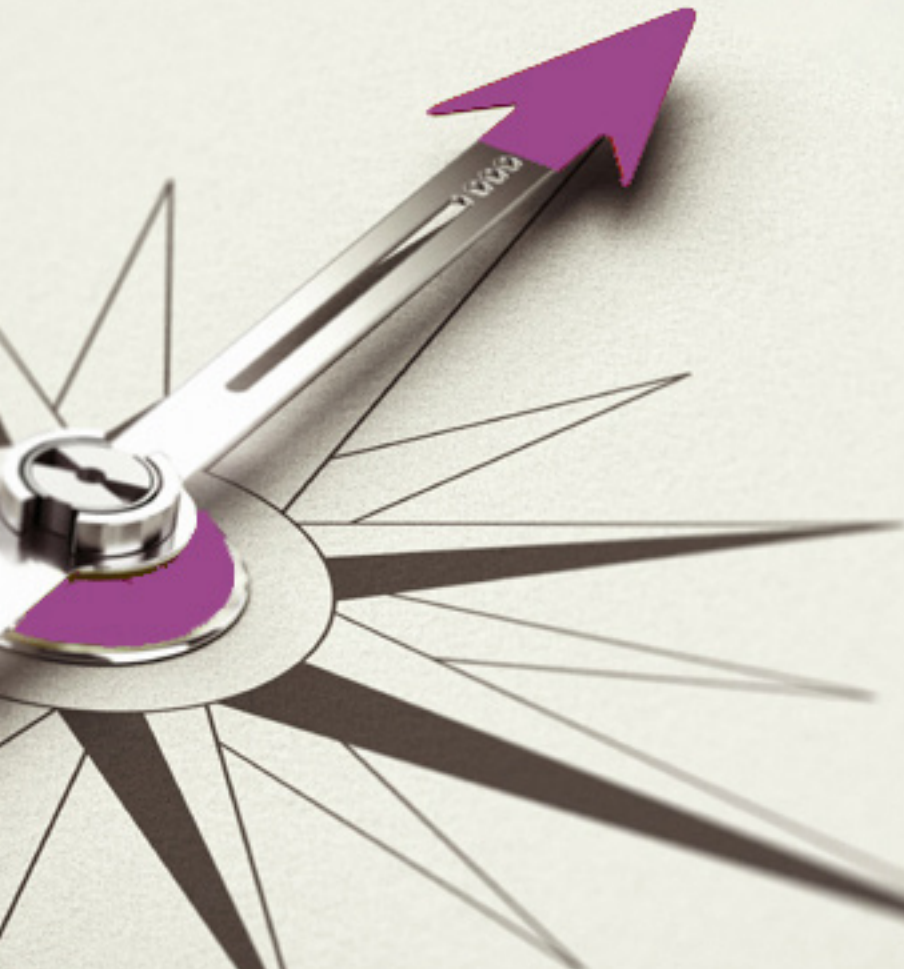


**ANNUAL REPORT  
2018-19**

**TREND ELECTRONICS LIMITED**



**RESOLUTION PROFESSIONAL****MR. DIVYESH DESAI**

IP Registration no. IBBI/IPA-001/IP-P00169/2017-18/10338

**REGISTERED OFFICE**20 K. M. Stone, Aurangabad- Beed Road,  
Village: Bhalgaon, Aurangabad MH 431210 IN**BOARD OF DIRECTORS**

Mr. Vivek Dattaraya Dharm

Mr. Chandrakant Sidram Jyoti

Mrs. Smita Vivek Dharm

Mr. Kiran K Patwardhan

**MANUFACTURING FACILITY**20 K. M. Stone, Aurangabad- Beed Road,  
Village: Bhalgaon, Aurangabad MH 431210 IN**KEY MANAGERIAL PERSONNEL**

Mr. Jagdish Bangad (Head Operation)

Mr. Milind Deshpande (CFO)

**BANKERS**

Canara Bank

Punjab National Bank

Kotak Mahindra Bank Limited

Indian Bank

Central Bank of India

State Bank of Hyderabad

**AUDITORS**M/s. S Z Deshmukh & Co.,  
Chartered Accountants  
Flat No. 306, Aastha II Apartment, Third Floor,  
Opp: Population Science Centre, Deonar,  
Mumbai – 400 088**REGISTRAR AND SHARE TRANSFER AGENTS****MCS Share Transfer Agent**Address: 002, Ground Floor, Kashiram Jamnadas Bldg,  
5 P. D' Mello Road, Masjid (E), Mumbai, 400009  
Ph: 022-40206020  
Email: mcssta.mumbai@gmail.com**Contents**

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## NOTICE TO MEMBER

Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT), vide its order dated 25th September, 2018 ("Order"), admitted the application for initiation of corporate insolvency resolution process ("CIRP") filed by State Bank of India in respect of Trend Electronics Limited ("Corporate Debtor") in accordance with Section 7 of The Insolvency and Bankruptcy Code, 2016 ("the Code"). Pursuant to the order, Mr. Dushyant C Dave was appointed as the Interim Resolution Professional. Subsequently, Mr. Dushyant C. Dave was appointed as Resolution Professional by the Committee of Creditors.

Pursuant to an application filed before the NCLT, Mumbai by State Bank of India and Mr. Venugopal N Dhoot in the Videocon Consolidation Matter under Section 60 (5) of the Code read with the rules and regulations framed there under, as amended from time to time, the NCLT vide its order ("Consolidation Order") dated 8th August, 2019 had admitted application allowing consolidation of CIRP petitions of 13 Videocon Group Companies to avoid conflicting of orders, if any. However it was ordered that the CIRP of Trend Electronics Limited shall run independently as the Company is capable of maintaining itself as a going concern. The NCLT vide its order 8th August, 2019, has appointed Mr. Divyesh Desai, having registration No. IBBI/IPA-001/IP-P00169/2017-18/10338, as the Resolution Professional of the Corporate Debtors replacing the then erstwhile resolution professional.

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of the Company stands suspended and the same are being exercised by the Resolution Professional (i.e. Mr. Dushyant Dave from 25th September, 2018 till 7th August, 2019 and Mr. Divyesh Desai from 8th August, 2019). The management of the affairs of the Company has also been vested with Resolution Professional.

**NOTICE is hereby given that the Twenty Ninth Annual General Meeting of TREND ELECTRONICS LIMITED (the "Company")** will be held on Monday, 30th December, 2019, at the Registered Office of the Company at 20 K.M. Stone, Aurangabad-Beed Road, Village: Bhalgaon, Aurangabad - 431 210 (Maharashtra) at 3.00 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 31st March, 2019 and the Balance Sheet as at that date together with the Cash Flow Statement and notes and annexures thereto; and the Reports of the Directors and Auditors thereon.
- To appoint a Director in place of Mrs. Smita Dharm, Non Executive Director (Din No. 07144712) who retires by rotation and, being eligible, offer herself for re-appointment.
- To consider the remuneration of the Statutory Auditors and in this regard, 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 do hereby authorize the Resolution Professional to finalise and fix the fees payable to M/s S. Z. Deshmukh & Co., Chartered Accountants, Mumbai (Firm Registration No. 102380W), who were appointed as Auditors of the Company to hold office from the conclusion of 27th Annual General Meeting until the conclusion of the 32nd Annual General Meeting.

**RESOLVED FURTHER THAT** the Directors of the Company (including any Committee thereof) be and are hereby authorised to do all such acts, deeds and take all such steps as may be necessary, proper and expedient as required by the Resolution Professional to give effect to this Resolution."

