meeting. The results declared alongwith the Report of the Scrutinizer shall be placed on the website of the Company at [www.trendelectronics.in](http://www.trendelectronics.in) and on the website of CDSL at [www.cdslindia.com](http://www.cdslindia.com), immediately after the results are declared by the Chairman.
13. The Company has fixed Saturday, 20th June, 2015, as the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or in the Meeting by Ballot. Instructions for exercising voting rights by remote e-voting are attached herewith and forms part of this Notice. 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/entitlement date only shall be entitled to avail the facility of remote e-voting/voting in the general meeting.
14. Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date/entitlement date i.e. Saturday, 20th June, 2015, may obtain the User ID and Password by sending an email request to [secretarial\\_trend@videoconmail.com](mailto:secretarial_trend@videoconmail.com). Members may also call on +91-22-6611 3658 or send a request to Mr. Kaustubha Sahasrabudhe, Company Secretary, by writing to him at Trend Electronics Limited at 2nd Floor, Fort House, Dr. D N Road, Fort, Mumbai - 400 001.
15. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Saturday, 20th June, 2015, the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or at the Meeting by Ballot.
16. In case of joint holders attending the Meeting, who have not exercised their right to vote by remote e-voting, only such joint holder who is higher in the order of names, shall be entitled to vote by Ballot.
17. The Register of Members and Share Transfer Books shall remain closed from Monday, 15th June, 2015 to Saturday, 27th June, 2015 (both days inclusive) for the purpose of the Meeting.
18. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed/unpaid dividend for the financial year 2006-07 to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Members are requested to note that upon transfer, no claims shall lie against the Company or the

IEPF in respect of any amounts which remained unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims. The details of the unclaimed dividend as on the last Annual General Meeting held on 30th June, 2014 are available on the Company's website viz. [www.trendelectronics.in](http://www.trendelectronics.in) and on the website of Ministry of Corporate Affairs viz. [www.mca.gov.in](http://www.mca.gov.in)

19. Members who hold shares in physical form, under multiple folios, in identical names or joint accounts in the same order or names, are requested to send the share certificates to M/s. MCS Limited, Registrar and Transfer Agent of the Company, for consolidation into a single folio.
20. Members holding shares in physical form are requested to kindly notify any change in their address(es) to the Company, so as to enable the Company to address future communications to their correct address(es). Members holding shares in electronic form are requested to notify any change in their address(es) to their respective Depository Participant.
21. Non-Resident Indian Members are requested to inform M/s. MCS Limited, the Registrar and Transfer Agent of the Company, immediately of change in their residential status on return to India for permanent settlement together with the particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.
22. The equity shares of the Company are compulsorily tradable in electronic form and your Company has established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Taking into consideration the enormous advantages offered by the Depository Systems, members are requested to avail the facility of dematerialization of the Company's shares on either of the Depositories, as aforesaid.
23. Relevant documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days between 12.00 noon to 3.00 p.m. upto the date of the Meeting.
24. Members desiring any information as regards to the Accounts are requested to write to the Company at an early date so as to enable the Chairman of the Meeting to reply at the Meeting.
25. The Annual Report of the Company will be made available on the Company's website at [www.trendelectronics.in](http://www.trendelectronics.in) and also on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com).
26. Members may address their queries / communications at [secretarial\\_trend@videoconmail.com](mailto:secretarial_trend@videoconmail.com)
27. Members are requested to kindly bring their copy of the Annual Report to the Meeting.

#### INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MODE

The process and manner for voting by electronic means and the time schedule including the time period during which the votes may be casted are as under:

- (i) The voting period begins on Wednesday, 24th June, 2015 at 9.00 a.m. and ends on Friday, 26th June, 2015 at 5.00 p.m., both days inclusive. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date i.e. Saturday, 20th June, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number given below the Notice or on the Attendance Slip, in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</li> </ul>

- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, 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 **TREND 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 same 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) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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 or 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.
- (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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xviii) Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date/entitlement date i.e. Saturday 20th June, 2015, may obtain the User ID and Password by sending an email request to [secretarial\\_trend@videoconmail.com](mailto:secretarial_trend@videoconmail.com). Members may also call on +91-22-6611 3658 or send a request to Mr. Kaustubha Sahasrabudhe, Company Secretary, by writing to him at Trend Electronics Limited at 2nd Floor, Fort House, Dr. D N Road, Fort, Mumbai - 400 001.

By order of the Board of Directors of  
**TREND ELECTRONICS LIMITED**

**KAUSTUBHA SAHASRABUDHE**  
COMPANY SECRETARY  
ACS 21165

Place : Mumbai  
Date : 14th May, 2015

**A STATEMENT SETTING OUT THE MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item 3:**

Mrs. Smita Dharm was appointed as an Additional Director of the Company at the meeting of the Board of Directors of the Company held on 31st March, 2015. In terms of the provisions of Section 161 of the Companies Act, 2013, she holds office of Director upto the date of ensuing Annual General Meeting.

In terms of the second proviso to Sub-Section 1 of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of Clause 49 of the Listing Agreement, every Listed Company, shall have at least one woman director. Further, in terms of Sub-Section 2 of Section 149, every company existing on or before the commencement of this Act shall within one year from such commencement comply with the requirements of the provisions of Sub-Section 1 of Section 149. Section 149 came into effect w.e.f. 1st April, 2014. As such, the Company was required to appoint at least one woman director on or before 31st March, 2015. Accordingly, Mrs. Smita Dharm was appointed as an Additional Director of the Company at the meeting of the Board of Directors of the Company at its meeting held on 31st March, 2015.

The Company has received a notice in writing, along with the requisite deposit, under Section 160 of the Companies Act, 2013, from a member signifying its intention to propose candidature of Mrs. Smita Dharm for the office of Director.

The Company has received from Mrs. Smita Dharm (1) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (2) intimation in Form DIR-8 in terms

of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013.

A brief profile of Mrs. Smita Dharm seeking appointment, nature of expertise in specific functional area, name of other public companies in which she holds directorship and membership/chairmanship of the committees of the Board of Directors and the particulars of the shareholding as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchange forms part of the Corporate Governance Report. The Board is of the opinion that her appointment, if made, will prove beneficial for the development and growth of the Company. The Board recommends the resolution as set out in the Notice for the consideration and approval of the members at the Annual General Meeting.

Except, Mrs. Smita Dharm and Mr. Vivek Dharm, Director of the Company, no other Director, Key Managerial Personnel or their relatives is interested or concerned in the resolution.

**Item 4:**

Mr. Subhash S. Nabar was appointed as Non-Executive Independent Director, pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchange. He was appointed by the members at the Annual General Meeting of the Company held on 27th March, 2003.

In terms of the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, every listed company

shall have at least one-third of the total number of directors as independent directors. Further, in terms of the provisions of Clause 49 (II) (A) (2) of the Listing Agreement where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the company does not have a regular non-executive Chairman, at least half of the Board should comprise of independent directors.

Therefore, with a view to comply with the requirements of the provisions of Section 149 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement, the Board of Directors thought it fit to appoint Mr. Subhash S. Nabar as Independent Director for a period of five consecutive years. Accordingly, the Board of Directors of the Company at its meeting held on 14th August, 2014, have made to continue appointment of Mr. Subhash S. Nabar as an Independent Director to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation.

The Company has received from Mr. Subhash S. Nabar (1) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (2) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013 and (3) a declaration to the effect that he meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

The Company has also received a notice in writing along with requisite deposit, from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Subhash S. Nabar for the office of Director of the Company.

The Board seeks the approval of the members of the Company to confirm/appoint Mr. Subhash S. Nabar as an Independent Director of the Company for five consecutive years from 14th August, 2014, pursuant to the provisions of Section 149 and such other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

A brief profile of Mr. Subhash S. Nabar, nature of expertise in specific functional area, name of other public companies in which he holds directorship and membership/ chairmanship of the committees of the Board of Directors and the particulars of the shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange forms part of the Corporate Governance Report.

In the opinion of the Board of Directors, Mr. Subhash S. Nabar, the Independent Director, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management.

All the relevant documents in connection with the appointment of Mr. Subhash S. Nabar, are available for inspection without any fee by the Members of the Company at the Company's Registered Office during 12.00 noon to 3.00 p.m. on working days upto the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Subhash S. Nabar as an Independent Director.

No Director, Key Managerial Personnel or their relatives, except Mr. Subhash S. Nabar, to whom the Resolution relates, is interested or concerned in this Resolution.

#### Item 5:

Mr. Bhopinder J. Chopra was appointed as Non-Executive Independent Director, pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchange. He was appointed by the members at the Annual General Meeting of the Company held on 31st March, 2006.

In terms of the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, every listed company shall have at least one-third of the total number of directors as independent directors. Further, in terms of the provisions of Clause 49 (II) (A) (2) of the Listing Agreement where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the company does not have a regular non-executive Chairman, at least half of the Board should comprise of independent directors.

Therefore, with a view to comply with the requirements of the provisions of Section 149 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement the Board of Directors thought it fit to appoint Mr. Bhopinder J. Chopra as Independent Director for a period of five consecutive years. Accordingly, the Board of Directors of the Company at its meeting held on 14th August, 2014, have made to continue appointment of Mr. Bhopinder J. Chopra as an Independent Director to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation.

The Company has received from Mr. Bhopinder J. Chopra (1) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (2) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that

he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013 and (3) a declaration to the effect that he meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

The Company has also received a notice in writing along with requisite deposit, from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Bhopinder J. Chopra for the office of Director of the Company.

The Board seeks the approval of the members of the Company to confirm/appoint Mr. Bhopinder J. Chopra as an Independent Director of the Company for five consecutive years from 14th August, 2014, pursuant to the provisions of Section 149 and such other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

A brief profile of Mr. Bhopinder J. Chopra, nature of expertise in specific functional area, name of other public companies in which he holds directorship and membership/ chairmanship of the committees of the Board of Directors and the particulars of the shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange forms part of the Corporate Governance Report.

In the opinion of the Board of Directors, Mr. Bhopinder J. Chopra, the Independent Director, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management.

All the relevant documents in connection with the appointment of Mr. Bhopinder J. Chopra, are available for inspection without any fee by the Members at the Company's Registered Office during 12.00 noon to 3.00 p.m. on working days upto the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Bhopinder J. Chopra as an Independent Director.

No Director, Key Managerial Personnel or their relatives, except Mr. Bhopinder J. Chopra, to whom the Resolution relates, is interested or concerned in this Resolution.

#### Item No. 6:

Your Company is engaged in the business of manufacturing and trading of consumer electronics and home appliances. Presently, the Company is manufacturing Color TV, DVD's and Set Top Boxes. Your Company believes that it is the only Set Top Box manufacturer in India. In view of increasing opportunities in Set Top Box manufacturing and consumer electronics and home appliances industry, your Company may need funds to part finance the proposed enhancement in the volume of activities and increasing operational efficiencies. With a view to meet the proposed capital requirement it is proposed to raise the funds by way of issue and allotment of Preference Shares.

The present Authorized Share Capital of the Company comprises of 1,00,00,000 (One Crore) Preference Shares of face value of ₹ 100/- (Rupees One Hundred Only) each which has already been utilised. Therefore, with a view to issue further Preference Shares it is proposed to increase authorized Share Capital of the Company from ₹ 125,00,00,000/- (Rupees One Hundred and Twenty Five Crores) divided into 2,50,00,000 (Two Crores Fifty Lakh) Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each and 1,00,00,000 (One Crore) Redeemable Preference Shares of face value of ₹ 100/- (Rupees One Hundred Only) each to ₹ 225,00,00,000 (Rupees Two Hundred and Twenty Five Crores Only) by creating additional 1,00,00,000 (One Crore) Preference Shares of face value of ₹ 100/- (Rupees One Hundred Only) each.

Pursuant to the provisions of Section 61 of the Companies Act, 2013 approval of shareholder is required for proposed increase in Authorized Share Capital of the Company and consequential amendments to Clause V of Memorandum of Association of the Company by way of Ordinary Resolution.

The Board recommends the Resolution set forth in Item No. 6 for the approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives is directly or indirectly concern or interested in this Resolution.

#### Item No. 7:

Your Company is engaged in the business of manufacturing and trading of consumer electronics and home appliances. Presently, the Company is manufacturing Color TV, DVD's and Set Top Boxes. Your Company believes that it is the only Set Top Box manufacturer in India. In view of increasing opportunities in Set Top Box manufacturing and consumer electronics and home appliances industry, your Company may need funds to part finance the proposed enhancement in the volume of activities and increasing operational efficiencies. With a view to meet the proposed capital requirement it is proposed to raise the funds by way of issue and allotment of Preference Shares.

In terms of the provisions of Section 42 and Section 55 of the Companies Act, 2013 read with the Companies (Prospectus & Allotment of Securities) Rules, 2014 and

Companies (Share Capital and Debentures) Rules, 2014, including any amendment thereto or re-enactment thereof for the time being in force, every Company proposing to issue preference shares is required to take prior approval of the shareholders of the Company by way of Special Resolution. The material facts concerned with and relevant to the issue and allotment of 1,00,00,000 Redeemable Preference Shares on Private Placement basis are as under:

**(a) The size of the issue and the number of preference shares to be issued and nominal value of each share:**

The Board proposes to issue and allot 1,00,00,000 (One Crore) Non-Convertible, Non-cumulative, Non-Participating, Redeemable Preference Shares (Preference Share) of face value of ₹ 100/- (Rupees One Hundred Only) each, aggregating to ₹ 100,00,00,000/- (Rupees One Hundred Crore Only).

**(b) The nature of shares:**

The Preference Shares shall be Non-Convertible, Non-cumulative, Non-Participating, Redeemable Preference Shares.

**(c) The objectives of the issue:**

It is proposed to raise the funds by way of issue and allotment of Non-Convertible, Non-cumulative, Non-Participating, Redeemable Preference Shares, to fund the future capital requirements for proposed enhancement in the volume of activities and increasing operational efficiency.

**(d) The Manner of issue of shares:**

Non-Convertible, Non-cumulative, Non-Participating, Redeemable Preference Shares are proposed to be issued on Private Placement basis as detailed below:

Sr. No	Name of the Allottee	Number of Preference Shares	Amount (in ₹)
1.	Shree Dhoot Trading and Agencies Limited	35,00,000	35,00,00,000
2.	Dome-Bell Electronics India Private Limited	35,00,000	35,00,00,000
3.	Waluj Components Private Limited	30,00,000	30,00,00,000
	Total	1,00,00,000	100,00,00,000

**(e) The price at which such shares are proposed to be issued:**

It is proposed to issue and allot 1,00,00,000 Preference Shares at a face value of ₹ 100/- each.

**(f) The basis on which the price has been arrived at:**

The Preference Shares shall be issued at par.

**(g) The terms of issue, including terms and rate of dividend on each share etc.:**

**(i) The priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares:**

The Preference Shares shall be paid dividend only upon declaration of dividend on Equity Shares at Annual General Meeting of the Company and not otherwise. The dividend payable on Preference Shares shall not be Cumulative in nature. The Preference Shares shall have priority in repayment of Capital over Equity Shares.

**(ii) The participation in surplus fund:**

The Preference Shares shall not be entitled to participate in the surplus fund.

**(iii) The participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid.**

The Preference Shares shall not be entitled to participate in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid.

**(iv) The payment of dividend on cumulative or non-cumulative basis:**

The Preference Share dividend shall be on non-cumulative basis.

**(v) The voting rights:**

The Preference Shares shall not have any voting rights at any other meeting other than meeting of Preference Shareholders as and when held.

**(vi) Rate of dividend:**

The Board of Directors of the Company shall decide the rate of dividend on Preference Shares at the time of allotment.

**(h) The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion:**

The Board shall decide the terms of redemption, including the tenure of redemption. However, the Preference Shares shall be redeemed on or before completion of 20 years from the date of issue. The Preference Shares shall not have option of conversion into Equity Shares. The Preference Shares shall be redeemed at par.

**(i) The manner and mode of redemption:**

The Board shall decide the manner and mode of redemption of Preference Shares at the time of issue and allotment of Preference Shares.

**(j) Current shareholding pattern of the Company:**

Sr. No.	Category of Shareholder	Equity Shares		Preference Shares	
		No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
A.	Promoter and Promoter Group				
i)	Individuals	150	0.00	Nil	0.00
ii)	Bodies Corporate	36,78,955	49.05	1,00,00,000	100.00
iii)	Any Other (Firm)	Nil	0.00	Nil	0.00
	<b>Total (A)</b>	<b>36,79,105</b>	<b>49.05</b>	<b>1,00,00,000</b>	<b>100.00</b>
B.	Public				
i)	Banks, Institutions, Mutual Funds etc.	3,73,081	4.98	Nil	0.00
ii)	Bodies Corporate	4,62,161	6.16	Nil	0.00
iii)	Individuals	28,32,934	37.77	Nil	0.00
iv)	Others (NRIs, Trust & Foundations)	1,52,719	2.04	Nil	0.00
	<b>Total (B)</b>	<b>38,20,895</b>	<b>50.95</b>	<b>Nil</b>	<b>0.00</b>
	<b>Total (A+B)</b>	<b>75,00,000</b>	<b>100.00</b>	<b>1,00,00,000</b>	<b>100.00</b>

**(k) The expected dilution in equity share capital upon conversion of preference shares:**

Since the Preference Shares shall be non-convertible, the equity share capital will not get diluted.