**FOR TREND ELECTRONICS LIMITED  
(A Company under Corporate Insolvency  
Resolution Process by NCLT order dated 25th September, 2018)**

**MILIND DESHPANDE  
CHIEF FINANCIAL OFFICER**

**Place:** Mumbai

**Date:** 17th December, 2019

**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

**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 AN 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.**
- Copies of the Notice of 29th 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 13th December, 2019 and as regards shares held in the electronic form, to those beneficial owners of the shares as at the close of business hours on 13th December, 2019 as per the particulars of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Upon request, printed copy of Annual Report will be supplied to those Members to whom Annual Report has been sent through electronic mode.
- Details regarding Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 (SS-2) on General Meeting issued by the Institute of Company Secretaries of India in respect of Director seeking re-appointment/appointment/confirmation at the ensuing Annual General Meeting forms part of this Notice.
- Corporate Members intending to send their Authorised Representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing such representative(s) to attend and vote on their behalf at the Meeting.
- 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.
- The business set out in this Notice is also being conducted through e-voting. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the remote e-voting facility to the Members to cast their votes electronically on all resolutions set forth in this Notice as an alternate for physically casting the vote at the meeting. The detailed instructions for remote e-voting are given hereinafter. Please note that the Voting

through Electronic Mode is optional. For this purpose the Company has entered into an agreement with NSDL 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 Meeting apart from providing remote e-voting facility for all those Members who are present at the Meeting but have not casted their votes by availing the remote e-voting facility.

8. In case of joint holders attending the Meeting and who have not exercised their right to vote by remote e-voting facility, only such joint holder, who is higher in the order of names, shall be entitled to vote by ballot.
9. The remote e- voting facility shall be opened from 27th December, 2019 at 9.00 a.m. to 29th December, 2019 till 5.00 p.m. both days inclusive. Detailed instructions of Voting through Electronic Mode, forms part of this Notice. The remote e-voting facility shall not be allowed beyond 5.00 p.m. on 29th December, 2019. 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 being placed on the website of the Company viz., [www.trendelectronics.in](http://www.trendelectronics.in) and also on the website of NSDL viz., [www.nsdl.co.in](http://www.nsdl.co.in)
11. Mr. Gaurav Dharmendra Varma, Company Secretary in Whole Time Practice (CP No. 22369), 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. Additionally, his willingness to be appointed for the said purpose has been received by the Company. It is hereby informed that in case of any event arising due to which Mr. Gaurav Verma is unable to act as the scrutinizer, the Resolution Professional shall appoint any other Company Secretary in Whole Time Practice as the scrutinizer.
12. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes cast by Ballot at the Meeting, thereafter unblock the votes cast through remote e-voting in the manner provided in the Companies (Management and Administration) Rules, 2014 and make, not later than 48 hours of conclusion of the Meeting, 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 along with 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 NSDL at [www.nsdl.co.in](http://www.nsdl.co.in), immediately after the results are declared by the Chairman or a person authorised by him in writing. The results shall also be submitted to Bombay Stock Exchange Limited, where the shares of the Company are listed.
13. The Company has fixed Monday, 23rd December, 2019 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/ entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.
14. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Monday, 23rd December, 2019, 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.
15. 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 i.e. 23rd December, 2019 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 3500 or send a request to the Company at Trend Electronics Limited at 20 K. M. Stone, Aurangabad Beed Road, Village Bhalgaon, Aurangabad 431210 Maharashtra.

16. The Register of Members and Share Transfer Books shall remain closed from Monday, 23rd December, 2019 to Monday, 30th December, 2019 (both days inclusive) for the purpose of the meeting.
17. In accordance with Section 125 of the Companies Act, 2013 and Rule 3 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund ("IEPF"). Similarly, members are requested to note that all equity shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF authority within a period of thirty days of such equity shares becoming due to be transferred to the IEPF.

In the event of transfer of equity shares and the unclaimed dividends to IEPF, Members shall be entitled to claim the same from the IEPF authority by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

18. As per Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the securities of the listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this, the members of the Company who are holding shares in physical form are requested to consider converting their physical holdings into dematerialised form. The members can contact the Company or M/s. MCS Share Transfer Agent Limited, Registrar and Transfer Agent of the Company, for such conversion.
19. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or M/s. MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be:
  - a) any change in the residential status on return to India for permanent settlement.
  - b) particulars of the NRE account with a Bank in India, if not furnished earlier.
20. The Annual Report of the Company for the financial year 2018-19 as circulated to the Members of the Company will be made available on the Company's website at [www.trendelectronics.in](http://www.trendelectronics.in).
21. The relevant documents referred to in the accompanying Notice are available 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.
22. Members desiring any information as regards to the Financial Statements/ Directors' Report are requested to write to the Company at an early date so as to enable the Management to reply at the Meeting.
23. Members may address their queries/ communications at [secretarial\\_trend@videoconmail.com](mailto:secretarial_trend@videoconmail.com).
24. Members are requested to kindly bring their copy of the Annual Report to the Meeting.
25. The route map of the venue of the Meeting is given at the end of the Annual Report.

26. **Green Initiative:** Securities & Exchange Board of India as well as the Ministry of Corporate affairs encourages paperless communication as a contribution to greener environment. E-mail communications to the shareholders will result in multiple benefits as under:-

- 1) Timely receipt of all communications without any transit loss.
- 2) Helping in protecting environment and conservation of resources.
- 3) Easy storage in soft copy, thereby eliminating the requirement of storage of bulky documents for subsequent reference.

The Company will simultaneously display full text of the Annual report and other shareholders' communications on its website viz., [www.trendelectronics.in](http://www.trendelectronics.in), as soon as the same is e-mailed to the shareholders and will also be made available for inspection at the Registered Office of the Company during the office hours.

Members holding shares in physical mode are requested to register their e-mail ID's with M/s. MCS Share Transfer Agent Limited, the Registrar and Transfer Agent of the Company and Members holding shares in dematerialized mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to the Registrar and Transfer Agent of the Company in respect of shares held in physical form and to their respective Depository Participants in respect of shares held in electronic form.

## REMOTE E-VOTING INSTRUCTIONS

**The instructions for shareholders voting electronically are as under:**

The voting period begins on Friday, December 27, 2019 at 9:00 a.m. and ends on Sunday, December 29, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Monday, 23rd day of, December, 2019 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 are mentioned below:**

### Log-in to NSDL process

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, you can check the communication sent to your postal address for further instructions about obtaining password.
- d) Member may obtain a User ID and password for casting his / her vote by remote e-voting by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by providing the details such as Demat account no or Folio no, PAN no, name, address etc.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who

are authorized to vote, to the Scrutinizer by e-mail to Mr. Gaurav Dharmendra Varma at gauravdvarma@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

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., 23rd Day of December, 2019 may obtain the Login ID and Password from the CFO, who is responsible to address the grievances connected with facility for voting by electronic means. In case you have any grievances connected with facility for voting by electronic means you may contact the Chief Financial Officer by sending an e-mail to secretarial\_trend@videoconmail.com. Members may also call on +91 22 6611 3500 or send a request to the Company at Trend Electronics Limited at 20 K. M. Stone, Aurangabad Beed Road, Village Bhalgaon, Aurangabad 431210 Maharashtra or by writing a mail at secretarial\_trend@videoconmail.com.

**For TREND ELECTRONICS LIMITED  
(A Company under Corporate Insolvency  
Resolution Process by NCLT order dated 25th September, 2018)**

**MILIND DESHPANDE  
CHIEF FINANCIAL OFFICER**

**Place:** Mumbai  
**Date:** 17th December, 2019

**BRIEF PROFILE OF THE DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF THE SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015 READ WITH SECRETARIAL STANDARD 2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA.**

<b>PARTICULARS</b>	<b>PROFILE OF THE DIRECTORS</b>
Name of the Director	Mrs. Smita Dharm
DIN	07144712
Date of Birth	27/11/1970
Age (in years)	48 Years
Educational Qualification	Graduate
Date of Appointment	31st March, 2015
Category of the Director	Professional – Non Executive
Terms and Conditions of Appointment or Re-appointment along-with the details of remuneration sought to be paid	Mrs. Smita Dharm is Professional Non-Executive Director, liable to retire by rotation and shall not draw any remuneration and shall be eligible to get the sitting fees for attending the meetings of the Board and Committees of the Board of Directors of the Company as per the Articles of Association of the Company. Mrs. Smita Dharm shall perform such functions and duties as provided in the Companies Act, 2013 and the Rules made there under.
Remuneration last drawn, if any	Nil
No of Board Meetings attended during the year	1
Area of expertise/senior position held/work experience	She has more than a decade of experience in various fields like Administration and Management
Names of other directorships in Public Limited Companies in which the Director holds directorship	NIL
Names of the other Committees in which Chairman	NIL
Names of other Committees in which Member	NIL
Number of Shares held	NIL
Relationships between Directors, Key Managerial Personnel and Mangers of the Company	Relative Mr. Vivek Dharm

## REPORT ON BOARD OF DIRECTORS

Dear Members,

It gives great pleasure to present the **29th Board's Report** of Your Company, along with the Balance Sheet, Statement of Profit and Loss and Statement of Cash Flow for the financial year ended 31st March, 2019.

This is to apprise the members of Trend Electronics Limited (the "Company") that Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), vide its order dated 25th September, 2018 ("Order"), admitted the application for initiation of corporate insolvency resolution process ("CIRP") filed by State Bank of India in respect of Trend Electronics Limited ("Corporate Debtor") in accordance with Section 7 of The Insolvency and Bankruptcy Code, 2016 ("the Code"). Pursuant to the order, Mr. Dushyant C Dave was appointed as the Interim Resolution Professional. Subsequently, Mr. Dushyant C. Dave was appointed as Resolution Professional by the Committee of Creditors.

Pursuant to an application filed before the "NCLT", Mumbai by State Bank of India and Mr. Venugopal N Dhoot in the Videocon Consolidation Matter under Section 60 (5) of the Code read with the rules and regulations framed there under, as amended from time to time, the NCLT vide its order ("Consolidation Order") dated 8th August, 2019 had admitted application allowing consolidation of CIRP petitions of 13 Videocon Group Companies to avoid conflicting of orders, if any. However it was ordered that the CIRP of Trend Electronics Limited shall run independently as the Company is capable of maintaining itself as a going concern. The NCLT vide its order 8th August, 2019, has appointed Mr. Divyesh Desai, having registration No. IBBI/IPA-001/IP-P00169/2017-18/10338, as the Resolution Professional of the Corporate Debtors replacing the then erstwhile resolution professional.

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of the Company stands suspended and the same are being exercised by the Resolution Professional (i.e. Mr. Dushyant Dave from 25th September, 2018 till 7th August, 2019 and Mr. Divyesh Desai from 8th August, 2019).

The management of the affairs of the Company has also been vested with Resolution Professional.

This report is containing the Business and operations of Trend Electronics Limited, along with the audited financial statements and performance of the Company for the financial year ended 31st March, 2019.

### FINANCIAL HIGHLIGHTS

The financial highlights for the year ended 31st March, 2019 and year ended 31st March, 2018, is summarized below:

(₹ in Million)

Particulars	Financial Year ended 31st March, 2019	Financial Year ended 31st March, 2018
Revenue from Operations	1,814.79	3,949.50
Other Income	7.05	16.10
Total Income	1,821.84	3,965.60
Profit/(Loss) Before Finance Costs, Depreciation and Tax	(270.33)	(1,950.90)
Finance Costs	1,452.08	1,090.42
Depreciation and Amortization	201.45	230.54
Profit/(Loss) Before Tax	(1,923.86)	(3,271.86)
Profit/(Loss) for the Year/ Period	(1,923.86)	(3,028.23)

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated 16th February, 2015 has issued Companies (Indian Accounting Standards) Rules, 2015. Accordingly, in compliance with the said Rules, the Financial Statements of the company for the Financial Year 2018-19 have been prepared as per Indian Accounting Standards.

### EXTENSION OF DATE FOR HOLDING ANNUAL GENERAL MEETING

The Company made an application to the Registrar of Companies seeking approval for extension of time for holding annual general meeting under section 96(1) of the Companies Act, 2013 for the financial year ended 31st March 2019. Keeping in view, the circumstances as mentioned for extension for time for the purpose of holding Annual General Meeting, Registrar of Companies has granted the extension of 2 months. The Company made a further application to Registrar of Companies seeking approval for extension of time for holding Annual General Meeting under section 96(1) of the Companies Act, 2013 by a further period of 1 month. The Registrar of Companies granted further extension of time for holding annual general meeting by another 1 month.

### PERFORMANCE REVIEW

The Company is primarily engaged in manufacturing and selling of Satellite set top box as well as cable Set top box. There was significant decline in the level of operations of the Company on account of severe strains on the working capital.

During the year under review, the Company has earned a total income of 1,821.84 Million as against ₹ 3,965.60 Million for the previous financial year. Loss before tax stood at ₹ 270.33 Million as against ₹ 1,950.90 Million for the previous financial year. The Net Loss for the year under review as ₹ 1,923.86 Million as against Net Loss of ₹ 3,028.23 Million for the previous financial year.

### CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the year under review.

### DEPOSITS

Your Company has not accepted any Deposit within the meaning and the ambit of Chapter V, Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

### DIVIDEND

In view of losses incurred, the Board of Directors do not recommend any dividend on shares for the year ended 31st March, 2019.

### TRANSFER TO RESERVES

In view of losses incurred, the Board of Directors do not proposes to transfer any amount to reserve.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

As required under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company was required to transfer the unclaimed dividend pertaining to the financial year 2009-10 of ₹ 4,25,536/-; and in pursuance to the provisions of Section 124(6) of the Companies Act, 2013 and the IEPF Rules, the Company was required to transfer 4,25,536 equity shares in respect of which dividend has not been claimed which were subsequently transferred to the suspense account. However, in absence of clarity consequent to commencement of CIRP, the Company couldn't transfer the unclaimed dividend and equity shares to the Investor Education and Protection Fund ("IEPF").

The Company is in the process of seeking clarity and transferring the said amount to IEPF.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### BOARD COMPOSITION

The Board consists of Four Directors as on 31st March, 2019, comprising of 3 Non Executive Independent Directors and 1 Non Executive woman Director. The number of Companies in which they hold the memberships/ chairmanships of Board Committees, as stipulated under SEBI (LODR) Regulations, 2015 is provided in the Corporate Governance Section of this Annual Report.