None of the Directors and Key Managerial Personnel or their relatives is directly or indirectly concerned or interested in the resolution.

**Item No. 8:**

The Board of Directors of the Company on the recommendation of the Audit Committee, has approved the appointment of Sneha Gaurav Badwe & Co., Cost Accountant in Whole-Time Practice, Ahmednagar, (Membership No. 35552) as the Cost Auditor of the Company to conduct the Audit of the Cost Accounting Records of the Company for the financial year ending on 31st December, 2015.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution for ratification of the remuneration amounting to ₹ 75,000/- (Rupees Seventy Five Thousand Only) plus applicable service tax and out of pocket expenses payable to Sneha Gaurav Badwe & Co., for financial year ending on 31st December, 2015.

The Board, accordingly, recommends the passing of the Ordinary Resolution for approval of the Members of the Company.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives is concerned or interested in the passing of the above Resolution.

By order of the Board of Directors of  
**TREND ELECTRONICS LIMITED**

**KAUSTUBHA SAHASRABUDHE**  
COMPANY SECRETARY  
ACS 21165

Place : Mumbai  
Date : 14th May, 2015



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the Twenty-Fifth Annual Report of your Company together with the Audited Accounts and Auditors' Report for the financial year ended on 31st December, 2014.

### FINANCIAL HIGHLIGHTS

The performance of the Company for the financial year ended on 31st December, 2014, is summarized below:

(₹ in Million)

Particulars	Year ended	Year ended
	31 Dec., 2014	31 Dec., 2013
Net Sales	14,768.79	14,250.64
Other Income	23.61	1.22
Total Income	14,792.40	14,251.86
Profit before Finance Costs, Tax & Depreciation	457.07	374.61
Finance Costs	686.57	751.54
Depreciation and Amortisation	218.09	213.21
Profit/(Loss) before Tax	(447.59)	(590.14)
Profit/(Loss) after Tax	(347.79)	(500.49)

### PERFORMANCE REVIEW

The year 2014 showed a steady growth in the Set Top Box (STB) market. Rise in disposable income along with high penetration of television in rural India is driving the Indian STB market. The introduction of High Definition (HD) channels and Smart TVs has led to an increase in digital TV viewing which in turn will hike the growth of the STB market. The Core Advisory Group for Research and Development in Electronics Hardware (CAREL) has identified STBs as one of the six products to be designed, developed and manufactured indigenously. STB industry provides a huge potential for economic activity, employment generation and saving valuable foreign exchange and increase in the revenue for the government.

During the year under review, the Company has earned a total income of ₹ 14,792.40 Million as against ₹ 14,251.86 Million for the previous year. Total Expenditure amounted to ₹ 15,239.99 Million as against ₹ 14,842.00 Million for the previous year. The Company has incurred a net loss of ₹ 347.79 Million as against a loss of ₹ 500.49 Million for the previous year.

### DIVIDEND AND TRANSFER TO RESERVES

#### Dividend:

In view of the loss incurred, the Board of Directors does not recommend any dividend for the year under review.

#### Transfer to Reserves:

In view of the loss incurred, the Board of Directors propose not to transfer any amount to the General Reserve.

### TRANSFER OF INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a sum of ₹ 0.19 Million in respect of unpaid/ unclaimed dividend for the financial year 2006-07 to the Investor Education and Protection Fund.

### FIXED DEPOSIT

Your Company has not accepted/renewed any fixed deposit within the meaning of Section 58A of the Companies Act, 1956 and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

### PERSONNEL

The Company does not have any employee whose particulars are required to be furnished under Section 217(2A) of the Companies, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

### CONSERVATION OF ENERGY

"Conservation" when used in relation to natural resources and energy is a virtuous act. Conservation and efficient utilization of energy resources play a vital role in narrowing the gap between demand and supply of energy. Your Company firmly believes that, improving energy efficiency is probably the most profitable thing that can be done in the short term. Energy conservation is the quickest, cheapest and most practical method of overcoming energy shortage.

The Company has initiated a drive for the conservation of natural resources, including the energy conservation. The Company focuses on reducing energy consumption through various in-process innovations and adoption of best practices like machine productivity and improving the efficiency to reduce specific energy consumption. The

Company focuses on developing energy saving methods to avoid wastage of energy. Your Company follows and practices "**Energy saved is Energy produced**" principle truly in law and spirit.

The In-house expert team under the valuable guidance of expert engineers from the Research and Development Centre of the Company continuously monitors and devise various means to conserve energy and identify methods for the optimum use of energy without affecting productivity.

This is ensured through:

- Installation of electronic timers which has helped to cut down the electricity consumption;
- Addition and installation of newer generation Air Compressor;
- Energy efficiency audit;
- Proper ventilation at the Factory Premises and use of energy saving Lighting Systems;
- Regular maintenance and replacement of worn-out Machinery for optimum performance with reduction in power consumption;
- Recycling of Products i.e papers, cups, cardboards and envelopes;
- Use of dimmer switches;
- Unplugging appliances when not in use or unused;
- Insulation of walls & ceilings;
- Awareness programmes towards optimum utilization of natural resources at managerial as well as employee level;
- Display of charts at the premises, plant, office, showing the means for conservation of energy;
- Inspection of machinery by the team of experts at regular intervals; and
- Encourage communications through e-mails.

Your Company lays emphasis on "**Sustainable Development**" i.e development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

The above initiatives have resulted in proper monitoring and usage of energy, minimizing the wastage and increase in overall efficiency at every stage of power consumption. Your Company's endeavor to introduce energy efficient electronic products has met with success.

### RESEARCH AND DEVELOPMENT (R&D) AND TECHNOLOGY ABSORPTION

The Research and Development (R&D) is an important contributor to economy of any country and hence growth and sustainability of R&D is vital for nations. As the pace of technology is accelerating and newer and newer technologies and processes are becoming important, R&D is becoming a crucial factor in success of the companies and economies in a globalized and competitive world. In today's competitive scenario, innovation has become a key to success, in areas of process, product, sales & after sales service.

In endeavor to keep pace with the changing technologies worldwide and to offer products with maximum durability at low cost, the Company pays utmost importance to R&D. The Company has in-house R&D Facility comprising of experts to help Company to stay at par with the latest technologies.

Usually the primary function of the R&D department is to conduct researches for new products and develop new solutions. Every product has its shelf life and the consumers always need something new. In order to be competitive, the Company continuously has to be updated and has to find ways for new technologies and development of various products. During the continuous process of R&D, both the R&D managers and their staff take responsibility of performing the following key tasks:

- Ensuring the new products meet the product specification;
- Researching the products according to allocated budget;
- Checking if the product meets production costs;
- Delivering product at the right time and at right place in the market;
- Developing the product to comply with regulatory requirement and specified quality levels; and
- To bring variety of products at an affordable price level.

#### Benefits derived from R & D Activities:

The well focused R&D activities of the Company have resulted in introducing variety of models with superior technology and improved proficiency and reliability at right time and at right cost, which meet the needs of all the categories of the consumers. Because of these efforts only, the Company was successful in developing and launching the India's first 4K Set Top Box.

Further, the Company could also derive the following benefits:

- Introduction of High Definition 4K Set-top Box with Digital Video Recording facility to record as much content as a subscriber wishes to.
- Development and production of Digital Direct Broadcast (DDB) technology in India with a broader convergence of TV, D2H, Internet and Cloud computing, STRATA & HARMAN-KARDON certified audio, 2D to 3D conversion etc.;
- Introduction of MPEG-4 DVBS-2 technologies which has many exciting features like Multiple Tickers, 12 PIP Mosaic, 22 Active Music Audio Video Channels, which shall take viewing experience to a new level. and;

- Introduction of Direct to Mobile (d2m) facility, where it is possible to see television on mobile phone.

The Company's now plan to introduce a unique feature to HD Set Top Box i.e., "Unlimited Recording" feature, where the user can record any programme if he is busy at that time. User can either record a Live TV programme or even record a scheduled programme and can watch recorded programme later at his/her leisure.

### Future Plan of Action:

In near future, your Company shall continue to focus on all the areas mentioned earlier and also aims to offer new technologies and processes to provide better products at affordable prices to the customers. Your Company shall continue to rollout innovative products, which is in line with its ideology of bringing about change combined with quality that is trusted by the millions of customers.

The future plan of action includes:

- The Company plans to provide the Set Top Box with internet connectivity. Such connectivity can offer the user to directly access popular applications such as Youtube, Picassa etc.;
- The future plan also includes introducing Wi-Fi connectivity in the Set Top Box;
- The Company has plans to introduce a unique motion control & Audio Streaming remote control in the Set Top Box. With this innovative product, the user can listen to the Audio Streaming using Headphones, without disturbing others, & can also use Google Voice search, can navigate using the motion control or Air Mouse Function. Such an Air Mouse function, will allow the customer to play interactive video games via the Set Top Box.

During the year under review, the recurring expenses on R&D amounted to ₹ 3.75 Million representing 0.03% of the turnover.

### Technology Absorption:

Using technology efficiently needs a conscious effort. Because of its continuous efforts in the sphere of technology absorption, your Company has been accredited with Certificate of Compliance to the latest ESD Standard i.e., ESD 20:20 which minimize or eliminate risks associated with electrostatic discharge, improving product quality and customer satisfaction. All the products that are manufactured by the Company are certified to the latest Bureau of Indian Standard, ISO 13252:2010.

The Company has also installed Climatic Chambers and Salt Spray Chambers to simulate the effect of ageing of the products in actual field conditions, ahead of the production. Such tests help predict the possibility of early failures and thereby, the same can be prevented.

The Company also plans to focus on development of new technologies which would offer better products to all classes of consumers at an affordable price.

## INFORMATION TECHNOLOGY

In due recognition of the key role played by Information Technology (IT) in revolutionizing the world, your Company has re-engineered its processes by leveraging IT for building, sustaining and expanding its competitive edge.

The management believes that use of latest and upgraded IT can be extensively used in all spheres of its activities to improve productivity and efficiency levels. The Company has already implemented SAP (System Analysis Programming), a customized ERP (Enterprise Resource planning) module, at its manufacturing facility. The Company has implemented latest version of SAP and ERP for better operational control. MySAP solution has enabled your Company to leverage the benefits of integration in business operations, optimization of enterprise resources, standardized business process, thereby enabling standard operating practices with well established controls. It has also benefited the management at all levels with business information which is available online and reliable to control the business operations in a well-informed manner. The Company has implemented a network application for facilitating the storage & retrieval of the Set Top Box pairing elements. The application developed uses state of the art Database Servers & deployed using Microsoft, .Net and Java. The applications have been integrated with the online production management system effectively.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the foreign exchange outgo amounted to ₹ 3,219.07. Million as against ₹ 2,531.23 Million for the year ended on 31st December, 2013. There was no foreign exchange earnings during the year and previous year ended on 31st December, 2013.

## HEALTH, SAFETY AND ENVIRONMENT

The Company's vision is to be a safe operator and a sustainable corporate citizen, leading the industry in health and safety standards whilst demonstrating top quartile performance among its domestic and global peers. Your Company believes that all injuries and fatalities are preventable and is committed to ensure safety of all employees and individuals involved in Manufacturing activities.

Your Company lays special emphasis to ensure safety at its manufacturing plant and also undertakes continuous efforts to reduce the accidents by constantly improving the standards of safety equipments. The following steps have been taken to improve the safety standards at the factory:

- Timely disposal of waste and scrap materials;
- Round the clock occupational health center and ambulance with all medical devices;
- Conducting regular safety audit and mock drill;
- Installation of Effluent Treatment Plant, where the waste water is treated & recycled for gardening purpose;
- First-Aid boxes are located at several points in the factory;
- Providing protective clothing and equipment to employees;
- Proper safeguards are put into place to eliminate the risk of violence as far as possible;
- Risk-assessment at the workplace at regular intervals;
- Organized "Safety Week", in order to promote Safety awareness among the staff & employees;
- AIDS Awareness Program; and
- Blood Donation Camps.

The Company is continuously taking efforts to build a 'just safety culture'. It's not the effort of one person, but the focus and determination of the entire team working towards a common goal of health and safety and environment protection.

The manufacturing facility and offices are equipped with modern amenities to meet strict requirements of efficient servicing and smooth functioning at all times. The Company follows strict compliance of pollution, environment and safety norms in carrying out all its activities.

## INDUSTRIAL RELATIONS

Industrial Relations remained cordial during the year under review.

## CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is no longer defined by how much money a company contributes to charity, but by its overall involvement in activities that improve the quality of people's lives.

Your Company as a whole aims at Corporate Social Responsibility (CSR) Management that is trusted by the society and implements this by undertaking several initiatives that contribute to the society and promote energy saving and environmental sustainability management. Developing green and energy-efficient products, reducing Co<sub>2</sub> emissions, resource circulation, contributing to local communities, encouraging the spread of environmental conservation activities, developing an excellent working environment and promoting 'eco ideas' for everybody everywhere are some of the ways your Company carries out CSR activities. The manufacturing process and plants of your Company adhere with the standards laid down by various regulatory authorities for the protection of environment and safety of workers engaged in the manufacturing process.

Your Company shall continue to discharge its CSR in the best possible manner.

## HUMAN RESOURCE MANAGEMENT

We view our employees as our greatest asset and are committed to providing them with a progressive workplace. The Company provides vibrant working environment to enable employees to innovate, discover potential and realize professional dreams. Several initiatives were taken to facilitate the performance and developmental requirements of employees. The Company will continue to strengthen employer-employee relationship by providing a conducive working environment and offering a competitive compensation package. Imparting adequate HR training programmes and specialized trainings to the employees of the Company is an ongoing exercise.

Your Company continuously gives emphasis on use of advance technology in production. With a view to increase the productivity and output the management organizes training programs, lectures of experts, training camps, on regular basis, which boosts, motivates the employees to give their best to the organization.

## BOARD OF DIRECTORS

During the year under review, Mr. Vivek D. Dharm was appointed as an Independent Director by the shareholders of the Company at the Annual General Meeting held on 30th June, 2014 for a term of 5 years from 30th June, 2014. Subsequently, in order to further comply with the new requirements of the provisions of Section 149 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement and so as to ensure optimum composition of Independent Directors on various committees, the Board of Directors thought it fit to appoint Mr. Subhash S. Nabar and Mr. Bhopinder J. Chopra also as Independent Director(s) for a period of five years. Accordingly, the Board of Directors of the Company at its meeting held on 14th August, 2014 have made to continue appointment of Mr. Subhash S. Nabar and Mr. Bhopinder J. Chopra as Independent Director(s) to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation. These Directors have confirmed that they meet criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

After the Balance Sheet date, pursuant to the provisions of Companies Act, 2013, Mrs. Smita Dharm was appointed as an Additional Director with effect from 31st March, 2015. She holds office upto the date of ensuing annual general meeting.

The Company has also received a notice in writing along with requisite deposit, from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of each of Mr. Subhash S. Nabar and Mr. Bhopinder J. Chopra for confirmation/appointment to the office of Director of the Company as Independent Director and its intention to propose candidature of Mrs. Smita Dharm to the office of Director of the Company.

The Board recommends the confirmation/appointment of Mr. Subhash S. Nabar, Mr. Bhopinder J. Chopra and Mrs. Smita Dharm at the ensuing Annual General Meeting.

A brief profile of the Directors seeking confirmation/appointment, nature of expertise in specific functional area, name of other public companies in which he/she holds directorship and membership/chairmanship of the committees of the Board of Directors and the particulars of the shareholding as stipulated under Clause 49 of the Listing Agreement entered with the Stock Exchange form integral part of the Corporate Governance Report.

#### CASH FLOW STATEMENT

As per the requirements of Clause 32 of the Listing Agreement with the Stock Exchange, the Cash Flow Statement as prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) issued by the Institute of Chartered Accountants of India, is given along with the Balance Sheet and Profit and Loss Account.

#### AUDIT COMMITTEE

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and as per the provisions of the Listing Agreement, the Company has constituted an Audit Committee. The composition, scope and powers of Audit Committee together with details of meetings held during the year under review forms part of the Corporate Governance Report.

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

During the year under review, the Company has formed a Committee titled as "Corporate Social Responsibility Committee" in terms of the provisions of Section 135 of the Companies Act, 2013. The said Committee shall:

- recommend the amount of expenditure to be incurred on such activities; and
- monitor the Corporate Social Responsibility Policy of the Company.

The composition, detailed scope and powers of the Committee forms part of the Corporate Governance Report.