**CHANGES IN DIRECTOR AND KEY MANAGERIAL PERSONNEL**

During the year under review:

- Mr. Subhash Nabar, Director resigned w.e.f 1st April, 2018;
- Mr. Kiran Patwardhan was appointed as Additional Director w.e.f 18th May, 2018 and thereafter, appointed as Independent Director in the 28th Annual General Meeting held on 28th December, 2018;
- Ms. Prabhavi Mungee was appointed as Company Secretary and Compliance Officer w.e.f 6th December, 2018.

After the closure of financial year, Ms. Prabhavi Mungee had resigned w.e.f 7th June, 2019.

**BOARD MEETING**

The Board met **five times** before commencement of corporate Insolvency Resolution Process (CIRP). The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report.

**No meeting of Board of Directors or Committee was held after the Commencement of Corporate Insolvency Resolution Process (CIRP) i.e after 25th September, 2018.**

**DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each of Independent Directors under Section 149(7) of the Companies Act, 2013.

**RETIREMENT BY ROTATION**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Smt. Smita V Dharm (07144712), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Brief resume of the Director seeking re-appointment alongwith other details are disclosed in the Notice convening the Annual General Meeting.

**INDEPENDENT DIRECTORS FAMILIARIZATION PROGRAMME**

Familiarisation Programme imparted to Independent Directors has been given on the Company's Website i.e. [www.trendelectronics.in](http://www.trendelectronics.in).

**EVALUATION OF BOARD, COMMITTEES AND DIRECTORS**

Performance Evaluation of the Board of Directors as well as that of its committees and individual directors including chairman of the board, key managerial personnel/senior management etc., was carried out during the year.

**AUDITORS****STATUTORY AUDITOR**

M/s. S. Z. Deshmukh & Co., Chartered Accountants, Mumbai (ICAI Firm Registration No. 102380W) were appointed as Statutory Auditors for a period of 5 years at the 27th Annual General Meeting of the Company held on 29th September, 2017 and who will hold office till the conclusion of 32th Annual General Meeting.

Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May 2019, amending section 139 of the Companies Act, 2013, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting has been omitted. Accordingly, the Directors are not seeking approval of members by passing a resolution, for ratification of Auditors.

However, in absence of clarity and based on the advice received, the Company is seeking approval for fixation of fees of the Statutory Auditors.

**AUDIT REPORT:**

The Statutory Auditors of the Company have submitted Auditors' Report, which has certain Qualifications on the Financial Statements for the period ended on March 31, 2019.

**Management's Explanation to the Auditors' Qualifications:**

- The Company has not assessed or reviewed the plant and machinery and other fixed assets for impairment, not ascertainment of net realisable value of inventories and not ascertainment of the

realisable value of unquoted investments. The RP has appointed two valuers for valuations of assets including inventories and investments. The RP continues the process for ascertaining the realisable value of assets and necessary adjustments to the carrying value will be effected in due course. The impact of which is not ascertainable at this stage.

- The confirmations and reconciliation of balances of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances are pending. The management is in the process of obtaining confirmations and reconciliation of balances and ascertaining the impact of which is not ascertainable at present.
- The Company has made investments, given advances and has trade receivables aggregating to ₹ 2,932.98 Million in group/affiliate companies, namely Videocon Industries Limited, Applicomp (India) Limited, VOVL Limited, Value Industries Limited, KAIL Limited, Sky Appliances Limited and Techno Electronics Limited, which have been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 by their lenders and subsequently admitted to Corporate Insolvency Resolution Process (CIRP). The actual amount of loss on these investments, advances and trade receivables are not ascertainable till the completion of resolution process of these group/entities.
- Pursuant to commencement of CIRP of the Company under Insolvency and Bankruptcy Code, 2016, there are various claims submitted by the financial creditors, operational creditors, employees and other creditors to the RP. The overall obligations and liabilities including interest on loans and the principal amount of loans shall be determined during the CIRP. Pending final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims for operational and financial creditors.
- Pursuant to commencement of CIRP of the Company under Insolvency and Bankruptcy Code, 2016, there are various claims submitted by the financial creditors, operational creditors, employees and other creditors to the RP. Such claims can be submitted to the RP till the approval of the resolution plan by CoC. The overall obligations and liabilities including interest on loans and the principal amount of loans shall be determined during the CIRP. Similarly, claims of all creditors including MSME will be treated as per approval of resolution plan.
- Due to various unavoidable circumstances inter-alia including voluminous activities under CIRP, lack of resources inter-alia including qualified staff having resigned pre-post CIRP, the Company couldn't submit financial results for 31st March, 2018 and subsequent periods till date as prescribed under regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, no impact of the same is envisaged in the financial statements.
- The Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 as amended, and there are persistent severe strains on the working capital and there is considerable decline in level of operations of the Company and net worth of the Company as on the reporting date is negative and it continue to incur losses. The Company has received invocation notices of corporate guarantees given by it and also the personal guarantees of promoter directors have been invoked. Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP. Accordingly, the financial statements are continued to be prepared on going concern basis. The Company continues the process for ascertaining the realisable value for its assets (including inventories and trade receivables) and necessary adjustments to the carrying value will be effected in due course, the impact of which is not ascertainable at this stage.

**COST AUDITOR**

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014 and amendments made thereto; from time to time, the Company is in the process of appointing Cost Auditor to conduct audit of Cost Accounting

Records maintained by the Company for the financial year commencing from 1st April, 2019 to 31st March, 2020.

In compliance with the provisions, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company. However, since the cost auditor is yet to be appointed, the consent of the Members will be sought at the general meeting, as and when held at a later date.

In having failed to appoint cost auditor, the Company also failed to file the Cost Audit Report for the financial year ended 31st March, 2018 and 31st March, 2019.

### SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex to its Board's Report, a secretarial audit report given by a Company Secretary in practice, in the prescribed form.

The Resolution Professional, in compliance with Section 204 of the Act, appointed Mrs. Gayathri R Girish, Company Secretary in Whole-time Practice, (CP No.: 9255) to carry out the Secretarial Audit for the financial period ended on 31st March, 2019. The Secretarial Auditor has made certain observations in her Secretarial Audit Report. The Report of the Secretarial Audit in Form MR-3 for the financial year ended 31st March, 2019 is marked as 'Annexure- 1' and forms part of this Directors Report and consists of the observations stated by the Secretarial Auditor.

In respect of observations raised by the Secretarial Auditor, the explanation of the management is as under:

- The non-filing of e-forms MGT 14, IEPF-2, Form AOC-4 XBRL and others were on account of technical issues.
- The Company couldn't transfer the unpaid/unclaimed dividend to IEPF, declared at the 22nd Annual General Meeting held on 29th June, 2011; (ii) the shares in respect of which dividend is unclaimed or unpaid for more than 7 years and which were due for transfer to IEPF due to lack of clarity consequent to commencement of CIRP.
- The non-filing of statement of unpaid and unclaimed amount to IEPF Authority was on account of non-receipt of information from the RTA, due to non-payment of dues, to the RTA.
- The delay in filing of E Form MGT 7, MGT 15 was on account of technical difficulty and procedural issues.
- The delay in compliance and/or non-compliance of the provisions of Regulations 13(3), 14, 7(3), 33(3), 47(3), 31, 29, 40(9), 55A giving prior intimation and outcome in respect of certain meetings of Committee of Creditors, submission of Reconciliation of Share Capital Audit, intimation of commencement of CIRP under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were on account of technical difficulties, voluminous activities under CIRP, lack of resources inter-alia including qualified staff having resigned pre-post CIRP.
- In terms of the Code, the outstanding dues pertaining to pre-CIRP period are to be filed as claims and will be treated as per the provisions of IBC and accordingly payment is not made even though the same is pertaining to Listing Fees.
- Non filing of returns under FEMA were on account of technical issues and accidental omissions.
- Non appointment of cost auditor was on account of unwillingness of some of the cost auditors on account of admission of company into CIRP.
- The other observations or adverse remarks are self-explanatory

### MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY, OCCURRING AFTER THE BALANCE SHEET DATE AND AS AT THE DATE OF SIGNING THIS REPORT

Except the above change, there are no material changes and commitments affecting the financial position of the Company, which occurred after the Balance Sheet Date and as at the date of signing of this report.

### CONSERVATION OF ENERGY

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3) (m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year ended March 31, 2019 is marked as 'Annexure 2' and forms part of this Directors Report.

### HEALTH, SAFETY AND ENVIRONMENT

Your Company considers health and safety of its employees as its prime responsibility.

The team studies a plethora of health, safety and environment related issues at manufacturing plants and reports the observations along with requisite correctives measures, if any, to the management for necessary action.

The Company continues to adopt the following health and safety initiatives:

- A sure way to prevent accidents and keep everyone safe is by keeping the maintenance up on your industrial floors. The cleaning equipment are kept close by in case of spillages and ensure wet surfaces are acted upon quickly to avoid slips and trips – the most common cause of workplace injuries.
- If something new is introduced to the factory – whether that be machinery or a new product – that needs to be moved, the staff is properly communicated and a new method is implemented.
- Installation of Effluent Treatment Plant, where the waste water is treated and recycled for gardening purposes.
- Round the clock occupational health center and ambulance with all medical devices.
- Timely disposal of waste and scrap materials.

### INFORMATION TECHNOLOGY

The company is successfully making use of high-end Servers running for Database Management of the Set Top Box Manufacturing for effectively monitoring the product, right from the beginning of the assembly process till the finished product.

The Company has effectively implemented and using the 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.

### COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION (SECTION 178)

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration.

The Company has in place the Nomination and Remuneration Committee. The Company has further formulated the Nomination and Remuneration Policy on directors' appointment and remuneration including the criteria for determining qualifications, positive attributes and independence of directors. Further, the details pertaining to the Nomination and Remuneration Policy during the financial year ended March 31, 2019 forms part of the Corporate Governance Report.

### RISK MANAGEMENT POLICY OF THE COMPANY

The Company has put in place a mechanism to identify, assess, monitor and mitigate various risks associated with the business. In line with the regulatory requirements, the Company has in place the Risk Management Policy to identify the risk elements and manage, monitor and report on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Company has formed Risk Management Committee. The scope and composition of the Committee forms part of the Corporate Governance

Report. Further, the members of the Risk Management Committee and the senior management personnel review the Risk Management Policy periodically and discuss and mitigate the identified risks from time to time.

Major risks identified were discussed at the meeting of the Board of Directors of the Company prior to commencement of CIRP.

#### CORPORATE SOCIAL RESPONSIBILITY POLICY

As per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company having networth of ₹ 500 Crore or more or turnover of ₹ 1,000 Crore or more or net profit of ₹ 5 Crore or more during the immediately preceding financial year shall ensure that it spends, in every financial year, atleast 2 (Two) percent of the average net profits made during three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The Company has formed a Corporate Social Responsibility Committee in terms of provisions of Section 135 of the Companies Act, 2013 and rules made thereunder. The scope and composition of the Committee forms part of Corporate Governance Report.

However, during the financial year 2018-19, the Company was not required to spend any amount under its Corporate Social Responsibility policy as it has incurred losses in its preceding financial year.

#### COMMITTEES OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and provisions of the Listing Regulations, the Company has constituted following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee
6. Finance and General Affairs Committee

The composition, scope and powers of the aforementioned Committees together with details of meetings held during the period under review, forms part of Corporate Governance Report.

The Company is under CIRP under the Code and therefore, the powers of board of directors stand suspended and are being exercised by the Resolution Professional in accordance with Sections 17 and 23 of the Code from the aforesaid date. Thus, no meetings of the Committees were held after the Commencement of CIRP.

#### DETAILS OF FRAUDS REPORTED BY AUDITORS (OTHER THAN REPORTABLE TO CENTRAL GOVERNMENT)

There is no fraud/misconduct detected at the time of statutory audit by Auditors of the Company for the financial period ended on 31st March, 2019.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of the SEBI (LODR), disclosures relating to particulars of loans, guarantees given and investments made during the period is marked as 'Annexure- 3' and forms part of this Directors Report.

#### DETAILS OF ESTABLISHMENT OF WHISTLE BLOWER CUM VIGIL MECHANISM POLICY DIRECTORS AND EMPLOYEES

The Company has formulated a Whistle Blower Policy, where in the Employees / Directors / Stakeholders of the Company are free to report any unethical or improper activity, actual or suspected fraud or violation of the Company's Code of Conduct. The policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. This mechanism provides safeguards against victimisation of Employees, who report under the said mechanism. The Whistle Blower Policy complies with the requirements of Vigil Mechanism as stipulated under Section 177 of the Companies Act, 2013.

During the year under review, the Company has not received any complaints under the said mechanism. The Whistle Blower Policy of the Company has been displayed on the Company's website [www.trendelectronics.in](http://www.trendelectronics.in).

#### PARTICULARS OF CONTRACTS OR ARRANGEMENTS AS PER SECTION 188(1)

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There are no related party transactions made by the Company except for remuneration to related parties, which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders.

Form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of disclosure of Related Party Transaction is marked as 'Annexure-4' and forms part of this Directors Report.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website [www.trendelectronics.in](http://www.trendelectronics.in).

#### EXTRACT OF ANNUAL RETURN:

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company [www.trendelectronics.in](http://www.trendelectronics.in) and shall be made available to the members on request.

#### CHANGES IN SHARE CAPITAL

During the year under review, there is no change in Paid up Share Capital of the Company.

#### SUSPENSION OF TRADING OF SECURITIES

The Company's Shares are suspended from Trading by Bombay Stock Exchange Limited due to Non-compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and penal reasons. As per the Stock Exchange data, the last trading in equity Shares took place on 16th April, 2018.

#### DIRECTOR RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had 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 period and of the loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, joint venture or associate.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS, TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

As stated herein before, the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated 25th September, 2018 ("**Order**"), admitted the application for initiation of corporate insolvency resolution process ("**CIRP**") filed by State Bank of India in respect of Trend Electronics Limited ("**Corporate Debtor**") in accordance with Section 7 of The Insolvency and Bankruptcy Code, 2016 ("**the Code**"). Pursuant to the order, Mr. Dushyant C Dave was appointed as the Interim Resolution Professional. Subsequently, Mr. Dushyant C. Dave was appointed as Resolution Professional by the Committee of Creditors.

Pursuant to an application filed before the "NCLT", Mumbai by State Bank of India and Mr. Venugopal N Dhoot in the Videocon Consolidation Matter under Section 60 (5) of the Code read with the rules and regulations framed there under, as amended from time to time, the NCLT vide its order ("**Consolidation Order**") dated 8th August, 2019 had admitted application allowing consolidation of CIRP petitions of 13 Videocon Group Companies to avoid conflicting of orders, if any. However it was ordered that the CIRP of Trend Electronics Limited shall run independently as the Company is capable of maintaining itself as a going concern. The NCLT vide its order 8th August, 2019, has appointed Mr. Divyesh Desai, having registration No. IBBI/IPA-001/IP-P00169/2017-18/10338, as the Resolution Professional of the Corporate Debtors replacing the then erstwhile resolution professional.