#### AUDITORS' REPORT

The Audit Report of the Company is Unqualified. However, the Auditors of the Company have in their statement annexed to the report have mentioned that "There are accumulated losses of ₹ 892.92 Million as on 31st December, 2014 which are more than fifty percent of its net worth. The Company has incurred cash losses during the financial year and also during the immediately preceding financial year". In this regard, the management explanation is as under:

The Network of the Company is ₹ 1,718.85 Million as at 31st December, 2014. The Management has already prepared a concrete plan and well laid strategy for increasing operational efficiencies and optimum utilization of available infrastructures, which are expected to lead to higher efficiency/cost savings in the time to company and resulting into improved turnover and profitability. Further, the promoters of the Company also have proposed to infuse an amount of ₹ 1,000 Million immediately into the Company. The necessary steps for this infusion are being taken by the Company.

#### AUDITORS

In terms of Section 139 of the Companies Act, 2013 read with the Rules made thereunder, the Company had, on 30th June 2014, appointed M/s. Khandelwal Jain & Co., (Firm Registration No. 105049W) Chartered Accountants, Mumbai and M/s. Kadam & Co., (Firm Registration No. 104524W) Chartered Accountants, Ahmednagar, as the Statutory Auditors of the Company for a period of three years from the conclusion of 24th Annual General Meeting of the Company upto the conclusion of 27th Annual General meeting.

As per the provisions of Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, such appointment made by the company shall be subject to ratification in every Annual General Meeting upto the end of the tenure of appointment of the auditors.

M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai and M/s. Kadam & Co., Chartered Accountants, Ahmednagar have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014.

The Board recommends the ratification of the appointment of M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai and M/s. Kadam & Co., Chartered Accountants, Ahmednagar, from the conclusion of this meeting i.e. 25th Annual General Meeting until the conclusion of 27th Annual General Meeting (subject to ratification by the Members at every subsequent meeting) on such remuneration as shall be fixed by the Board of Directors of the Company.

#### COST AUDIT

The Central Government had directed vide its order no. 52/26/CAB-2010 dated 6th November, 2012 to conduct a Cost Audit in respect of the specified products viz., Electrical & Electronic Equipments /Appliances.

The Board of Directors of the Company has accorded its approval for the appointment of Sneha Gaurav Badwe & Co., Cost Accountant in Whole-Time Practice (Membership Number 35552), Ahmednagar, as the Cost Auditor of the Company, to conduct audit of the Cost Accounting Records maintained by the Company for the financial year commencing on 1st January, 2015 and ending on 31st December, 2015, subject to the approval of the Central Government.

In compliance with the provisions of the Companies (Cost Audit Report) Rules, 2011 and General Circular No. 15/2011 issued by Government of India, Ministry of Corporate Affairs, Cost Audit Branch, we hereby submit that, the Company has filed the Cost Audit Report for the financial year ended on 31st December, 2013 on 11th February, 2015. As regards, to the financial year ended on 31st December, 2014, the due date for filing the Cost Audit Report is 29th June, 2015 and the Company shall file the same on or before due date.

#### SUBSIDIARY COMPANIES

The Company does not have any subsidiary.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of performance and future prospects is included in the section "Management Discussion and Analysis Report" of the Annual Report.

#### CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement with the Stock Exchange, the Reports on Corporate Governance and Management Discussion and Analysis form part of this Report.

The Company is in full compliance with the requirements and disclosures that have to be made in this regard. A certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

#### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, we, the directors of **TREND ELECTRONICS LIMITED**, state in respect of financial year ended 31st December, 2014 that:

- in the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- 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 at the end of the financial year and of the loss of the Company for the year ended on that date;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the directors have prepared the Annual Accounts on a going concern basis.

#### ACKNOWLEDGEMENT

Your Directors wish to express their deep sense of appreciation for the committed services of all the employees of the Company. Your Directors also take this opportunity to thank all stakeholders, banks, regulatory and government authorities for their continued support.

**For and on behalf of the Board of Directors of  
TREND ELECTRONICS LIMITED**

Place : Mumbai  
Date : 14th May, 2015

**V. D. DHARM**  
Director  
DIN: 00214361

**S. S. NABAR**  
Director  
DIN: 01341057

## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE REPORT

Corporate Governance has become the new corporate jargon. Corporate Governance is really a state of mind. It is embodied in the feelings and traditions of the Company. Corporate Governance is today, one of the attributes of a good corporate citizen. It is part of the management framework. Corporate Governance may be defined as a set of systems, processes and principles which ensure that a Company is governed in the best interest of all the stakeholders. It is about promoting corporate fairness, transparency and accountability. In other words, good Corporate Governance is simply good business.

The Company has always been committed to the system by which the business is conducted on the principle of good Corporate Governance. The culture of good Corporate Governance is followed at all stages in conducting the business. The principles of Corporate Governance viz. integrity, equity, fairness, accountability and commitment to values are promoted continuously. The corporate structure, business and financial reporting practices have been aligned to the principles of Corporate Governance. Continuous endeavour is made to improve these practices on an ongoing basis. Your Company has documented internal governance policies and put in place a formalized system of Corporate Governance which sets out the structure, processes and practices of governance within the Company and serves as a guide for day to day business and strategic decision making in the Company.

The Company's philosophy on the Corporate Governance is based on the following principles:

- Ensure integrity and ethics in all the dealings;
- Simple and transparent corporate structure driven solely by business needs;
- Maintain transparency with a high degree of disclosure and adequate control system;
- Compliance with all the laws and regulations as applicable to the Company; and
- Promote interest of all the stakeholders including customers, shareholders, employees, lenders, vendors, government and the community at large.

There have been continuous efforts made to improve and increase the Corporate Governance measures in the recent years, which include among others improved board reporting, building a strong ethics culture with increased focus on implementation of the code of conduct, commitment to corporate sustainability, legal compliances systems, more focused internal audit, etc.

### COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

As required under Clause 49 of the Listing Agreement entered with the Stock Exchange, the Corporate Governance Report forms part of the Annual Report. Your Company is in full compliance with the requirements and disclosures as stated therein. A certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance. The details of the compliances are detailed hereunder:

### BOARD OF DIRECTORS

As on 31st December, 2014, the strength of the Board was three, all being Independent Directors. The Company has duly complied with the requirements under Clause 49(I)(A) of the Listing Agreement entered with the Stock Exchange as regards the composition of the Board.

The Board consists of eminent persons with considerable professional experience and expertise in business and industry. The composition of the Board of Directors as on 31st December, 2014, is tabulated below:

Category	Directors
Non-Executive Independent Directors	Mr. Bhopinder J. Chopra Mr. Vivek D. Dharm Mr. Subhash S. Nabar

During the year under review, there has been no change in the composition of the Board of Directors of the Company.

#### Board/Committee Proceedings:

The Company has a well-defined process for the meetings of the Board of Directors and Committees thereof. The meetings of the Board of Directors are held after giving due advance notice to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company. It helps to facilitate decision making in an informed and efficient manner as under:

- a) The Company Secretary in consultation with the Board of Directors, finalizes

the agenda of the Board and Committee Meetings, which is distributed to the Board/Committee Members well in advance. All items in the agenda are supported by notes to agenda which are also circulated well in advance. To address specific urgent need, meetings are also being called at shorter notice. The Board is also authorized to pass resolution by circulation for all such matters which are of utmost urgent nature.

- b) The Board has complete and unqualified access to all information available with the Company. The information regularly provided to the Board includes:
- Annual Operating plans and budgets and any updates;
  - Capital budgets and any updates;
  - Quarterly results for the Company and its operating divisions or business segments;
  - Minutes of the meetings of Audit and other Committees of the Board and of General Body Meetings;
  - The Information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary ;
  - Details of Joint Venture or collaboration agreement, if any;
  - Acquisitions/Amalgamation, if any;
  - Details of the Related Party Transactions, if any;
  - Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies;
  - Sale of material nature, if any, of investments and assets, which is not in the normal course of business;
  - Material important litigations, show cause, demand and penalty notices, if any;
  - Compliance Reports;
  - Significant developments in the human resources & industrial relations;
  - Fatal accidents and other dangerous occurrences;
  - Review details regarding foreign exchange exposure and steps implemented to manage them;
  - Show cause, demand, prosecution notices and penalty notices which are materially important;
  - Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company;
  - Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like signing of wage agreement, implementation of voluntary Retirement Scheme etc;
  - Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
  - Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc;
  - Transaction that involves substantial payment towards goodwill, brand equity or intellectual property; and
  - Other materially relevant information.
- c) Minutes of the proceedings of the Board/Committee meetings/ General Body Meetings are recorded. Draft minutes are circulated amongst all members for their comments. The minutes of the proceedings of the meetings are entered in the Minutes Book.
- d) The guidelines for the Board/Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the actions taken on decisions of the Board and Committees.
- e) The Board periodically reviews the compliance reports to ensure adherence to all applicable provisions of law, Rules and guidelines as may be applicable to the Company and takes steps to rectify non-compliances, if any.
- f) The Company has laid down code of conduct which binds all the Board Members and Senior Management of the Company. A declaration by the Head Operations and Company Secretary to this effect is appended to this Report.

#### Board Meetings and Attendance:

The Board of Directors of the Company met 5 (Five) times on 28th February, 2014, 15th May, 2014, 2nd August, 2014, 14th August, 2014 and 14th November, 2014.

The gap between any two board meetings was not more than 120 days.

Details of number of Board meetings attended by the Directors, attendance at the last Annual General Meeting, number of other directorships/committee positions held by them during the financial year ended on 31st December, 2014, are as hereunder:

Directors	No. of Board Meetings Attended	Attendance At the last AGM (held on 30th June, 2014)	As on 31st December, 2014			
			No. of Other Directorships held	No. of Company Chairmanships	Number of Committee Memberships in Other Companies	
					As Chairman	As Member
Mr. Vivek D. Dharm	5	Yes	8	-	2	3
Mr. Subhash S. Nabar	5	No	2	-	1	1
Mr. Bhopinder J. Chopra	3	Yes	1	-	-	1

**Notes:**

- Number of Directorships held by Directors exclude Alternate Directorships, Directorships in Foreign Companies, Companies incorporated under Section 25 of Companies Act, 1956 and Private Limited Companies.
- Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies have been considered in terms of Clause 49 of the Listing Agreement.

**Brief Profile of Director seeking re-appointment:**

The brief profile of Director seeking re-appointment as required pursuant to Clause 49 of the Listing Agreement with the Stock Exchange as on the date of this Report is as under:

Sr. No.	Particulars	Profile of the Director		
1.	Name of the Director	Mr. Subhash S. Nabar	Mr. Bhopinder J. Chopra	Mrs. Smita Dharm*
2.	Date of Birth	13th July, 1947	13th November, 1934	27th November, 1970
3.	Educational Qualification	B.E.(Mechanical) and PGDBM	B. Sc. and PGD in Electrical Communication Engineering	B. Com
4.	Date of Appointment on the Board	31st December, 2002	8th December, 2005	31st March, 2015
5.	Category of the Director	Independent	Independent	Professional
6.	Area of Expertise/Senior Position Held/Work Experience	He has to his credit 43 years of vast experience in manufacturing, marketing and customer service of consumer electronics products.	He has a vast experience in the field of manufacturing, marketing and finance.	She has more than a decade of experience in various fields like marketing, management etc.
7.	Details of Directorships in other Public Limited Companies	1. Akai Consumer Electronics India Limited 2. Hyundai Electronics India Limited	1. Virtual Electronics Limited	Nil
8.	Names of other Committees in which Chairman	Hyundai Electronics India Limited (Audit)	Nil	Nil
9.	Names of other Committees in which Member	Akai Consumer Electronics India Limited (Audit)	Virtual Electronics Limited (Audit)	Nil
10.	Number of Shares held	300	Nil	Nil

\*Related to Mr. Vivek D Dharm, Director of the Company.

## COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted the following six committees:



### AUDIT COMMITTEE

The functioning and terms of reference of the Audit Committee including the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. During the financial year ended on 31st December, 2014, the Audit Committee of the Board of Directors comprised of three Independent Directors. All the Independent Directors are financially literate

and are having vast experience in the fields of finance, accounts and industry. The composition as on 31st December, 2014, was as under:

Name	Designation	Category
Mr. Vivek D. Dharm	Chairman	Independent
Mr. Subhash S. Nabar	Member	Independent
Mr. Bhopinder J. Chopra	Member	Independent

The Chairman of the Audit Committee is an Independent Director.

The Company Secretary of the Company acts as a Secretary to the Committee.

The terms of reference of the Audit Committee are in accordance with all the items listed in Clause 49 (III) (D) and (E) of the Listing Agreement.

**Terms of reference and Scope of the Audit Committee:**

The following are the terms of reference and scope of the Audit Committee:

- Overall assessment 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;
- Recommending to the Board the appointment/re-appointment and if required replacement/removal of statutory auditors, fixation of audit fee and also approval of payment for any other services rendered by the auditors;
- Reviewing with the management, the performance of statutory and internal auditors and the adequacy of internal control systems;
- Review of quarterly unaudited financial results before submission to the Auditors and the Board;

- e) Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:-
- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956, (now Clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries based on exercise of judgment by management;
  - Observations and qualifications, if any, in draft audit report;
  - Significant adjustments in the financial statements, if any, arising out of audit findings;
  - Compliance with the accounting standards;
  - Compliance with the listing and other legal requirements concerning financial statements; and
  - Any related party transactions including transactions of the Company of material nature, with the promoters or the management or their relatives, with the subsidiary company etc., that may have potential conflict with the interests of Company at large.
- f) 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;
- g) Scrutiny of inter-corporate loans and investments;
- h) Valuation of undertakings or assets of the Company;
- i) Evaluation of internal financial controls and risk management systems;
- j) Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- k) Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control system;
- l) Approval of any subsequent modification of transactions of the company with related parties;
- m) Reviewing the adequacy of internal audit function, 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;
- n) Discussion with internal auditors on any significant findings and follow up there on;
- o) Reviewing the findings, if any, of 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;
- p) Discussion with statutory auditors before the audit commences regarding the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) Reviewing the Company's financial and risk management policies;
- r) Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- s) Approval of appointment of CFO (i.e. Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate;
- t) Reviewing the functioning of Whistle Blower Mechanism; and
- u) Carrying out any other function as mentioned in the terms of reference of the Audit Committee or such other function as may be notified under Listing Agreement or under the Companies Act, 2013.
- The Audit Committee also reviews:
- i. Management discussion and analysis of financial conditions and results of operations;
  - ii. Statement of significant related party transactions(as defined by the Audit Committee),submitted by management;
  - iii. Management Letters/Letters of internal control weaknesses issued by the Statutory Auditors;
  - iv. Internal audit reports relating to internal control weaknesses, if any; and
  - v. Appointment, removal and terms of remuneration of the Chief Internal Auditor, if any.

The Audit Committee is also vested with the following powers:

- a) To investigate any activity within its terms of reference;
- b) To seek any information from any employee;
- c) To obtain external legal and professional advice; and
- d) To secure attendance of outsiders with relevant expertise, if the Committee considers necessary.

**Whistle blower mechanism**

The Company has established the mechanism to report concerns of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct and to provide for adequate safeguards against victimization of persons who use mechanism and make provision for direct access to the Chairperson of Audit Committee. The details are available on the Company's website [www.trendelectronics.in](http://www.trendelectronics.in).

**Meetings and Attendance:**

During the financial year under consideration, 4 (Four) meetings of the Committee were held on 28th February, 2014, 15th May, 2014, 14th August, 2014 and 14th November, 2014.

The details of the meetings of Audit Committee attended by the members are as under:-

Name	Meetings Attended
Mr. Vivek D. Dharm	4
Mr. Bhopinder J. Chopra	3
Mr. Subhash S. Nabar	4

The Statutory Auditors, Cost Auditors and the Head of Internal Audit attended and participated in the meetings on invitation.

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Board of Directors of the Company at their meeting held on 15th May, 2014 changed the nomenclature of "Shareholders'/Investors' Grievance Committee" to "Stakeholders' Relationship Committee" in alignment with the Companies Act, 2013.

Terms of Reference of the Stakeholders' Relationship Committee has been revised as per the guidelines set out in the Listing Agreement and the Companies Act, 2013.

The composition of the Stakeholders' Relationship Committee of the Board of Directors as on 31st December, 2014, was as under:

Name	Designation	Category
Mr. Vivek D. Dharm	Chairman	Independent
Mr. Bhopinder J. Chopra	Member	Independent
Mr. Subhash S. Nabar	Member	Independent

**Compliance Officer:**

Mr. Kaustubha Sahasrabudhe, Company Secretary, is the Compliance Officer of the Company.

**Terms of reference and scope of the Committee:**

The Board has delegated the power of Share Transfer to the Registrar and Share Transfer Agent, who processes the transfers. The Committee monitors redressal of Shareholders' and Investors' complaints and also administers the following activities:

- a) Transfer/Transmission/Transposition of shares;
- b) Issue of Duplicate Share Certificates;
- c) Change of Status of holding;
- d) Change of Name;
- e) Issue and Allotment of Shares;
- f) Sub-division of Shares;
- g) Consolidation of Folios;
- h) Dematerialization/Rematerialization of shares;
- i) Review of shares dematerialized;
- j) Monitoring compliance of the code of conduct prescribed by SEBI for prevention of insider trading; and
- k) Redressal of investor grievances.

Particulars of investors' grievances received and redressed during the financial year ended on 31st December, 2014, forms part of this report.