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (**CIRP**), the powers of the Board of Directors of the Company stands suspended and the same are being exercised by the Resolution Professional.(i.e. Mr. Dushyant Dave from 25th September, 2018 till 7th August, 2019 and Mr. Divyesh Desai from 8th August, 2019). The management of the affairs of the Company has also been vested with Resolution Professional.

### DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company promotes a healthy and congenial working environment irrespective of gender, caste, creed or social class of the employees and values every individual and committed to protect the dignity and respect of every individual. The Company has always endeavored for providing a better and safe environment free of sexual harassment at all its work places. During the year under review, no cases of sexual harassment against women employees at any of its work place were filed under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### INTERNAL FINANCIAL CONTROL

The Company maintains a system of internal control, including suitable monitoring procedures in various functional areas. The system is reviewed from time to time to update the same with changing requirement. Internal Audit of Company's financial accounts and related records is conducted by in house internal audit team of the Company.

### PARTICULARS OF EMPLOYEES PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as '**Annexure- 5A**' and forms part of this Directors Report.

A statement containing, inter alia, the names of top ten employees in terms of remuneration drawn and every employee employed throughout the

financial year and in receipt of remuneration of ₹102 lakhs or more and, employees employed for part of the year and in receipt of remuneration of ₹ 8.50 lakhs or more per month, pursuant to Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as '**Annexure- 5B**' and forms part of this Directors Report.

### CORPORATE GOVERNANCE REPORT

A Report on Corporate Governance along with certificate from Practising Company Secretary confirming the Compliance of the condition of Corporate Governance as stipulated in the Listing Regulations 2015 is annexed in "**Annexure 6**" and forms an integral part of this Annual report.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is marked as '**Annexure- 7**' and forms part of this Directors Report which provides full details of the operational performance and business analysis of the Company.

### COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Directors confirm that the Secretarial Standards issued by the Institute of Companies Secretaries of India, as applicable to the Company, have been duly complied with.

### GREEN INITIATIVE

The Ministry of Corporate Affairs had taken the Green Initiative in Report of Corporate Governance by allowing paperless compliances by Companies through electronic mode. The Company supports the Green Initiative and has accordingly decided to send annual report to its Shareholders to their respective registered Email address.

The Company appeals to its Shareholders, who are yet to register the Email addresses that they take necessary steps for registering the same so that we can also become a part of the initiative and contribute towards Green Initiative.

### ACKNOWLEDGMENT

The Board of Directors would like to thank the Customers, Vendors, Investors, Financial Institutions, Bankers, Business Partners and Government Authorities for their continued support. The Board of Directors also appreciates the contribution made by the employees at all levels for their hard work, dedication, co-operation and support for the growth of the Company.

The Board of Directors would also like to thank all stakeholders for the continued confidence and trust placed by them with the Company.

**For TREND ELECTRONICS LIMITED  
(A Company under Corporate Insolvency  
Resolution Process by NCLT order  
dated 25th September, 2018)**

**VIVEK DHARM  
DIRECTOR  
DIN: 00214361**

**KIRAN PATWARDHAN  
DIRECTOR  
DIN: 08136757**

Place: Mumbai  
Date: 17th December, 2019

## Annexure 1 Form No.MR-3 SECRETARIAL AUDIT REPORT

for the financial year ended 31st March, 2019  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
Trend Electronics Limited  
20 K. M. Stone,  
Aurangabad-beed road,  
Village: Bhalgaon,  
Aurangabad 431210 Maharashtra

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Trend Electronics Limited** (hereinafter called the “Company”). The Secretarial Audit was conducted in a manner that provided me reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year from 1st April, 2018 to 31st March, 2019 substantially complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- The Companies Act, 2013 (the “Act”) and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- The Provisions of the Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- The Foreign Exchange Management Act (FEMA), 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company for the financial year ended 31st March, 2019.
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014 (Not applicable to the Company during the Audit Period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Other laws as informed and certified by the management of the Company which are specifically applicable to the Company based on its industry/sectors are:
  - Factories Act, 1948
  - Industrial Disputes Act, 1947
  - The Payment of Wages Act, 1936
  - The Minimum wages Act, 1948
  - Employees State Insurance Act, 1948
  - The Employees Provident Funds and Miscellaneous Provisions Act, 1952
  - The Payment of Bonus Act, 1965
  - The Payment of Gratuity Act, 1972
  - The Contract Labour (Regulation & Abolition) Act, 1970
  - The Maternity Benefit Act, 1961
  - The Child Labour (Prohibition & Regulation) Act, 1986
  - The Industrial Employment (Standing Orders) Act, 1946
  - The Employees Compensation Act, 1923
  - The Apprentices Act, 1961
  - Equal Remuneration Act, 1976
  - The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
  - Water (Prevention and Control of Pollution) Act, 1974
  - Air (Prevention and Control of Pollution) Act, 1981
  - Environment Protection Act, 1986
  - Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
  - E-Waste Management & Handling Rules, 2016.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- The Listing Agreements entered by the Company with Bombay Stock Exchange Limited.

I have relied on the representation made by the Company and its officers for the systems and mechanisms formed by the Company for compliances under applicable Acts, Rules, Laws and Regulations to the Company.

**I have not examined the Compliance by the Company:**

- With Other laws including applicable labour, industrial, environmental and other industry specific laws (as informed and certified by the management of the Company which are specifically applicable to the Company based on its industry/sector) since the compliance and monitoring of the said laws are to be ensured by the management of the Company;
- With the applicable financial laws like direct and indirect laws, since the same have been subject to review by the statutory financial audit by other designated professionals.

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

**I. Under Companies Act, 2013:**

- *During the period under review, the Company has not filed various E Form with Registrar of Companies during the financial year 2018 – 19 inter-alia including:*
  - *E-form MGT-14 for approval of financial statements and Board's Report by the Board for the Financial year ended 31st March, 2018;*
  - *E-form AOC-4 for Financial Statement in XBRL format for the financial year ended 31st March, 2018.*
  - *E-form MGT-14 for Appointment of Secretarial Auditor for the financial year 2018-19 and for the financial year 2019-20.*
  - *E-form MGT-14 for appointment of Internal Auditor as required in terms of provisions of Section 138 of the Act read with Rule 13 of Companies (Accounts) Rules, 2014 as the Company has confirmed it has in place an in-house internal audit team led by in house internal auditor to carry out the audit of internal records maintained by the Company and the said constitution/appointment was prior to commencement of the Act.*
- *During the period under review, the Company has not filed various E Form with Registrar of Companies within the timeframe prescribed under Companies Act, 2013 inter-alia including:*
  - *Report on Annual General Meeting in e-form MGT 15;*
  - *Annual Return in e-form MGT-7 for the Financial year 2017-18.*
- *The Company has not appointed Managing Director or Manager or Chief Executive Officer or Whole Time Director pursuant to compliance of provision of section 203(1) of the Companies Act, 2013. Even though the Company has appointed Head Operations, I am of the view that the same cannot be considered as compliance of section 203(1) of the Companies Act, 2013.*
- *The Company has not appointed Cost Auditor for the cost Audit for the Financial Year 2018-19. Therefore, the Company had violated the provisions of Section 148 of the Companies Act, 2013 read with Rules of the Companies (Cost Records and Audit Rules, 2014) as amended from time to time. Hence, the Company has not filed Form CRA – 2 for the financial year 2018-19 is also not Form CRA-4 for the Financial Year ended 31st March, 2018.*
- *The Company has not transferred the unpaid/unclaimed dividend to IEPF, declared on Annual General Meeting held on 29th June, 2011 which was due for transfer to Investor Education and Protection Fund ("IEPF") on or before 29th July, 2018, thereby violating the provisions of Section 124(5) of the Companies Act, 2013. Similarly, the Company has not transferred the shares in respect of which dividend is unclaimed or unpaid for more than 7 years and which were due for transfer to IEPF. Thus, the Company has violated the provisions of Section 124 of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Therefore, the same has not been intimated to Registrar of Companies in Form IEPF-1 & IEPF-4.*