**Meetings and Attendance:**

During the financial year under consideration, 4 (Four) meetings of the Stakeholders' Relationship Committee were held on 27th February, 2014, 15th May, 2014, 14th August, 2014 and 14th November, 2014.

The details of the attendance by the members are as under:

Name	Meetings Attended
Mr. Vivek D. Dharm	4
Mr. Subhash S. Nabar	4
Mr. Bhopinder J. Chopra	2

#### Share Transfer Details:

The details of shares transferred during the year under review are given below:

Sr. No.	Particulars	Details
1.	Number of Transfers	34
2.	Average No. of Transfers per month	2.83
3.	Number of Shares Transferred	2,450

#### Demat/Remat of Shares:

Details of Shares Dematerialized/Rematerialized during the year under review are given below:

Sr. No.	Particulars	Details
1.	Number of Demat Requests approved	118
2.	Number of Sub-committee Meetings held	42
3.	Number of Shares Dematerialised	24,125
4.	Percentage of Shares Dematerialised	0.32
5.	Number of Rematerialisation requests approved	0
6.	Number of Shares Rematerialised	0

#### Details of complaints received and redressed during the year ended on 31st December, 2014:

During the year under review, the Company received 84 complaints. 85 (including one of the previous financial year) complaints were redressed to the satisfaction of the shareholders.

#### NOMINATION AND REMUNERATION COMMITTEE

During the year under review, in view of the amended listing agreement and provisions of the Companies Act, 2013, the nomenclature of the Committee was changed from "Remuneration Committee" to "Nomination and Remuneration Committee" and the scope of Committee was revised so as to bring in line with the amended listing agreement.

The Company Secretary is the *de-facto* Secretary of the Committee.

Terms and reference of the scope of the Committee:

- Fixing & Reviewing the remuneration of the Chief Executives and other senior officers of the Company;
- Recommending the remuneration including the perquisite package of key management personnel;
- Determining the remuneration policy of the Company;
- Recommending to the Board retirement benefits;
- Reviewing the performance of employees and their compensation; and
- Attending to any other responsibility as may be entrusted by the Board.

Further, the Committee has formulated a policy which ensures that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
- c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

#### Remuneration Policy:

The Company has laid down the policy for determining the remuneration of the Directors/Senior Management/Key Management Personnel and have also specified the criteria for evaluation of the performance of the Board of Directors of the Company. The same is available on the Company's website viz. [www.trendelectronics.in](http://www.trendelectronics.in).

#### Familiarisation Program for Independent directors:

In terms of the provisions of Clause 49 of the Listing Agreement, the Company has laid down a familiarisation program which has been uploaded on the website of the Company viz. [www.trendelectronics.in](http://www.trendelectronics.in).

The said program is designed to help the independent directors understand the Company and its operations.

The Nomination and Remuneration Committee of the Board of Directors comprised of three Independent Directors. The composition as on 31st December, 2014, was as under:

Name	Designation	Category
Mr. Bhopinder J. Chopra	Chairman	Independent
Mr. Subhash S. Nabar	Member	Independent
Mr. Vivek D. Dharm	Member	Independent

#### Meetings and Attendance:

During the financial year under consideration, two meetings were held on 31st January, 2014 and 15th May, 2014 attended by all the Directors.

#### Directors' Remuneration:

The non-executive and independent directors are paid only sitting fees for participating in the Board and various Committee meetings.

Details of payment towards sitting fees to Independent Directors during the financial year ended on 31st December, 2014, are as under:

Name	Sitting fees paid (₹)
Mr. Vivek D. Dharm	32,500
Mr. Subhash S. Nabar	29,500
Mr. Bhopinder J. Chopra	19,500
<b>TOTAL</b>	<b>81,500</b>

#### Stock Options:

The Company has not issued any stock options during the financial year ended on 31st December, 2014.

#### FINANCE AND GENERAL AFFAIRS COMMITTEE

The composition of the Finance and General Affairs Committee of the Board of Directors as on 31st December, 2014, was as under:

Name	Designation	Category
Mr. Vivek D. Dharm	Chairman	Independent
Mr. Subhash S. Nabar	Member	Independent
Mr. Bhopinder J. Chopra	Member	Independent

The Company Secretary is the *de-facto* Secretary of the Committee.

#### Meetings and attendance:

During the financial year under consideration, 10 (Ten) meetings of the Finance and General Affairs Committee were held.

The details of the attendance by the members are as under:-

Name	Meetings Attended
Mr. Vivek D. Dharm	10
Mr. Subhash S. Nabar	7
Mr. Bhopinder J. Chopra	5

#### Terms of reference and scope of the Committee:

The Committee is entrusted with various powers from time to time, which shall aid in speedy implementation of various projects, activities and transactions whether routine or non-routine in nature.

#### RISK MANAGEMENT COMMITTEE

The Board of Directors in its meeting held on 15th May, 2014 constituted Risk Management Committee in alignment with revised Clause 49 of the Listing Agreement. The composition of the Committee as on 31st December, 2014 is as under:-

Name	Designation	Category
Mr. Vivek D. Dharm	Chairman	Independent
Mr. Subhash S. Nabar	Member	Independent
Mr. Bhopinder J. Chopra	Member	Independent

During the year under review, no meeting was held of the Committee.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

As per the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder, every company having-

- i) network of ₹ 500 crores or more; or
- ii) turnover of ₹ 1000 crores or more; or
- iii) net profit of ₹ 5 crores or more

during any financial year, shall constitute a Corporate Social Responsibility (CSR) Committee, consisting of 3 or more directors, out of which atleast 1 director shall be an Independent Director.

Accordingly, during the year under review, the Company has constituted CSR Committee, which shall recommend the amount of expenditure to be incurred on such activities and monitor the Corporate Social Responsibility Policy of the Company.

**Composition of the Committee:**

The Composition of the Committee as on 31st December, 2014 was as under:

Name	Designation	Category
Mr.Vivek D. Dharm	Chairman	Independent
Mr.Bhopinder J. Chopra	Member	Independent
Mr. Subhash S. Nabar	Member	Independent

**Meeting and Attendance**

No meeting of the Committee was held during the year under the review

**GENERAL BODY MEETINGS**

Date, time and location where the last three Annual General Meetings (AGMs) were held are as under:

AGM	AGM Date	Location	Time	No. of Special Resolution Passed
22nd	29.06.2012	20 K.M. Stone, Aurangabad - Beed Road, Village: Bhalgaon, Aurangabad – 431 210 (Maharashtra)	4.00 p.m.	NIL
23rd	27.06.2013	20 K.M. Stone, Aurangabad - Beed Road, Village: Bhalgaon, Aurangabad – 431 210 (Maharashtra)	1.00 p.m.	NIL
24th	30.06.2014	20 K.M. Stone, Aurangabad - Beed Road, Village: Bhalgaon, Aurangabad – 431 210 (Maharashtra)	2.00 p.m.	NIL

**POSTAL BALLOT INCLUDING ELECTRONIC VOTING**

During the year under review, four resolutions were passed through Postal Ballot including voting by electronic means pursuant to the provisions of Section 110 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules 2014:

Resolution No.	Particulars of the resolution passed	Section of the Companies Act,2013 under which the resolution was passed	Nature of Resolution
1.	Authorisation to the Board of Directors of the Company to borrow money/moneys upto an amount not exceeding ₹ 50,000 Crores.	180(1)(c)	Special
2.	Authorisation to the Board of Directors to sell, lease, mortgage,or otherwise dispose off the whole or substantially the whole of undertaking of the Company upto an amount not exceeding ₹ 50,000 Crores.	180(1)(a)	Special

3.	Authorisation to the Board of Directors to make investments, extend guarantee, provide security, make intercorporate loans upto an amount not exceeding ₹ 50,000 Crores.	186	Special
4.	Alteration of Articles of Association	14	Special

The Board had appointed Mrs. Gayathri R. Girish, Company Secretary in Whole-Time-Practice, as a Scrutinizer for conducting the Postal ballot including voting by electronic means. in a fair and transparent manner.

Notice of the Postal Ballot including voting by electronic means, together with Explanatory Statement in terms of the Provisions of Section 110 of the Companies Act, 2013 together with the Rules framed thereunder, Postal Ballot Form (PBF) and self-addressed envelope, postage paid by the Company, were dispatched to all the Shareholders of the Company and all the other persons entitled to receive the same.

The Procedure followed by the Company for conducting the postal ballot was as per Section 110 of the Companies Act, 2013 and the Rules made thereunder, namely Companies(Management and Administration) Rules 2014.

The results of the postal ballot including voting by electronic means were announced and the resolutions were declared as passed on 12th September, 2014.

The voting pattern for the same is given herein below:

**Postal Ballot Including Voting by Electronic Means**

Particulars	Number of Valid Votes Received	Votes in favour	% of voting in favour	Votes Against	% of voting Against	Abstain from Voting (No. of Shares)
Special Resolution under Section 180(1)(c)	3,702,700	3,700,350	99.94	2,350	0.06	Nil
Special Resolution under Section 180(1)(a)	3,702,700	3,700,075	99.93	2,625	0.07	Nil
Special Resolution under Section 186	3,702,700	3,700,325	99.94	2,375	0.06	Nil
Special Resolution under Section 14	3,702,700	3,700,125	99.93	2,575	0.07	Nil

7 PBF including electronic voting representing 450 equity shares were rejected/invalid cases.

None of the businesses are proposed to be transacted at the ensuing Annual General Meeting which requires passing of a special resolution through postal ballot including electronic voting.

**DISCLOSURES**

a) Materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.	There are no transactions, which may have potential conflicts with the interests of Company at large. Transactions with related parties are disclosed in Note No. 31 of the "Notes forming part of Financial Statement" in the Annual Report.
b) Non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	NIL
c) Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.	The Company has implemented Whistle Blower Policy and no personnel have been denied access to the Audit Committee.



d) Details of Compliance with mandatory requirements and adoption of the non mandatory requirements of this Clause.	The Company has complied with mandatory requirements and adopted the following non-mandatory requirements: <ol style="list-style-type: none"> <li>1. Constitution of Standing Committee under nomenclature 'Finance and General Affairs Committee.</li> <li>2. Constitution of Corporate Social Responsibility Committee.</li> </ol>
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#### MEANS OF COMMUNICATION

The Company regularly intimates its un-audited as well as audited financial results, including quarterly results, to the Stock Exchange in compliance with the Listing Agreement. These financial results are published in Financial Express or The Free Press Journal (English) and Loksatta (Marathi) newspapers having wide circulation. The results are posted on the Company's website www.trendelectronics.in. The official news releases and the presentations made, if any, from time to time to investors and financial analysts at investors' meets are also displayed on the Company's website. The results are not distributed/sent individually to the shareholders.

The Company regularly uploads various reports, notifications and returns required to be submitted as per the Listing Agreement on the BSE Listing website named listing.bseindia.com, as per the guidelines issued by BSE Limited.

In terms of the requirements of Clause 52 of the Listing Agreement with the Stock Exchange, the un-audited financial results as well as audited financial results are electronically submitted, unless there are technical difficulties and are displayed through Corporate Filing and Dissemination System viz. www.corpfiling.co.in

**Management Discussion and Analysis Report forms part of the Annual Report.**

#### SHAREHOLDERS' INFORMATION

This section *inter-alia* provides information pertaining to the Company, its shareholding pattern, means of dissemination of information, share price movements and such other information in terms of Point no. 9 of Annexure-XII of Clause 49 of the Listing Agreement relating to Corporate Governance.

#### A. Annual General Meeting:

Date	: 27th June, 2015
Day	: Saturday
Time	: 3.30 p.m.
Venue	: 20 K.M. Stone, Aurangabad- Beed Road, Village:Bhalgaon, District:Aurangabad-431210 (Maharashtra)

#### B. Financial Calendar for 2015:

Particulars	Date
Accounting Period	1st January, 2015 –31st December, 2015
Unaudited financial results	Announcement within 45 days from the end of each quarter or such time limit as may be prescribed by SEBI and Stock Exchange from time to time.
First Quarter Results	On or before 15th May, 2015
Second Quarter Results	On or before 14th August, 2015
Third Quarter Results	On or before 14th November, 2015
Fourth Quarter & Audited Financial Results	On or before 29th February, 2016
Annual General Meeting for year ending 31st December, 2015	On or before 30th June, 2016

#### C. Date of Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 15th June, 2015 to Saturday 27th June, 2015 (both days inclusive).

#### D. Dividend Payment Date:

In view of the loss incurred, the Board of Directors of Company do not recommend any dividend for the year under review.

#### E. Listing:

The Equity shares of your Company are listed on:

Sr. No.	Name and address of the Stock Exchange	Stock Code
1.	BSE Limited (Formerly: Bombay Stock Exchange Limited) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Web: www.bseindia.com	517228

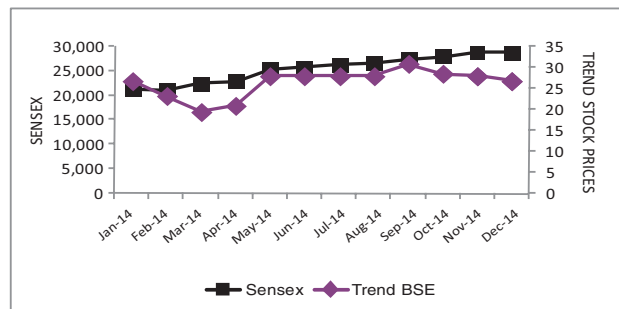
The Company has paid Listing Fees for the year 2015-16 to the Stock Exchange and the Custodial Fees for the year 2014-15 to National Securities Depository Limited and Central Depository Services (India) Limited.

#### F. Market Price Data:

Monthly High and Low prices at BSE Limited during the year ended on 31st December, 2014, are as under:

Month	BSE	
	High Price	Low Price
January, 2014	26.90	19.30
February, 2014	23.10	17.00
March, 2014	19.45	15.05
April, 2014	20.90	16.55
May, 2014	28.00	16.25
June, 2014	28.00	21.00
July, 2014	28.00	23.70
August, 2014	27.95	24.00
September, 2014	30.75	25.00
October, 2014	28.40	22.80
November, 2014	28.00	24.25
December, 2014	26.85	20.70

#### TREND HIGH VS SENSEX HIGH



#### G. Registrar and Share Transfer Agent:

M/s. MCS Limited  
Kashiram Jamnadas Building,  
Office No. 21/22, Ground Floor,  
5, P. D'Mello Road, (Ghadiyal Godi)  
Masjid (East), Mumbai - 400 009.  
Tel: +91-22 23726253/55  
Fax: +91-22 23726252

#### H. Share Transfer System:

Entire share transfer activities are carried out by M/s. MCS Limited, Registrar and Share Transfer Agent of the Company. Applications for transfer of shares held in physical form are received at the office of the Registrar and Share Transfer Agent of the Company. Share transfers are approved by Sub-Committee of the Board and all valid transfers are processed within 15 days from the date of receipt.

The Company has pursuant to Clause 47(c) of the Listing Agreement with Stock Exchange, submitted within the stipulated time, certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from a Practicing Company Secretary.

## ANNUAL REPORT 2014

### I. Distribution of Shareholding:

a) Shareholding pattern as on 31st December, 2014, is as under:

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
(1)	Indian	10	3,679,105	49.05
(2)	Foreign	-	-	-
	<b>Sub – Total (A)</b>	<b>10</b>	<b>3,679,105</b>	<b>49.05</b>
<b>(B)</b>	<b>Public Shareholding</b>			
(1)	Institutions	11	373,081	4.97
(2)	Non- Institutions			
	Bodies Corporate	157	465,350	6.20
	Individuals	16,783	2,827,050	37.69
(3)	Others	825	155,414	2.07
	<b>Sub – Total (B)</b>	<b>17,776</b>	<b>3,820,895</b>	<b>50.95</b>
	<b>TOTAL (A) + (B)</b>	<b>17,786</b>	<b>7,500,000</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>			
(1)	Promoter and Promoter Group	-	-	-
(2)	Public	-	-	-
	<b>Sub-Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>17,786</b>	<b>7,500,000</b>	<b>100.00</b>

b) Distribution of Shareholding as on 31st December, 2014 is given below:

Share Holding of Nominal Value	Number of Shareholders	% to the Total Shareholders	No. of Shares	Amount (in ₹)	% to the Total Value of Share Capital
Up to 5,000	17,330	97.44	1,393,964	13,939,640	18.59
5,001 to 10,000	196	1.10	158,075	1,580,750	2.11
10,001 to 20,000	126	0.71	191,341	1,913,410	2.55
20,001 to 30,000	38	0.21	96,116	961,160	1.28
30,001 to 40,000	23	0.13	81,125	811,250	1.08
40,001 to 50,000	10	0.06	45,966	459,660	0.61
50,001 to 100,000	23	0.13	155,832	1,558,320	2.08
100,001 and above	40	0.22	5,377,581	53,775,810	71.70
<b>Total</b>	<b>17,786</b>	<b>100.00</b>	<b>7,500,000</b>	<b>75,000,000</b>	<b>100.00</b>

### J. Dematerialization of Shares and liquidity:

The Securities and Exchange Board of India (SEBI), through a notification has made it mandatory that any delivery in the Company's shares against stock exchange trades shall be in demat form. As on 31st December, 2014, 65,17,372 equity shares (representing 86.90% of the total number of shares) have been dematerialized. The entire promoter holding is in dematerialized form.

### K. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on equity:

The Company has not issued any instruments which warrant conversion. As on 31st December, 2014, there is no outstanding instrument which warrants conversion.

### L. Plant location:

20 K.M. Stone, Aurangabad - Beed Road,  
Village: Bhalgaon, District: Aurangabad - 431 210 (Maharashtra)

### M. Address for Correspondence:

20 K.M. Stone, Aurangabad - Beed Road, Village: Bhalgaon, District: Aurangabad - 431 210 (Maharashtra) Tel : +91-240-2644509/10/12, Fax : +91-240-2644506

E-mail id: secretarial\_trend@videoconmail.com

**The correspondence address for shareholders in respect of their queries is:**

MCS Limited

Kashiram Jamnadas Building, Office No. 21/22, Ground Floor, 5, P. D'Mello Road (Ghadiyal Godi), Masjid (East), Mumbai - 400009.

Tel: +91-22 23726253/55 Fax: +91-22 23726252

### COMPLIANCE CERTIFICATE OF THE AUDITORS:

A certificate from the statutory auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report.

**DECLARATION**

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company which is posted on the Website of the Company. The Board Members and Senior Management have affirmed compliance with the code of conduct.

**For TREND ELECTRONICS LIMITED**

**HEAD OPERATIONS**

**COMPANY SECRETARY**

Place : Mumbai

Date : 14th May, 2015

**CEO/CFO CERTIFICATION**

To,

The Board of Directors,

**TREND ELECTRONICS LIMITED**

We, Head Operations and Chief Financial Officer of the Company certify to the Board that:

- a) We have reviewed the Financial Statement and the Cash Flow Statement for the financial year ended on 31st December, 2014 and to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - 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) To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting, evaluate the effectiveness, disclosing the deficiencies in the design or operation of internal controls, if any, to the Auditors and Audit Committee and take steps or propose to take steps to rectify these deficiencies.
- d) We have indicated, wherever applicable, to the Auditors and the Audit Committee:
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies, the same have been disclosed in the notes to the financial statement; and
  - iii. Instances of significant fraud of which we have become aware.

**For TREND ELECTRONICS LIMITED**

**HEAD OPERATIONS**

**CHIEF FINANCIAL OFFICER**

Place: Mumbai

Date: 14th May, 2015

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members,

**TREND ELECTRONICS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Trend Electronics Limited (the "Company"), for the year ended 31st December, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 Directors and the management, we certify that the Company has complied with, in all material respect, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchange.

We further state that such compliance 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 KHANDELWAL JAIN & CO.,**  
Chartered Accountants  
(Firm Registration No. 105049W)

**For KADAM & CO.,**  
Chartered Accountants  
(Firm Registration No. 104524W)

**BHUPENDRA Y. KARKHANIS**

Partner

Membership No. 108336

Place : Mumbai

Date : 14th May, 2015

**U. S. KADAM**

Partner

Membership No. 31055

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is prepared in adherence to the spirit enunciated in the Code of Corporate Governance, approved by the Securities and Exchange Board of India and in compliance with the provisions of the Listing Agreement.

The Management presents herein the Industry Structure, Opportunities and Threats in the Consumer Electronics Industry and the Company's Outlook for the future.

### INDUSTRY OVERVIEW

The consumer electronics and electrical industry is optimistically looking towards the newly formed government and its policy initiatives for further development of the industry. "Encouraging consumption and promoting domestic manufacturing" are the two signals which the industry has picked up from the Union Budget and is concentrating on achieving the maximum of it.

India is likely to emerge as the world's largest middle class consumer market with an aggregated consumer spends of nearly US\$ 13 trillion by 2030.

The Government of India has increased liberalization which has favored Foreign Direct Investments (FDI). Also, policies such as National Electronics Mission, Make in India, digitization of television and setting up of Electronic Hardware Technology Parks (EHTPs) is expected to boost the growth of this sector.

Fuelled by rising incomes and growing affordability, the consumer durables market is expected to expand in urban as well as rural area.

Your Company primarily focuses on manufacturing and trading of Televisions, DVDs and Set Top Boxes.

#### Set Top Boxes:

10 million Set Top Boxes (STB) would be required to achieve a complete digitization of analog cable TV networks. Manufacturers are seizing this opportunity to make digitization as India's success story and fulfill the 'Make in India' mission of the new government.

Over the next two years, cable operators are expected to undertake the next great migration in the Indian broadcast industry history. Just one decade after beginning the last major technical transformation from analog to digital signal transmission, cable providers are already upgrading their plants, networks, and equipment for the delivery of full digital video and other multimedia streams to subscribers. STBs remain one of the fastest growing products in the Indian consumer electronics segment. Increasing demand for digital viewing among Indian consumers and government mandated digital switchover is expected to provide a fillip to the Indian market.

The Ministry of Information and Broadcasting has notified a four-phase digitization process for cable television in India with a sunset date of 31st December, 2016. As a result, the cable television industry in India will be transitioned to the Digital Addressable System (DAS) for television distribution and all cable operators will be legally bound to transmit only digital signals. We believe that this is a key growth opportunity for us as we believe that a significant portion of current analog cable television subscribers will switch to DTH services, such as ours. The implementation of this process will be carried out in the following four phases:-

Sr. No.	Particulars	Area Covered	Due date	Revised dates*
1.	Phase I	Four metropolitan areas of Delhi, Mumbai, Kolkata and Chennai	31st October, 2012	-
2.	Phase II	All cities with a population of over one million	31st March, 2013	-
3.	Phase III	All other urban areas across India	30th September, 2014	31st December, 2015
4.	Phase IV	The rest of India	31st December, 2014	31st December, 2016

#### \*As notified by Central Government vide notification dated 11th September, 2014

The DTH industry is expected to grow faster and stronger in the areas where DAS has been notified by the Government because of brand equity, execution strength, understanding of the consumer behavior, well established sales and distribution outlets, value proposition to the consumer and above all best quality service at the door steps of the customers. To tap the nerve of increasing growth opportunities, the Company is focusing towards strategic planning.

Your Company is very much engaged in developing and manufacturing STBs in-house for its group company as well as for other DTH operators. The Company's new 4K Ultra HD STB livens up the TV viewing experience of the customers. 4K ultra HD STB's are capable of delivering True 4Kp60, which completes overall 4K experience. The Company is looking ahead to grab the opportunity for expansion of business of manufacturing of STBs and establish its presence in foreign markets as well.

#### Televisions:

Televisions continue to be the foundation of the consumer electronics industry in India. The TV viewing landscape has changed dramatically over the years. Technical evolution is creating an increased demand for LED TVs. The Television industry has seen a long journey from black and white TVs to the latest High Definition LED TVs.

The television today is giving entertainment a new meaning from being just a pure entertainment device; television has become more interactive than ever before.

Globally, television broadcasting is beaming out High Definition (HD) and full-HD content as a basic feed. All DTH providers in India are presently offering HD content since most households today own a LCD TV, which is capable of HD and full-HD resolutions and features the HDMI (High Definition Multimedia Interface) port.

The next-generation televisions available today are curved OLED televisions and 4K/Ultra HD (UHD) televisions. 4K/UHD TV can produce four times the picture resolution than what today's full-HD offers.

Although the industry spotlight is focused upon UHD and curved screens, smart TV continues to permeate the market as a value added feature, and new modifications like voice and gesture recognition, tile-driven navigation and device mirroring have substantial consumer appeal at point of sale as part of a premium set proposition. The migration to larger screens is expected to continue, partly aided by 4K, as the benefits of the higher resolution are easier to see in the larger screen sizes. 50 inch plus sets (both HD and 4K) are forecast to account for almost 25 percent of the market in 2018, in comparison with 18 percent currently.

Some of the eye catching features of televisions are:

- **4K Ultra HD:** 4K technology with 8.3 Megapixels, provides outstandingly detailed and crisp pictures. It displays four times more pixels than Full HD, and 8 times more than an HD.
- **Gesture control and Motion gaming:** Smart hand gesture controls let you adjust volume, find and browse select content, all without having to pick up a remote. Motion gaming technology allows consumer to use body movement to play game directly on the television.
- **Remote control with headphones:** The Company has introduced the latest feature, of remote controls with headphones. The customer can cherish the experience of sound modulation and watching TV.
- **FM Radio in TVs:** The Company has brought in an added feature of FM Radio in the Televisions. The customer can now enjoy the listening of radio through TVs directly.

The Company regularly conducts market survey and road shows and tries to reach the customer to get the first hand experience and suggestion for betterment of products.

#### DVDs:

In India, the popularity of DVD players is fading, due to the growth of tech competency, increase in online portals and Direct to Home (DTH) sector. With availability of more than 200 channels and movies on demand, the DTH services are gradually eating into DVD players market share pie. Similarly, the features of USB connections into the TVs and music players are curbing the DVD market which was once a popular data storage device.

However, the DVD players are not yet vanished from the market and still there is a demand for DVD players due to following reasons:

1. The rural market does not have the internet connectivity which is required to watch the movie online on various sites and thus they prefer the DVDs which do not require any internet connectivity.
2. The parents still prefer to buy the DVDs of games, movies, encyclopedia for their kids who can watch the DVDs repetitively as and when they want to.

### OPPORTUNITIES AND THREATS

#### Opportunities

1. The launch of 'Make in India' campaign is a landmark step by the government. With this initiative India has embarked on the path to become a global manufacturing hub.
2. The Consumer durable industry is betting big on New Government's 'Make in India' campaign in the upcoming budget 2015. The launch of industry, which is pegged at ₹ 45,000 Crores in FY 2014, is expecting the government to focus on developing infrastructural sector, which in turn will cut down on the high input cost that most companies bear.
3. Indian consumer durable industry is set to witness phenomenal growth in the near future, with rising technological innovations.
4. Digitization also opens doors for the Company to venture into other related services like offering new niche channels, value added services and HD etc. Digitizing existing subscriber base in Phase III and IV cities is a huge potential market to be digitized and is sure to bolster the Company's position.
5. The Company now plans to introduce a unique feature "Unlimited Recording" in the STB, where the user can record any program if he/she is busy at that time. User can either record a Live TV programme or even record a scheduled program and can watch recorded programs later at his/her leisure.

The key growth drivers for the Indian consumer durables industry:

1. **Revival in Economic Growth:** Consumer durable industry is highly correlated to economic scenario as the industry demand is largely depended upon disposable income. Though the industry had registered lower average growth rate earlier, the Indian economy has shown a nascent growth in the previous financial year and hence the demand for high tech product has seen.
2. **Growing presence of Organized Retail:** The demand of consumer durable products are growing at brisk pace in urban as well as rural markets and one of the key enablers of this growth has been the increasing penetration of organized retail. Though, there are established distribution networks in both rural and urban India, the presence of well-known brands and organized sector is increasing. Going forward, the market share of organized retail is expected to rise at fast pace.
3. **Increasing Consumer Base in Rural Areas:** Growing rural income, lesser power cuts, rising product awareness through advertising and customized products for rural consumers are the major factors for such a tremendous change in the purchasing power of the rural customers. Lower penetration of durables in rural market is also generating huge demand for first time buyers in that market which is a big opportunity of durables manufactures.
4. **Product Pricing:** The consumer durables industry is highly price sensitive, making price the determining factor in increasing volumes, at least for lower range customers. For middle and upper range consumers, it is the brand name, technology and product features that are important.
5. **Green initiatives and higher star rated products:** Green initiatives and higher star rated products continue to become more relevant for Indian consumers owing to the promise of better resource efficiencies especially in bigger cities where electricity and water shortage is pertinent concern.

6. With "Make in India" getting impetus, the Company has very ambitious production targets and is looking to explore overseas markets also. The Company has invested in capacity addition & is capable of exploring new opportunities / new markets.

Other key opportunities available in the industry are:

- > Exposure to western culture;
- > Emergence of nuclear families;
- > Introduction of innovative products;
- > Festive Season Sales;
- > Availability of newer variants of product; and
- > Teleshopping and On-line shopping.

#### Threats:

Despite the emerging opportunities consumer durable industry remains vulnerable to stiff competition, technological obsolescence, erosion in prices and increasing marketing and distribution cost. Some of the threats are:

1. **Increasing Competition:** The consumer durable market has been transformed by the entry of over a dozen new brands and thus the competition among players has intensified. Growing competition among players has forced them to spend more on advertisement and also lessen their pricing power, thereby lowering industry margins.
2. **Need of large investment in technology:** Consumer durables products are required to undergo persistent changes to meet the varying demand of consumers due to the continuous change in the psychographic and demographic profile of the customer. Thus, the companies would continue to rely heavily on advancement in technology.
3. **Poor rural distribution:** As around 65 percent of India's population still lives in rural areas, availability of products to rural village located in remote area is difficult due to inadequate infrastructure and poor road connectivity.
4. **Continuous increase in raw material cost, commodity prices:** Continuous increase in raw material prices add to the cost of the product, which at many times cannot be passed on to the end consumer. This results in increased pressure on margins.

#### OUTLOOK

The global economy is slowly recovering with consumer sentiment showing signs of improvement in larger markets and advanced economies. Confidence amongst consumers is increasing, particularly with a stable government at the centre and is generating the much needed boost to investor sentiment and reviving the private investment cycle in particular. The Company is working to increase its manufactured product portfolio keeping in view the changing market aspirations. The strong foundation of the Company coupled with the reputation it has to manufacture High Quality products and deliver services which meet customer expectations is its major strength.

Your Company has started manufacturing the STBs since last few years. However, the demand for the same is expected to grow in the coming years in view of digitization announced by the Government of India. The Ministry of Information and Broadcasting has notified a four-phase digitization process for cable television in India with a sunset date of 31st December, 2016 (earlier it was 31st December, 2014). As a result cable television industry will be transitioned to the DAS for television distribution and all cable operators will be legally bound to transmit only digital signals. This is a key growth opportunity for the Company since it believes that it is the only STB manufacturer in India.

#### RISKS AND CONCERNS

The global economy is in grip of risk off sentiment right now. Sharp decline in crude oil prices and geopolitical concerns in some economies has created uncertainties. Fears of financial crisis in Russia, economic vulnerability in other oil exporting countries, deflation in Euro zone, worries over possible exit of Greece from the Euro Zone and weakness in emerging market currencies in the wake of US Dollar strength has dominated the macroeconomic landscape over last few months.

The Indian consumer durable industry remains stable in the terms of growth but is facing a stiff competition on account of entries of new players. New Government's move on not extending the excise duty concessions on the auto sector and consumer durables will impact the demand in the short-term and force the Consumer durables makers to pass on the burden to customers and that will hurt sales.

The risks that may affect our business include, but are not limited to:

- Economic conditions
- Compliance and regulatory pressures including changes to tax laws;
- Competitive market conditions and new entrants to the market;
- Technological obsolescence;
- Increase in the input costs; and
- Cross border competition.

The future success of the Company will depend on its ability to develop and market products which meet changing consumer demands and to respond to technological developments and changing in manufacturing processes.

The management is aware of the risks and has been taking efforts continuously to minimize the same.

#### INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your Company has proper and adequate systems of Internal Controls, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and that transaction are authorized, recorded and reported correctly.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The Company's Internal Audit function objectively and independently tests the design, adequacy and operating effectiveness of the internal control system to provide a credible assurance to the Board and the Audit Committee regarding the adequacy and effectiveness of the internal control system. The function also reviews and reports on adherence to operating guidelines and statutory requirements, recommends improvements for monitoring and strengthening economy and efficiency of operations and ensuring reliability of financial and operational information.

Your Company adheres to the following internal control system:

- Properly conducting Board and General Meetings;
- Recording of data discussed during the meeting in proper manner;
- Well prescribed internal reporting hierarchy; and
- Timely preparation of records, reports, minutes and other financial and statutory documents.

Internal audit is conducted by an independent audit firm throughout the year to monitor and report on the effectiveness of the internal controls in the organization. The plan and the internal audit reports are shared with the Statutory Auditors. The Company has put in place a risk assessment and mitigation policy for process across all its business operations, which is periodically reviewed by the management.

Significant findings of the internal audit are brought to the notice of the Audit Committee and corrective measures are recommended for implementation. Reports of the internal auditors are also continuously reviewed by the management and corrective actions are initiated to strengthen the controls and enhance the effectiveness of the existing systems.

#### SEGMENT-WISE PERFORMANCE

The Company is primarily engaged in manufacturing of electrical and electronics appliances and there is no other reportable segment as defined in Accounting Standard 17 on "Segment Reporting."

#### FINANCIAL PERFORMANCE

##### Income:

##### Sales

During the year under review, the Company recorded a turnover of ₹ 15,323.98 Million as against ₹ 14,762.49 Million for the year ended on 31st December, 2013.

##### Other Income

Other Income for the year was ₹ 23.61 Million as against ₹ 1.22 Million for previous year ended on 31st December, 2013. Other income comprises of dividend income, profit on sale of fixed assets and other Non-Operating Income.