- *The Company has not filed statement of amounts remaining unpaid and unclaimed to IEPF Authority in Form IEPF 2 within 90 days of the Annual General Meeting held on 28th December, 2018 in accordance with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Thus, the Company has violated the provisions of Sub-Rule 8 of Rule 5 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.*
- *The Company has not given adequate disclosure in the Report of the Board of Directors in terms of the provisions of Section 134(3) pertaining to Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) in respect of the ratio of the remuneration of each director to the median employee's remuneration and a statement showing the names of the top ten employees in terms of remuneration drawn and other details.*

**II. Securities Contracts (Regulation) Act, 1956 and Rules made thereunder:**

*During the financial year under review:*

- *The Company has not submitted un-audited/audited financial results together with limited review Report/Auditor Report along with Statement of impact, as the case may be, in terms of the provision of Regulation 33(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations.*
- *The Company has not published the financial results in the newspaper in terms of requirements of Regulation 47(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations.*
- *The Company has not given any prior intimation to Stock Exchange(s) about consideration of Financial Results (if any) by the Board of Directors and/or Resolution Professional in terms of requirements of Regulation 29 of SEBI (LODR), 2015.*
- *The Company has not paid Listing Fees in terms of Regulation 14 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations.*
- *The Company has delayed in:*
  - *submission of statement giving status of investor complaints in respect of few quarters in terms of Regulation 13(3) of SEBI LODR.*
  - *submission of Shareholding Patterns in respect of certain quarters in terms of Regulation 31 of SEBI (LODR), 2015.*
  - *submission of Reconciliation of Share Capital Audit in respect of certain quarters in terms of requirements of Regulation 55A of SEBI (Depositories and Participants Regulations), 1996.*
  - *submission of Compliance Certificate in respect of half year ended 30th September, 2018 and failed submission for half year ended 31st March, 2018 in terms of requirements of Regulation 7(3) of SEBI (LODR), 2015.*
- *The Company has failed in submission of Certificate under Regulation 40(9) of SEBI (LODR), 2015 for the half year ended 31st March, 2018 & 30th September, 2018.*
- *In terms of Regulation 16 of SEBI (LODR), 2015, the Company has functional website, however, certain information are not up to date.*

**III. Under Foreign Exchange Management Act (FEMA), 1999**

*The return of Foreign Assets and Liabilities for the Current Audit Periods has not been filed for the Company with the Reserve Bank of India.*

**I report that:**

1. The State Bank of India in capacity of the Financial Creditor of the Company, had filed a Petition with Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai ("NCLT"), for the debts due to them and initiation of Corporate Insolvency Resolution Process ("CIRP") in respect of the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("Code"). In terms of the Order pronounced on 25th September, 2018, by the NCLT, Mr. Dushyant C. Dave, having Registration No.: IBBI/IPA-003/IP-P00061/2017-18/10502 was appointed as Interim Resolution Professional of the Company.
2. Subsequently, Mr. Venugopal N. Dhoot, promoter of the Company, had filed an application before the Principal Bench, National Company Law Tribunal, New Delhi praying that all the matters relating to the Videocon Group Companies inter-alia including the Company must be heard before Common NCLT, Bench.
3. Similarly, another application was filed by the State Bank of India before the Hon'ble NCLT Principal Bench, seeking the consolidation of CIRPs of all the Videocon group companies. The Hon'ble Principal Bench disposed of both the applications vide a common order dated 24th October, 2018. Vide the said Order dated 24th October, 2018, the Hon'ble Principal Bench has transferred all the matters where CIRP commenced in respect of the Videocon Group Companies before Hon'ble NCLT, Mumbai Bench to avoid the conflicting of orders, if any.
4. Pursuant to the aforesaid application filed before the "NCLT", Mumbai by State Bank of India and Mr. Venugopal N Dhoot in the Videocon Consolidation Matter under Section 60 (5) of the Code read with the rules and regulations framed there under, as amended from time to time, the NCLT vide its order ("Consolidation Order") dated 8th August, 2019 had admitted the application allowing consolidation of CIRP petitions of 13 Videocon Group Companies viz., M/s. Videocon Industries Limited, M/s. Value Industries Limited; M/s. Videocon Telecommunications Limited; M/s. Evans Fraser And Company (India) Ltd; M/s. Millennium Appliances India Ltd; M/s. Applicomp (India) Ltd; M/s. Electroworld Digital Solutions Ltd; M/s. Techno Kart India Ltd; M/s. Century Appliances Ltd; M/s. Techno Electronics Ltd; M/s. PE Electronics Ltd; and CE India Ltd ("Corporate Debtors") and has continued CIRP of all the Corporate Debtors as one from 8th August, 2019 i.e. from the date of the Order till the end of 180 days. However, it was ordered that CIRP of Trend Electronics Limited shall run independently and the consolidation in respect of the company is inter-alia denied on the grounds that the company is independently capable of maintaining itself as a going concern and its business is not dependent on other Videocon Companies.
5. The NCLT vide its order 8th August, 2019, has appointed Mr. Divyesh Desai, having registration No. IBBI/IPA-001/IP-P00169/2017-18/10338, as the Resolution Professional of the Corporate Debtors ("Interim Resolution Professional") replacing then erstwhile resolution professional.
6. Mr. Divyesh Desai was appointed as the resolution professional of the Corporate Debtor, by the COC in its Meeting on 6th September, 2019.
7. In terms of Section 14 of the Code read with the Order, moratorium continues inter alia prohibiting the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority.
8. In terms of Section 17 of the Code, the management of affairs of the Corporate Debtor vests with the Resolution Professional and the powers of the Board of Directors of the Corporate Debtor which were already suspended shall be exercised by him.
9. By virtue of Section 17 & 23 of the Code:
  - a. the management of the affairs of the Corporate Debtors vests in the Resolution Professional;

- b. the powers of the board of directors are suspended and are to be exercised by the Resolution Professional;
- c. the officers and managers of the Corporate Debtors are required to report to the Resolution Professional and provide access to such documents and records of the Corporate Debtors as may be required by the Resolution Professional; and
- d. the financial institutions maintaining accounts of the Corporate Debtors are required to act on the instructions of the Resolution Professional in relation to such accounts and furnish all information relating to the Corporate Debtors available with them to the Resolution Professional.