##### Expenditure:

##### Cost of Goods Consumed/Sold

During the year, the Cost of Goods Consumed/Sold stood at ₹ 13,841.67 Million as against ₹ 13,267.92 Million for the previous year ended on 31st December, 2013.

##### Employee Benefits Expense

During the year under review, the Employee Benefits Expenses were ₹ 185.42 Million as against ₹ 161.28 Million for the previous year ended on 31st December, 2013.

##### Other Expenses

During the year under review, the Other Expenses were ₹ 308.24 Million as against ₹ 448.05 Million for the previous year ended on 31st December, 2013.

##### Finance Costs

Finance costs were to the tune of ₹ 686.57 Million as against ₹ 751.54 Million for the previous year ended on 31st December, 2013.

##### Depreciation and Amortisation

During the year under review, Depreciation and Amortisation Expenses amounted to ₹ 218.09 Million as against ₹ 213.21 Million for the previous year ended on 31st December, 2013.

##### Net Loss

Net Loss of the Company for the current year amounted to ₹ 347.79 Million as against a net loss of ₹ 500.49 Million for the previous year ended on 31st December, 2013.

#### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS INCLUDING NUMBER OF PEOPLE EMPLOYED

Human capital is the most valuable resources to any organization. The success of any business is contingent to the performance of its Human Resource that eventually are responsible for the delivery of results. The Company is committed to maintain a cordial and healthy atmosphere with the employees at all levels. It considers the quality of its human resources to be the most important asset; and places significant focus on training and development of its employees. The Company ensures that it attracts right competency, develop them continuously and keep its employees motivated throughout.

The Company has developed a HRD plan with built-in-parameters to achieve excellence. In line with this objective, the performance evaluation processes are being redefined to provide dynamic interventions in assessing and developing the individual targets and synchronizing these targets to the Company's objective and mission.

The Company will continue to strengthen employer-employee relationship by providing a conducive working environment and offering a competitive compensation package. Imparting adequate HR training programmes and specialized trainings to the employees of the Company is an ongoing exercise. The Company is also planning to implement various employee benefit plans to support the family of employee is also a concern of the Company along with the growth of the Company.

The total staff strength of the Company for the year ended 31st December, 2014, was around 360.

#### CAUTIONARY STATEMENT

*Statements made in this report describing the Company's objectives, production, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. The actual results might differ substantially or materially from those expressed or implied due to the influence of external and internal factors beyond the control of the Company. Further, the discussion herein reflects the perceptions on major issues as on date and the opinions expressed herein are subject to change without notice. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.*

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**Trend Electronics Limited**

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of Trend Electronics Limited ("the Company"), which comprise the Balance Sheet as at 31st December, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which are deemed to be applicable as per section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### 5. Other Matters

The Ministry of Corporate Affairs (MCA) had on 1st April, 2014, vide its General Circular No. 01/2014, *Dissemination of Information with regards to the provision of the Companies Act, 2013 as notified till date vis a vis corresponding provisions of the Companies Act, 1956*, identifies such Sections of the Companies Act, 1956, that would cease / continue to have effect from 1st April, 2014.

Accordingly, in terms of the aforesaid Circular, our reporting in respect of section 227(3)(f) of the Companies Act, 1956, and clauses (iii), (v)(a) and (b), (vi), (viii), (xiv), (xviii) of the Companies (Auditor's Report) Order, 2003 (dealing with Sections 49, 58A, 58AA, 209(1)(d) and 301 of the Companies Act, 1956) is only for the period beginning from 1st January, 2014 till 31st March, 2014 since as per the aforementioned MCA circular these Sections have ceased to have effect from 1st April, 2014.

### 6. Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order to the extent the same are applicable to the Company.
- B. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which are deemed to be applicable as per section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014);
  - e) on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act. The provisions of section 274(1)(g) ceased to have effect from 1st April, 2014 and hence, the reporting requirement under section 227(3)(f) of the Act is not applicable as of the balance sheet date.

**For KHANDELWAL JAIN & CO.**  
Chartered Accountants  
Firm Registration No.: 105049W

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No.: 108336  
Place : Mumbai  
Date : 14th May, 2015

**For KADAM & CO.**  
Chartered Accountants  
Firm Registration No.: 104524W

**U. S. KADAM**  
Partner  
Membership No.: 31055

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Statement referred to in paragraph 6A read with paragraph 5 of the Independent Auditors' Report of even date to the Members of Trend Electronics Limited ("the Company") on the financial statements for the year ended 31st December, 2014.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- (b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
- (c) During the year the Company has not disposed off any substantial part of fixed assets.
- (ii) (a) As per the information and explanation given to us, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. As per information and explanation given to us, the discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) As per the information and explanation given to us, the Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As the Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, Sub-clauses (b), (c), (d), (f) and (g) of Clause (iii) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control systems.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs, in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) The Central Government has prescribed maintenance of the cost records under section 209(1)(d) of the Companies Act, 1956 in respect to the Company's products. We have broadly reviewed the books of account and records maintained by the Company in this connection and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Custom duty, Excise-duty, Cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st December, 2014 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company examined by us and information and explanations given to us, the particulars of dues of Income-tax, Sales-tax, Wealth-tax, Service tax, Custom duty, Excise-duty, Cess which have not been deposited on account of any dispute, are given below:

Name of the Statute	Nature of the Dues	Amount (₹ Million)	Forum where dispute is pending
1. Customs Act, 1962	Custom Duty	0.75	Commissioner
2. Central Excise Act, 1944	Excise Duty	4.03 2.98 6.95 0.93 0.57	CESTAT High Court Commissioner Dy. Commissioner Asst. Commissioner
3. Sales Tax Act of various States	Sales Tax	0.02 32.72 0.28	Appellate Tribunal Joint Commissioner STO

(x) There are accumulated losses of ₹ 892.92 Million as on 31st December, 2014, which are more than fifty percent of its net worth. The Company has incurred cash losses during the financial year and also during the immediately preceding financial year.

(xi) Based on our audit procedures and the information and explanations given to us, it is observed that, the Company has defaulted in repayment of loans and payment of interest to banks and financial institutions which are summarized below:

Particulars	Principal Amount (₹ in Million)	Interest Amount (₹ in Million)	Delay in Days – Range
Amount paid before the year end	1.15	12.36	1 to 35 days
Amount outstanding as at 31st December, 2014	-	-	-

(xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund company or nidhi/mutual benefit fund/society. Therefore, the Clause (xiii) of paragraph 4 of the Order is not applicable to the Company.

(xiv) The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investment and that timely entries have generally been made therein. All shares, debentures and other securities have been held by the Company in its own name except to the extent exemption granted under section 49 of the Companies Act, 1956.

(xv) According to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by others from banks or financial institutions are, *prima facie*, not prejudicial to the interest of the Company.

(xvi) According to the information and explanations given to us, the term loans raised during the year were applied, on an overall basis, for the purpose for which the loans were obtained.

(xvii) On the basis of overall examination of the Balance Sheet of the Company, we observed that, the Company has not used funds raised on short term basis for long term investments.

(xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money by way of public issues during the year.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For KHANDELWAL JAIN & CO.**  
Chartered Accountants  
Firm Registration No.: 105049W

**For KADAM & CO.**  
Chartered Accountants  
Firm Registration No.: 104524W

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No.:108336

**U. S. KADAM**  
Partner  
Membership No.:31055

Place : Mumbai  
Date : 14th May, 2015

## BALANCE SHEET AS AT 31ST DECEMBER, 2014

(₹ in Million)

Particulars	Note No.	As at 31st Dec., 2014	As at 31st Dec., 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
a) Share Capital	2	1,075.00	1,075.00
b) Reserves and Surplus	3	(246.07)	101.72
		828.93	1,176.72
<b>2) Non-Current Liabilities</b>			
a) Long Term Borrowings	4	2,630.22	4,202.40
b) Deferred Tax Liability (Net)	12	-	2.05
c) Long Term Provisions	5	9.22	7.21
		2,639.44	4,211.66
<b>3) Current Liabilities</b>			
a) Short Term Borrowings	6	4,465.48	3,049.27
b) Trade Payables	7	1,987.69	1,841.56
c) Other Current Liabilities	8	626.49	233.83
d) Short Term Provisions	9	39.71	35.02
		7,119.37	5,159.68
	<b>TOTAL</b>	<b>10,587.74</b>	<b>10,548.06</b>
<b>II. ASSETS</b>			
<b>1) Non-Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	10	2,394.63	2,570.93
ii) Intangible Assets	10	0.49	0.09
b) Non-Current Investments	11	456.46	256.46
c) Deferred Tax Assets (Net)	12	97.75	-
d) Long Term Loans and Advances	13	37.07	41.28
		2,986.40	2,868.76
<b>2) Current Assets</b>			
a) Inventories	14	3,910.43	3,897.12
b) Trade Receivables	15	2,819.82	2,787.29
c) Cash and Bank Balances	16	368.22	339.09
d) Short Term Loans and Advances	17	492.51	628.59
e) Other Current Assets	18	10.36	27.21
		7,601.34	7,679.30
	<b>TOTAL</b>	<b>10,587.74</b>	<b>10,548.06</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes forming part of the Financial Statements</b>	2 to 39		

As per our report of even date

For and on behalf of the Board

For KHANDELWAL JAIN & CO.  
Chartered AccountantsFor KADAM & CO.  
Chartered AccountantsV. D. DHARM  
DirectorBHUPENDRA Y. KARKHANIS  
Partner  
Membership No. 108336U. S. KADAM  
Partner  
Membership No. 31055KAUSTUBHA SAHASRABUDHE  
Company SecretaryS. S. NABAR  
DirectorPlace : Mumbai  
Date : 14th May, 2015



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST DECEMBER, 2014

(₹ in Million)

Particulars	Note No.	Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
<b>I. Income</b>			
Revenue from Operations	19	15,323.98	14,762.49
Less: Excise Duty		555.19	511.85
Net Revenue from Operations		14,768.79	14,250.64
Other Income	20	23.61	1.22
<b>Total Income</b>		<b>14,792.40</b>	<b>14,251.86</b>
<b>II. Expenses</b>			
Cost of Materials Consumed	21	6,410.96	6,267.11
Purchase of Stock-in-Trade	22	7,337.56	7,027.52
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	23	93.15	(26.71)
Employee Benefits Expense	24	185.42	161.28
Finance Costs	25	686.57	751.54
Depreciation and Amortisation Expense	10	218.09	213.21
Other Expenses	26	308.24	448.05
<b>Total Expenses</b>		<b>15,239.99</b>	<b>14,842.00</b>
<b>III. Profit/(Loss) Before Tax</b>		<b>(447.59)</b>	<b>(590.14)</b>
<b>IV. Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		(99.80)	(89.65)
<b>V. Profit/(Loss) for the year</b>		<b>(347.79)</b>	<b>(500.49)</b>
<b>VI. Earnings per Equity Share of Face Value ₹ 10/- each</b>	27		
Basic and Diluted		(46.37)	(66.73)
<b>Significant Accounting Policies</b>	1		
<b>Notes forming part of the Financial Statements</b>	2 to 39		

As per our report of even date

For and on behalf of the Board

**For KHANDELWAL JAIN & CO.**  
Chartered Accountants

**For KADAM & CO.**  
Chartered Accountants

**V. D. DHARM**  
Director

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No. 108336

**U. S. KADAM**  
Partner  
Membership No. 31055

**KAUSTUBHA SAHASRABUDHE**  
Company Secretary

**S. S. NABAR**  
Director

Place : Mumbai  
Date : 14th May, 2015

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST DECEMBER, 2014

(₹ in Million)

Particulars	Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Tax	(447.59)	(590.14)
Adjustments for:		
Depreciation and Amortisation	218.09	213.21
Finance Costs	720.46	781.81
Provision for Warranty and Maintenance Expenses	2.38	4.42
Provision for Gratuity	2.85	(1.72)
Provision for Leave Encashment	1.47	(0.69)
Interest Received	(33.89)	(30.27)
Profit on Sale of Fixed Assets	(0.06)	(1.04)
<b>Operating Profit before Working Capital Changes</b>	<b>463.71</b>	<b>375.58</b>
Adjustments for:		
Inventories	(13.31)	(40.52)
Trade Receivables	(32.53)	95.52
Loans and Advances	137.77	158.92
Other Current Assets	16.85	(2.78)
Trade Payables	146.13	(37.21)
Other Current Liabilities	(1.93)	(76.63)
Cash generated from/(used in) Operations	716.69	472.88
Less: Taxes Paid/(Refund)-net	(2.52)	3.14
<b>Net Cash from Operating Activities</b>	<b>(A) 719.21</b>	<b>469.74</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	0.10	8.27
Purchase of Fixed Assets	(42.23)	(309.63)
Interest Received	33.89	30.27
(Increase)/Decrease in Fixed Deposits and Other Bank Balances	(25.63)	(17.05)
(Increase)/Decrease in Investments (Net)	(200.00)	80.58
<b>Net Cash (used in) Investing Activities</b>	<b>(B) (233.87)</b>	<b>(207.56)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Long Term Borrowings	(1,177.40)	794.78
Increase/(Decrease) in Short Term Borrowings	1,416.21	(276.13)
Finance Costs	(720.46)	(781.81)
Payment of Dividend	(0.19)	(0.19)
<b>Net Cash (used in) Financing Activities</b>	<b>(C) (481.84)</b>	<b>(263.35)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(A+B+C) 3.50</b>	<b>(1.17)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>3.29</b>	<b>4.46</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>6.79</b>	<b>3.29</b>
<b>Other Bank Balances</b>	<b>361.43</b>	<b>335.80</b>
<b>Cash and Bank Balances at the end of the year (Note No. 16)</b>	<b>368.22</b>	<b>339.09</b>

As per our report of even date

For and on behalf of the Board

**For KHANDELWAL JAIN & CO.**  
Chartered Accountants

**For KADAM & CO.**  
Chartered Accountants

**V. D. DHARM**  
Director

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No. 108336

**U. S. KADAM**  
Partner  
Membership No. 31055

**KAUSTUBHA SAHASRABUDHE**  
Company Secretary

**S. S. NABAR**  
Director

Place : Mumbai  
Date : 14th May, 2015

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A) Basis of Accounting

- a) The financial statements are prepared under the historical cost convention using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956, including the mandatory Accounting Standards as prescribed by the Companies (Accounting Standard) Rules, 2006.
- b) Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provisions for doubtful debts, employee retirement benefits plans, provision for income tax, provision for warranty cost and the useful lives of fixed assets. The difference between the actual results and estimates are recognised in the period in which the results are known and materialised.

#### B) Fixed Assets/Capital Work-in-Progress

- a) Fixed Assets are stated at cost, less accumulated depreciation/amortisation and impairment loss, if any. The cost is inclusive of freight, installation cost, duties, taxes, financing cost and other incidental expenses related to the acquisition and installation of the respective assets but does not include tax/duty credits availed.
- b) Capital Work-in-Progress is carried at cost, comprising of direct cost, attributable interest and related incidental expenditure.

#### C) Depreciation

Depreciation on plant and machinery of Harmatic Division is provided on Written Down Value (WDV) method at the rates specified in the Schedule XIV to the Companies Act, 1956, except for moulds and certain items of plant and machinery which are depreciated @ 20% as against 15.62% specified for the WDV method in the said Schedule. Depreciation on plant and machinery other than those stated above and other fixed assets is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956.

Intangible Assets are amortised over a period of five years.

#### D) Impairment of Assets

The Fixed Assets or a group of assets (cash generating units) are reviewed for impairment at each Balance Sheet date. In case of any such indication, the recoverable amount of these assets or group of assets is determined, and if such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the impairment loss is recognised by writing down such assets to their recoverable amount. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

#### E) Investments

Non Current Investments are stated at cost. The decline in the value of the investment, other than temporary, is provided for. Cost is inclusive of brokerage, fees and duties but excludes Securities Transaction Tax.

#### F) Inventories

Inventories are valued at cost or net realisable value whichever is lower. Cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

#### G) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an qualifying assets are capitalised as part of the cost of that assets. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### H) Excise and Customs Duty

Excise Duty in respect of finished goods lying in the factory premises and Customs Duty on goods lying in customs bonded warehouse are provided for and included in the valuation of inventory.

#### I) CENVAT/Value Added Tax

CENVAT/Value Added Tax benefit is accounted for by reducing the purchase cost of the materials/fixed assets/services.

#### J) Revenue Recognition

- a) Revenue is recognised on transfer of significant risk and reward in respect of ownership.
- b) Sales/Turnover for the year includes sales value of goods, excise duty, duty drawback and other recoveries such as insurance, transportation and packing charges but excludes sales tax, value added tax and recovery of finance and discounting charges.
- c) Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.
- d) Dividend on investments is recognised when the right to receive is established.

#### K) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Foreign Currency Monetary Assets and Liabilities are translated at the year end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Monetary Items at the end of the year is recognised, as the case may be, as income or expense for the year.

#### L) Employee Benefits

##### a) Short Term Employees Benefits

Short Term Employees Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

##### b) Post Employment Benefits

###### i) Provident Fund - Defined Contribution Plan

The Company contributes monthly at a determined rate. These contributions are remitted to the Employees' Provident Fund Organisation, India for this purpose and is charged to Statement of Profit and Loss on accrual basis.

###### ii) Gratuity - Defined Benefit Plan

The Company provides for gratuity to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs on completion of five years of service. Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognized immediately in the Statement of Profit and Loss.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

## iii) Leave Encashment

Liability in respect of leave encashment is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognized immediately in the Statement of Profit and Loss.

## M) Taxation

Income tax comprises of current tax and deferred tax. Provision for current income tax is made on the assessable income/benefits at the rate applicable to the relevant assessment year. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date. The carrying amount of deferred tax asset/liability are reviewed at each Balance Sheet date and recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

Minimum Alternate Tax (MAT) paid on the book profits, which give rise to future economic benefits in the form of tax credit against future income-tax liability, is recognised as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period specified for utilisation of such credit.

## N) Research and Development

Revenue Expenditure pertaining to Research and Development is charged to revenue under the respective heads of account in the year in which it is incurred. Capital expenditure, if any, on Research and Development is shown as an addition to Fixed Assets, under the respective heads.

## O) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources in respect of which reliable estimates can be made.

Contingent Liabilities are not recognised but are disclosed in the Notes to Financial Statements. Disputed demands in respect of Central Excise, Custom duty, Income tax, Sales tax and Other are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as an advance, till the final outcome of the matter.

Contingent assets are not recognised in the financial statements.

## P) Warranty

Provision for the estimated liability in respect of warranty on sale of consumer electronics and home appliances products is made in the year in which the revenues are recognised, based on technical evaluation and past experience.

## Q) Prior period items

Prior period items are included in the respective heads of accounts and material items are disclosed by way of Notes to Financial Statements.

## R) Other Accounting Policies

These are consistent with the generally accepted accounting principles.

## 2. SHARE CAPITAL

## Authorised:

25,000,000 (Previous year 25,000,000) Equity Shares of ₹ 10/- each

10,000,000 (Previous year 10,000,000) Redeemable Preference Shares of ₹ 100/- each

	(₹ in Million)	
	As at 31st Dec., 2014	As at 31st Dec., 2013
<b>Total</b>	<b>1,250.00</b>	<b>1,250.00</b>
<b>Total</b>	<b>1,075.00</b>	<b>1,075.00</b>

## Issued, Subscribed and Paid-up:

7,500,000 (Previous year 7,500,000) Equity Shares of ₹ 10/- each fully paid-up.

10,000,000 (Previous year 10,000,000) 8% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid-up.

(The Preference Shares are redeemable at par in 4 equal yearly installments after expiry of 5 years from the date of allotment i.e. 4th December, 2012)

	As at 31st Dec., 2014		As at 31st Dec., 2013	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
<b>Equity Shares of ₹ 10/- each</b>				
Outstanding at the beginning of the year	7,500,000	75.00	7,500,000	75.00
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	7,500,000	75.00	7,500,000	75.00
<b>8% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each</b>				
Outstanding at the beginning of the year	10,000,000	1,000.00	10,000,000	1,000.00
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	10,000,000	1,000.00	10,000,000	1,000.00

## 2.1 Reconciliation of the number of Shares:

## Equity Shares of ₹ 10/- each

Outstanding at the beginning of the year

Add: Issued during the year

Outstanding at the end of the year

## 8% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each

Outstanding at the beginning of the year

Add: Issued during the year

Outstanding at the end of the year

## 2.2 Rights, preference and restrictions:

- a) The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to equal right of voting and dividend.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

- b) 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 Preference shares do not have voting rights. They have preference over equity shareholder as to dividend and in case of liquidation.

## 2.3 Details of Shareholders holding more than 5% Shares:

Name of Shareholders	As at 31st Dec., 2014		As at 31st Dec., 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>a) Equity Shares</b>				
Dome-Bell Electronics India Private Limited	1,250,100	16.67	1,250,100	16.67
Videocon Industries Limited	1,408,800	18.78	1,408,800	18.78
Waluj Components Private Limited	710,730	9.48	710,730	9.48
<b>b) Preference Shares</b>				
Videocon Industries Limited	10,000,000	100.00	10,000,000	100.00

(₹ in Million)

## 3. RESERVES AND SURPLUS

## a) Capital Subsidy

As per last Balance Sheet

	As at 31st Dec., 2014	As at 31st Dec., 2013
	3.00	3.00
(a)	3.00	3.00

## b) Capital Redemption Reserve

As per last Balance Sheet

	500.00	500.00
(b)	500.00	500.00

## c) General Reserve

As per last Balance Sheet

	143.85	143.85
(c)	143.85	143.85

## d) Surplus/(Deficit) in the Statement of Profit and Loss

As per last Balance Sheet

Add: Profit/(Loss) for the year

	(545.13)	(44.64)
	(347.79)	(500.49)
(d)	(892.92)	(545.13)
<b>Total (a to d)</b>	<b>(246.07)</b>	<b>101.72</b>

(₹ in Million)

## 4. LONG-TERM BORROWINGS

## a) Secured

Rupee Term Loan from Banks

Vehicle Loan from Banks

	As at 31st Dec., 2014		As at 31st Dec., 2013	
	Non-Current	Current	Non-Current	Current
	2,157.52	22.30	2,174.83	27.30
	-	1.57	1.57	2.47
(a)	2,157.52	23.87	2,176.40	29.77

## b) Unsecured

Foreign Currency Loans from Bank

Sales Tax Deferral

From Others

	-	389.20	405.28	25.87
	472.70	148.02	620.72	110.67
	-	-	1,000.00	-
(b)	472.70	537.22	2,026.00	136.54
<b>Total (a+b)</b>	<b>2,630.22</b>	<b>561.09</b>	<b>4,202.40</b>	<b>166.31</b>

## 4.1 Secured Loans

## a) Rupee Term Loan from Banks

The Company alongwith 12 other affiliates/entities (collectively referred to as 'Obligors' and individually referred to as 'Borrower') executed facility agreement with consortium of existing domestic rupee term lenders, in the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities covered are Videocon Industries Limited (VIL), Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited (formerly Next Retail India Limited), Evans Fraser and Co. (India) Limited and Videocon International Electronics Limited.

Rupee Term Loans from Banks are secured by first *pari-passu* charge on all present and future tangible/intangible assets (excluding the Identified Properties) of each of the Borrower, first *pari-passu* charge on the Trust and Retention Accounts of the Borrowers, second *pari-passu* charge on Identified Assets of Videocon Hydrocarbon Holdings Limited's (VHHL) subsidiaries through pledge of entire shareholding of VHHL in these overseas subsidiaries, second charge on pledge of 100% shares of Videocon Oil Ventures Limited and VHHL, second *pari-passu* charge on VHHL's share of cash flows from Identified Assets and second *pari-passu* charge over current assets of each of the Borrowers. The Rupee Term Loans are also secured by first ranking pledge over specified numbers of equity shares of Videocon Industries Limited, Trend Electronics Limited and Value Industries Limited held by the promoters, the personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot, Mr. Rajkumar N. Dhoot and first *pari-passu* charge on 'Videocon' brand (Also refer Note No. 33).

## b) Vehicle Loan from Banks are secured by way of hypothecation of vehicles acquired out of the said loan.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

4.2 The Company has availed interest free Sales Tax Deferral under package incentive scheme of 1993. The sales tax collected during the deferral period is payable in five annual installments, after completion of ten years from the year in which the tax was collected.

## 4.3 Maturity Profile:

Financial Year 2016  
Financial Year 2017  
Financial Year 2018  
Financial Year 2019  
Financial Year 2020  
Financial Year 2021  
Financial Year 2022

(₹ in Million)	
Secured Loans	Unsecured Loans
Rupee Term Loan from Banks	Sales Tax Deferral
47.39	148.96
55.75	134.16
181.19	98.48
473.87	55.78
557.50	16.38
557.50	18.94
284.32	-

## 5. LONG-TERM PROVISIONS

Provision for Gratuity (Refer Note No. 30B)  
Provision for Leave Encashment (Refer Note No. 30B)

(₹ in Million)	
As at 31st Dec., 2014	As at 31st Dec., 2013
5.06	4.41
4.16	2.80
<b>Total</b> <u>9.22</u>	<u>7.21</u>

## 6. SHORT-TERM BORROWINGS

## Secured

Working Capital Loans from Banks

3,115.48	3,049.27
<b>(a)</b> <u>3,115.48</u>	<u>3,049.27</u>

## Unsecured

Loans repayable on demand: From Others

1,350.00	-
<b>(b)</b> <u>1,350.00</u>	<u>-</u>
<b>Total (a+b)</b> <u>4,465.48</u>	<u>3,049.27</u>

6.1 Working Capital Loans from Banks are secured against hypothecation of the Company's stock of raw materials, packing materials, stock-in-process, finished goods, stores and spares, book debts and all other current assets of the Company. The loans are further secured by corporate guarantee of Videocon Industries Limited and personal guarantee of Mr. Venugopal N. Dhoot, Mr. Rajkumar N. Dhoot and Mr. Pradipkumar N. Dhoot.

## 7. TRADE PAYABLES

Micro, Small and Medium Enterprises  
Others

(₹ in Million)	
As at 31st Dec., 2014	As at 31st Dec., 2013
43.31	12.16
1,944.38	1,829.40
<b>Total</b> <u>1,987.69</u>	<u>1,841.56</u>

## 7.1 Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

a) Principle amount remaining unpaid as at the end of the year	43.31	12.16
b) Interest due thereon as at the end of the year	0.03	-
c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	-	-
d) Interest due and payable for the period of delay in making payment	0.03	-
e) Interest accrued and remaining unpaid at the end of the year	0.03	-
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Note: This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such vendors/parties have been identified on the basis of information available with the Company.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

**8. OTHER CURRENT LIABILITIES**

	As at 31st Dec., 2014	As at 31st Dec., 2013
Current maturities of Long-Term Borrowings (Refer Note No. 4)	561.09	166.31
Interest accrued but not due on Borrowings	25.56	14.76
Interest accrued and due on Borrowings	-	3.09
Unclaimed Dividend	1.27	1.46
Other Payables	38.57	48.21
<b>Total</b>	<b>626.49</b>	<b>233.83</b>

**9. SHORT-TERM PROVISIONS**

Provision for Warranty and Maintenance Expenses (Refer Note No. 29)	35.13	32.75
Provision for Gratuity (Refer Note No. 30B)	3.84	1.64
Provision for Leave Encashment (Refer Note No. 30B)	0.74	0.63
<b>Total</b>	<b>39.71</b>	<b>35.02</b>

**10. FIXED ASSETS**

(₹ in Million)

Particulars	Gross Block				Depreciation/Amortisation/Impairment				Net Block	
	As at 31st Dec., 2013	Additions	Deductions/ Adjustments	As at 31st Dec., 2014	As at 31st Dec., 2013	For the year	Deductions/ Adjustments	As at 31st Dec., 2014	As at 31st Dec., 2014	As at 31st Dec., 2013
<b>i) Tangible Assets</b>										
Freehold Land	3.24	-	-	3.24	-	-	-	-	3.24	3.24
Building	243.57	-	-	243.57	122.78	6.31	-	129.09	114.48	120.79
Plant and Machinery	4,549.25	41.19	-	4,590.44	2,118.12	209.66	-	2,327.78	2,262.66	2,431.13
Electrical Installation	11.05	0.01	-	11.06	6.26	0.28	-	6.54	4.52	4.79
Computers	7.21	0.06	-	7.27	6.08	0.40	-	6.48	0.79	1.13
Furniture and Fixtures	6.47	-	-	6.47	6.15	0.06	-	6.21	0.26	0.32
Office Equipments	4.20	0.42	-	4.62	3.06	0.13	-	3.19	1.43	1.14
Vehicles	12.17	-	0.20	11.97	3.78	1.10	0.16	4.72	7.25	8.39
<b>Total (i)</b>	<b>4,837.16</b>	<b>41.68</b>	<b>0.20</b>	<b>4,878.64</b>	<b>2,266.23</b>	<b>217.94</b>	<b>0.16</b>	<b>2,484.01</b>	<b>2,394.63</b>	<b>2,570.93</b>
<b>ii) Intangible Assets</b>										
Computer Software	9.06	0.55	-	9.61	8.97	0.15	-	9.12	0.49	0.09
<b>Total (ii)</b>	<b>9.06</b>	<b>0.55</b>	<b>-</b>	<b>9.61</b>	<b>8.97</b>	<b>0.15</b>	<b>-</b>	<b>9.12</b>	<b>0.49</b>	<b>0.09</b>
<b>Total (i+ii)</b>	<b>4,846.22</b>	<b>42.23</b>	<b>0.20</b>	<b>4,888.25</b>	<b>2,275.20</b>	<b>218.09</b>	<b>0.16</b>	<b>2,493.13</b>	<b>2,395.12</b>	<b>2,571.02</b>
Previous year as at 31st Dec., 2013	4,548.45	309.63	11.86	4,846.22	2,066.62	213.21	4.63	2,275.20	2,571.02	

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

## 11. NON-CURRENT INVESTMENTS

**QUOTED****In Equity Shares (Fully Paid-up) - Trade**

Face Value	As at 31st Dec., 2014		As at 31st Dec., 2013	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
Videocon Industries Limited **	₹ 10	3,106,478	3,106,478	202.08
				202.08

**In Equity Shares (Fully Paid-up) - Others**

IOL Netcom Limited	₹ 10	98,000	98,000	0.47
				0.47

**UNQUOTED****In Equity Shares (Fully Paid-up) - Others**

Applicomp (India) Limited	₹ 10	20,000,000	-	-
Digital Display Devices S.p.A.	€ 1	36,000	36,000	1.96
H1 Hospitality Private Limited	₹ 10	1,900	1,900	0.02
Holzmann Videocon Engineers Limited	₹ 10	340,600	340,600	-
Jupiter Corporation Inc.	US\$ 1	190	190	0.01
Mars Overseas Limited	US\$ 1	190,000	190,000	7.65
P. T. Videocon Indonesia	US\$ 50	475	475	0.94
Plugin Sales Limited	₹ 100	1,900	1,900	0.19
Powerking Corporation Limited	US\$ 1	2,717	2,717	0.13
Quadrant Corporation Inc.	US\$ 1	190	190	0.01
Saphire Overseas Inc.	US\$ 1	1,900	1,900	0.08
Taurus Overseas Inc.	US\$ 1	190	190	0.01
Trend Limited	US\$ 1	76,000	76,000	3.49
Tusker Overseas Inc.	US\$ 1	190	190	0.01
VCIL Netherlands B.V.	€ 100	34	34	0.13
Venus Corporation Limited	US\$ 1	2,983	2,983	0.14
Cristal (Cayman) Limited	US\$ 1	579,500	579,500	28.65
Videocon (Mauritius) Infrastructure Ventures Limited	US\$ 1	100,700	100,700	4.92
United Petro Gas Limited	₹ 10	9,500	9,500	0.10
Vibgyor Sez Infrastructures (Pune) Private Limited	₹ 10	510,000	510,000	5.10
Nagar Urban Co-Operative Bank Limited	₹ 50	20	-	-
				253.53
				53.53
				456.46
				256.46
<b>Total Non-Current Investments</b>				
Aggregate amount of Quoted Investments				202.55
Aggregate Market value of Quoted Investments				535.06
Aggregate amount of Unquoted Investments				253.91

\*\* Out of total Investments, 3,033,976 Equity Shares of Videocon Industries Limited are pledged as security for availment of certain loans.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

		(₹ in Million)	
		As at 31st Dec., 2014	As at 31st Dec., 2013
<b>12. DEFERRED TAX ASSETS/(LIABILITY) - NET</b>			
a) Deferred Tax Assets			
i) Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961		4.97	3.77
ii) Related to unabsorbed depreciation and losses		<u>423.34</u>	<u>317.52</u>
	(a)	<u>428.31</u>	<u>321.29</u>
b) Deferred Tax Liability			
Related to Depreciation on Fixed Assets and Amortisation		<u>330.56</u>	<u>323.34</u>
	(b)	<u>330.56</u>	<u>323.34</u>
Net Deferred Tax Assets/(Liability)	(a-b)	<u>97.75</u>	<u>(2.05)</u>
<b>13. LONG TERM LOANS AND ADVANCES</b>			
(Unsecured, considered good)			
Security Deposits		0.42	2.88
MAT Credit Entitlement		8.63	8.63
Advance Income Tax (Net of Provision)		9.47	11.99
Other Long Term Advances		<u>18.55</u>	<u>17.78</u>
	Total	<u>37.07</u>	<u>41.28</u>
<b>14. INVENTORIES</b>			
(As taken, valued and certified by the Management)			
Raw Materials including Consumables, Stores and Spares		3,057.41	3,006.20
Raw Materials in Transit and in Bonded Warehouse		80.00	24.75
Work-in-Process		309.51	369.22
Finished Goods and Stock in Trade		<u>463.51</u>	<u>496.95</u>
	Total	<u>3,910.43</u>	<u>3,897.12</u>
<b>15. TRADE RECEIVABLES</b>			
(Unsecured, considered good)			
Outstanding for a period exceeding six months		-	-
Others		<u>2,819.82</u>	<u>2,787.29</u>
	Total	<u>2,819.82</u>	<u>2,787.29</u>
<b>16. CASH AND BANK BALANCES</b>			
a) Cash and Cash Equivalents			
Cash on hand		0.32	0.72
Balances with Banks in Current Accounts		<u>6.47</u>	<u>2.57</u>
	(a)	<u>6.79</u>	<u>3.29</u>
b) Other Bank Balances			
In Dividend Warrant Accounts		1.27	1.46
In Fixed Deposits (held as margin money for credit facilities and other commitments)			
- Maturity 12 months or less		207.98	319.02
- Maturity more than 12 months		<u>152.18</u>	<u>15.32</u>
	(b)	<u>361.43</u>	<u>335.80</u>
	Total (a+b)	<u>368.22</u>	<u>339.09</u>
<b>17. SHORT TERM LOANS AND ADVANCES</b>			
(Unsecured, considered good)			
Balance with Central Excise/Customs Department		157.72	275.11
Other Short Term Loans and Advances		<u>334.79</u>	<u>353.48</u>
	Total	<u>492.51</u>	<u>628.59</u>
<b>18. OTHER CURRENT ASSETS</b>			
Interest Accrued		10.36	27.21
	Total	<u>10.36</u>	<u>27.21</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

		(₹ in Million)	
		Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
<b>19. REVENUE FROM OPERATIONS</b>			
Sale of Products - Electrical and Electronic items		15,320.02	14,760.00
Other Operating Revenue		3.96	2.49
<b>Total</b>		<b>15,323.98</b>	<b>14,762.49</b>
<b>20. OTHER INCOME</b>			
Profit on Sale of Fixed Assets		0.06	1.04
Exchange Rate Fluctuation		22.37	-
Insurance Claim Received		0.35	-
Other Non Operating Income		0.83	0.18
<b>Total</b>		<b>23.61</b>	<b>1.22</b>

		Year ended on 31st Dec., 2014		Year ended on 31st Dec., 2013	
		Percentage	₹ in Million	Percentage	₹ in Million
<b>21. COST OF MATERIALS CONSUMED</b>					
Imported		50.21	3,219.19	48.12	3,015.58
Indigenous		49.79	3,191.77	51.88	3,251.53
<b>Total</b>		<b>100.00</b>	<b>6,410.96</b>	<b>100.00</b>	<b>6,267.11</b>

		(₹ in Million)	
		Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
<b>21.1 Particulars of Materials Consumed</b>			
Printed Circuit Board		1,718.85	1,680.38
Active and Passive Components		2,868.28	2,800.36
Plastic and Press Parts		1,299.74	1,269.14
Other Raw Materials and Components		524.09	517.23
<b>Total</b>		<b>6,410.96</b>	<b>6,267.11</b>
<b>22. PURCHASES OF STOCK-IN-TRADE</b>			
Electrical and Electronic items		7,337.56	7,027.52
<b>Total</b>		<b>7,337.56</b>	<b>7,027.52</b>
<b>23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE</b>			
<b>Closing Inventories</b>			
Finished Goods and Stock-in-Trade		463.51	496.95
Work-in-Process		309.51	369.22
		<b>(a) 773.02</b>	<b>866.17</b>
<b>Opening Inventories</b>			
Finished Goods and Stock-in-Trade		496.95	481.17
Work-in-Process		369.22	358.29
		<b>(b) 866.17</b>	<b>839.46</b>
		<b>(b-a) 93.15</b>	<b>(26.71)</b>
<b>24. EMPLOYEE BENEFITS EXPENSE</b>			
Salary, Wages and Other Benefits		170.97	146.62
Contribution to Provident Fund and Other Funds		5.86	6.71
Staff Welfare Expenses		8.59	7.95
<b>Total</b>		<b>185.42</b>	<b>161.28</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	(₹ in Million)	
	Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
<b>25. FINANCE COSTS</b>		
Interest Expenses	700.70	725.06
Other Borrowing Costs	19.76	14.99
Applicable Loss on Foreign Currency Transactions and Translations	-	41.76
	<u>720.46</u>	<u>781.81</u>
Less: Interest Received	33.89	30.27
<b>Total</b>	<u><u>686.57</u></u>	<u><u>751.54</u></u>
<b>26. OTHER EXPENSES</b>		
Power, Fuel and Water	23.50	20.16
Repairs to Building	0.57	0.11
Repairs to Plant and Machinery	8.79	8.29
Other Repairs and Maintenance	1.88	1.10
Insurance	3.62	3.57
Rent, Rates and Taxes	14.19	24.38
Carriage and Cartage	49.06	53.93
Bank Charges	82.82	71.50
Payment to Auditors (Refer Note No. 28.2)	1.11	0.98
Directors' Sitting Fees	0.08	0.07
Warranty and Maintenance	33.76	35.36
Exchange Rate Fluctuation	-	137.04
Miscellaneous Expenses	88.86	91.56
<b>Total</b>	<u><u>308.24</u></u>	<u><u>448.05</u></u>
<b>27. EARNINGS PER SHARE</b>		
i) Net Profit/(Loss) attributable to Equity Shareholders (₹ in Million)	(347.79)	(500.49)
ii) Weighted Average Number of Equity Shares	7,500,000	7,500,000
iii) Basic and Diluted Earnings per Share of ₹ 10/- each (₹)	(46.37)	(66.73)
<b>28. ADDITIONAL NOTES TO FINANCIAL STATEMENTS</b>		
<b>28.1 C.I.F. Value of Imports and Expenditure in Foreign Currency</b>		
a) C.I.F. Value of Imports:		
Raw Materials	3,173.46	2,501.97
Capital Goods	4.02	2.70
b) Expenditure incurred in Foreign Currency:		
Interest	39.22	26.15
Bank Charges	0.06	0.04
Travelling	0.31	0.15
Others	2.00	0.22
<b>28.2 Payment to Auditors</b>		
a) Statutory Audit Fees	0.75	0.65
b) Tax Audit Fees	0.05	0.05
c) Other Services	0.28	0.25
d) Reimbursement of Expenses	0.03	0.03
<b>Total</b>	<u><u>1.11</u></u>	<u><u>0.98</u></u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

29. As required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, the disclosure with respect to Provision for Warranty and Maintenance Expenses is as follows:

(₹ in Million)

	Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
a) Amount at the beginning of the year	32.75	28.33
b) Additional provision made during the year	35.13	32.75
c) Amount used	31.38	26.97
d) Unused amount reversed during the year	1.37	1.36
e) Amount at the end of the year	35.13	32.75

## 30. EMPLOYEE BENEFITS:

## Disclosure pursuant to Accounting Standard (AS) 15 (Revised):

## A) Defined Contribution Plans:

Amount of ₹ 5.86 Million (Previous year ₹ 6.71 Million) is recognised as an expense and shown under the head "Employee Benefits Expense" (Note No. 24) in the Statement of Profit and Loss.

(₹ in Million)

## B) Defined Benefit Plans:

	Gratuity		Leave Encashment	
	31st Dec., 2014	31st Dec., 2013	31st Dec., 2014	31st Dec., 2013
I) The amounts recognised in the Balance Sheet as at the end of the year:				
a) Present value of Defined Benefit Obligation	19.59	14.78	4.90	3.43
b) Fair value of Plan Assets	10.69	8.73	-	-
c) Funded Status - Surplus/(Deficit)	(8.90)	(6.05)	(4.90)	(3.43)
d) Net Assets/(Liability)				
i) Non Current	(5.06)	(4.41)	(4.16)	(2.80)
ii) Current	(3.84)	(1.64)	(0.74)	(0.63)
II) The amounts recognised in the Statement of Profit and Loss for the year:				
a) Current Service Cost	2.59	1.02	0.93	0.61
b) Interest Cost	1.47	1.18	0.34	0.22
c) Actuarial (Gains)/Losses	1.20	(1.67)	0.46	1.49
d) Actual return on Plan Assets	0.82	0.81	-	-
e) Total Expenses	4.44	(0.28)	1.73	2.32
III) The changes in Obligations during the year:				
a) Present value of Defined Benefit Obligation at the beginning of the year	14.78	14.63	3.43	4.12
b) Current Service Cost	2.59	1.02	0.93	0.61
c) Interest Cost	1.47	1.18	0.34	0.22
d) Actuarial (Gains)/Losses	1.20	(1.67)	0.46	1.49
e) Benefit Payments	0.45	0.38	0.26	3.01
f) Present value of Defined Benefit Obligation at the end of the year	19.59	14.78	4.90	3.43
IV) The changes in Plan Assets during the year:				
a) Plan Assets at the beginning of the year	8.73	6.86	-	-
b) Contribution by Employer	1.59	1.44	-	-
c) Actual Benefits paid	0.45	0.38	-	-
d) Plan Assets at the end of the year	10.69	8.73	-	-
e) Actual return on Plan Assets.	0.82	0.81	-	-
V) Actuarial Assumptions				
a) Discount Rate	-	8% per annum		
b) Mortality	-	Indian Assured Lives Mortality (2006-08) Ultimate		
c) Turnover Rate	-	5% at younger ages reducing to 1% at older ages		
d) Future Salary Increase	-	5% per annum		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

## 31. RELATED PARTY DISCLOSURES:

As required under Accounting Standard 18 on "Related Party Disclosures", the disclosure of transaction with related parties as defined in the Accounting Standard are given below:

## A) List of Related Parties where control exists and related parties with whom transactions have taken place and relationship:

Key Management Personnel: Mr. J. L. Bangad - Head Operations

## B) Material Transactions with Related Parties during the year are:

Remuneration paid to the Key Management Personnel - ₹ 4.69 Million (Previous year ₹ 3.08 Million)

	(₹ in Million)	
	As at 31st Dec., 2014	As at 31st Dec., 2013
32. CONTINGENT LIABILITIES NOT PROVIDED FOR:		
i) Letters of Credit opened	1,107.23	1,181.29
ii) Letters of Guarantees	4.96	3.76
iii) Claims against the Company not acknowledged as debts		
a) Custom Duty demands and penalties under dispute	0.75	4.06
b) Excise Duty and Service Tax demands and penalties under dispute	15.46	15.70
c) Sales Tax demands and penalties under dispute	51.29	62.18
[Amount paid under protest ₹ 18.27 Million (Previous year ₹ 17.17 Million)]		
iv) Income Tax matters in respect of which appeals are pending	8.21	8.21

33. The Company alongwith 12 other affiliates/entities (collectively referred to as 'Obligors' or individually as 'Borrower') executed Facility Agreement with the consortium of existing domestic rupee term lenders, under the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities are Videocon Industries Limited, Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited (formerly Next Retail India Limited), Evans Fraser and Co. (India) Limited and Videocon International Electronics Limited. As the Company is a co-obligor, it is contingently liable in respect of the borrowings of other Obligors/Borrowers to the extent of outstanding balance of Rupee Term Loans as on 31st December, 2014 of ₹ 195,264.92 Million (Previous year ₹ 192,416.49 Million).
34. The Directorate of Revenue Intelligence, Mumbai Zonal Unit ('DRI'), has on 30th December, 2014, issued a Show Cause Notice ('SCN') in connection with import of Colour Picture Tubes ('CPTs') by the Company and other concerns. The DRI has alleged that the Company has resorted to over-valuation of CPTs, for High Sea Sales made by the Company, leading to evasion of anti-dumping duty. Vide SCN, the Company was called upon, amongst others, as to why the penalty should not be imposed on them under Section 112(a) of the Customs Act, 1962.
- The Company has denied the allegation made by DRI for alleged evasion of duty and/or imposition of penalty. The Company has been advised by its counsels that as the goods in question are not domestically produced or manufactured in India, the question of levy of anti-dumping duty is untenable and, accordingly, there is no question of penalty thereon.
35. The Company is primarily engaged in manufacturing and trading of Electrical and Electronic Appliances and there is no other reportable segment as defined in Accounting Standard 17 on "Segment Reporting".
36. The outstanding balances of certain Trade Receivables, Trade Payables, Deposits, Advances and Other Current Assets/ Liabilities are subject to confirmation and reconciliation, if any. However, in the opinion of the management, adjustment, if any, will not be material.
37. In the opinion of the Board, the value on realisation of Current Assets, Loans and Advances in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.
38. There are no amounts due and outstanding, to be credited to the Investor Education and Protection Fund.
39. Figures of previous year have been reclassified, restated, recasted to conform to the classification of the current year.

As per our report of even date

For and on behalf of the Board

**For KHANDELWAL JAIN & CO.**  
Chartered Accountants

**For KADAM & CO.**  
Chartered Accountants

**V. D. DHARM**  
Director

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No. 108336

**U. S. KADAM**  
Partner  
Membership No. 31055

**KAUSTUBHA SAHASRABUDHE**  
Company Secretary

**S. S. NABAR**  
Director

Place: Mumbai  
Date : 14th May, 2015



## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### TREND ELECTRONICS LIMITED

CIN: L99999MH1989PLC052233

Regd. Office: 20 K.M. Stone, Aurangabad- Beed Road, Village: Bhalgaon, Aurangabad – 431 210 (Maharashtra)

Tel. No.: +91-240-2644507/9/10/12/16 Fax. No.: +91-240-2644506

E-mail id: secretarial\_trend@videoconmail.com Website: www.trendelectronics.in

#### 25th Annual General Meeting - 27th June, 2015

Name of the Member(s)

Registered address

Email ID

Folio No. / Client ID

DP ID

I/we, being the Member (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

Name: \_\_\_\_\_ Email ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature : \_\_\_\_\_

*or failing him/her*

Name: \_\_\_\_\_ Email ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature : \_\_\_\_\_

*or failing him/her*

Name: \_\_\_\_\_ Email ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature : \_\_\_\_\_

(contd.....)

as my/ our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on the Saturday, 27th day of June, 2015 at 3.30 p.m. at the Registered office at 20 K. M. Stone, Aurangabad-Beed Road, Village: Bhalgaon, Aurangabad - 431 210 (Maharashtra) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	For	Against
<b>Ordinary Business:</b>			
1.	To adopt the Audited Statement of Profit and Loss for the financial year ended 31st December, 2014 and the Audited Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.		
2.	To ratify the appointment of Auditors and fixation of their remuneration.		
<b>Special Business:</b>			
3.	To appoint Mrs. Smita Dharm (DIN: 07144712), as a Director, liable to retire by rotation.		
4.	To confirm/appoint Mr. Subhash S. Nabar (DIN: 01341057) as an Independent Director.		
5.	To confirm/appoint Mr. Bhopinder J. Chopra (DIN: 00329550) as an Independent Director.		
6.	To approve increase in Authorised Capital of the Company from ₹ 125,00,00,000/- (Rupees One Hundred and Twenty Five Crores) to ₹ 225,00,00,000/- (Rupees Two Hundred and Twenty Five Crores Only) by creating additional 1,00,00,000 (One Crore) Redeemable Preference Shares of face value of ₹ 100/- (Rupees One Hundred Only) each.		
7.	To approve issue, offer and allotment of Non-Convertible, Non-Cumulative, Non-participating, Redeemable Preference Shares (Preference Shares), for an amount not exceeding ₹ 100,00,00,000/- (Rupees One Hundred Crore Only).		
8.	To ratify payment of remuneration to Cost Auditor of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.



\_\_\_\_\_  
Signature of the Shareholder

\_\_\_\_\_  
Signature of the Proxy holder(s)

Notes:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the box above. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Appointing a proxy does not prevent a member from attending the Meeting in person if he so wishes.
4. In case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.









Courier / Registered Post

If undelivered, please return to:

**MCS Limited**

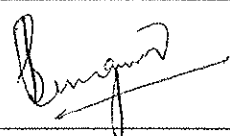


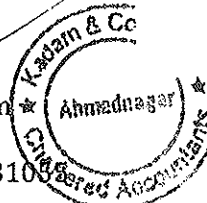
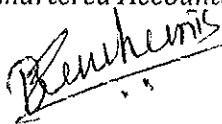
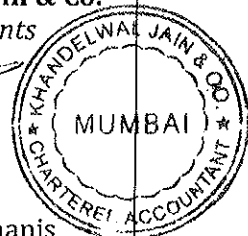
**Unit: Trend Electronics Limited**

Kashiram Jamnadas Building, Office No. 21/22, Ground Floor,  
5, P.D'mello Road (Ghadiyal Godi), Masjid (East), Mumbai 400 009.



### FORM A

#### Letter of the annual audit report of Trend Electronics Limited to be filed with the Stock Exchange

1.	Name of the company	Trend Electronics Limited	
2.	Annual financial statements for the year ended	31st December, 2014	
3.	Type of Audit observation	The Report is unqualified.	
4.	Frequency of observation	N.A.	
5.	To be signed by-		
	• CEO/Managing Director		
	• CFO		
	• Auditor of the Company	<b>For Kadam &amp; Co.</b> Chartered Accountants   U. S. Kadam Partner Mem. No. 3100	<b>For Khandelwal Jain &amp; Co.</b> Chartered Accountants   Bhupendra Y. Karkhanis Partner Mem. No. 108336
	• Audit Committee Chairman	