**I further report that:**

- For the purpose of determining non-compliances, I have considered compliances in respect of which the filings were due as at 31st March, 2019 and the report doesn't inter-alia include any non-compliances on account of:
  - The Company has not filed E Form INC 22A ACTIVE for Active Company Tagging Identities and Verification in terms of Rule 25A of the Companies (Incorporation) Rules, 2014 till the date of this report. However, as the due date for filing was 30th June, 2019, this is not a non-compliance for the financial year under review i.e. 31st March, 2019.
  - The Company has not, till the date of this report, filed Form DPT 3 (i.e., onetime return of outstanding receipt of money or loan by a company but not considered as deposits, in terms of clause (c) of sub-rule 1 of rule 2 from the 1st April, 2014 to the date of publication of the said notification in the Official Gazette (i.e. 22nd January, 2019), within 90 days from the date of said publication subject to such relaxation of time for filing) within the prescribed time limit as provided in sub rule (2) of Rule 16A of the Companies (Acceptance of Deposits) Rules, 2014. The due date, post issue of notification, was 29th June, 2019. However, as the due date for filing was 29th June, 2019 this shall not be considered as a non-compliance for the financial year ended 31st March 2019.
  - The Company has not till the date of report filed Form DPT 3 (Return of Deposit to be filed by the Companies with the Registrar duly audited by the Auditors of the Company as on 31st March of every year). However, as the due date for filing was 30th June, 2019 this shall not be considered as a non-compliance for the financial year ended 31st March 2019.
  - Non-Compliance in respect to submission of Annual Secretarial Compliance Report to Stock Exchange within 60 days from the end of Financial year in terms of SEBI Circular No. CIR/CFD/CMD/11/27/2019 dated 8th February, 2019.

**I also report that:**

- Based on Management representation made by the Company, there are no material events provided by the Company to the Stock Exchange.
- The Company had appointed Milind Deshpande as Chief Financial Officer earlier, but E-form DIR- 12 & E-form MGT-14 has not been filed with Registrar of Companies till date. The Company has informed that his appointment was prior to the commencement of the Companies Act, 2013, hence no filing is required.
- I have not been provided minutes of the Committee of Creditors of the Company hence unable to comment compliances, if any, arising out of decisions taken by the Committee of Creditors.
- The Board of Directors of the Company is not constituted with proper balance of Executive, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- The Independent Directors of the Company have furnished certificate of Independence to the Company. However, I am

of the view that Mr. Vivek D Dharm doesn't satisfy the criteria of independence considering his spouse is also a Director.

- In terms of the provisions of Section 173 of the Companies Act, 2013, every company shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. However, the said provisions are not applicable to the companies which are under Corporate Insolvency Resolution Process in respect of the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("Code") as the powers of the Board of Directors stand suspended. Similarly, the provisions are not applicable to the committee meetings.
- As per the provisions of IBC and provisions of Regulation 15 (2A) and (2B) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015(SEBI (LODR)) as amended from time to time, the provisions specified in regulation 17, 18,19, 21, shall not be applicable during the insolvency resolution process. The provisions as specified in said regulations of the SEBI (LODR) shall not be applicable during the insolvency resolution process period and the roles and responsibilities of the board of directors and the committees, specified in the respective regulations, shall be fulfilled by the interim resolution professional or resolution professional.
- In respect of the meetings held during the year under review, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at the Board Meetings and Committee Meetings are carried out unanimously, as per the minutes of the proceedings of the meetings of the Board or the Committee(s), as the case may be.

I further report that during the audit period the Company has not undertaken any event/actions having a major bearing on the Company's affairs in pursuance to the applicable referred laws, regulations, rules, guidelines etc., except for the following actions which would have arisen (without any action on part of the Company) which requires attention of the members:

- i. As stated hereinbefore, the State Bank of India in capacity of the Financial Creditor of the Company, had filed a Petition with Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai ("NCLT"), for the debts due to them and initiation of Corporate Insolvency Resolution Process ("CIRP") in respect of the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("Code").
- ii. The Company made an application to the Registrar of Companies seeking approval for extension of time for holding annual general meeting under section 96(1) of the Companies Act, 2013 for the financial year ended 31st March 2019. Keeping in view, the circumstances as mentioned for extension of time for the purpose of holding Annual General Meeting, Registrar of Companies has granted the extension of 2 months. The Company made a further application to Registrar of Companies seeking approval for extension of time for holding Annual General Meeting under section 96(1) of the Companies Act, 2013 by a further period of 1 month. The Registrar of Companies granted further extension of time for holding annual general meeting by another 1 month.
- iii. The Company has not provided me with information on any notices received from Stock Exchange for non-compliances of any provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations.

**Gayathri R Girish**

**CP No: 9255**

**ACS: 18630**

Place: Mumbai

Date: 17th December, 2019

**UDIN:A018630A000423606**

## Annexure – A

To,

The Members,  
**Trend Electronics Limited**  
 (CIN: L99999MH1989PLC052233)  
 20 K. M. Stone,  
 Aurangabad-Beed Road,  
 Village: Bhalgaon,  
 Aurangabad – 431001, Maharashtra

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

**Gayathri R Girish**

**CP No: 9255**

**ACS: 18630**

**UDIN:A018630A000423606**

Place: Mumbai

Date: 17th December, 2019



## ANNEXURE- 2

### PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

#### A. CONSERVATION OF ENERGY

1	Steps taken to conserve energy	<p>The Company is conscious about its responsibility to conserve energy, power and other natural resources wherever possible. It is proven thing that any reduction in the cost of energy reduces overall financial cost. The Company always endeavor to reduce the consumption of energy by using less of an energy service.</p> <p>Some of the measures undertaken by the Company for the conservation of energy are:</p> <ul style="list-style-type: none"> <li>• Installation of Solar</li> <li>• Installation of energy saving lighting equipments in premises.</li> <li>• Awareness amongst employees and workmen in relation to energy conservation and reduction of misuse of electricity.</li> <li>• Replacement of old and outdated luminaries by highly efficient LED's.</li> </ul> <p>The adoption of the energy conservation measures helps the company in reducing the energy cost.</p>
2	Steps taken to utilise alternate sources of energy	Installed solar power so as to ensure generation of green energy.
3	The capital investment on energy conservation equipments	The Company has not made any fresh investment on energy conservation equipments. The Company has re-aligned/re-arranged the already existing energy conservation equipments available inhouse.

#### B. TECHNOLOGY ABSORPTION

1	The efforts made towards technology absorption	No research and development activities were carried out post admission of the Company into CIRP.
2	The Benefits derived as a result of the above efforts	<p>The Company has derived the following benefits, in view of R&amp;D undertaken in the past, in the year under review as well:</p> <ul style="list-style-type: none"> <li>• Improving the quality;</li> <li>• Improvement in the operational process;</li> <li>• Cost reduction;</li> <li>• Meeting the changing social and environmental needs; and</li> <li>• Meeting the changing requirements of customers.</li> </ul>
3	<p>in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-</p> <p>(a) technology imported;</p> <p>(b) the year of import</p> <p>(c) whether the technology been fully absorbed;</p> <p>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof</p>	The Company has not imported any technology in the last three years.
4	Expenditure incurred on R&D	The Company has not undertaken any R&D activities during the year. Accordingly, no expenditure has been incurred by the Company on account of capital and/or recurring. Thus, the total expenditure as a percentage to total turnover is Nil.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

INR (In Millions)

Foreign Exchange Earnings And Outgo		FY 2019	FY 2018
a.	Foreign exchange earnings	NIL	NIL
b.	CIF Value of imports	0.15	1,805.81
c.	Expenditure in foreign currency	NIL	NIL

**For TREND ELECTRONICS LIMITED**  
(A Company under Corporate Insolvency Resolution Process by  
NCLT order dated 25th September, 2018)

Place: Mumbai  
Date: 17th December, 2019

**VIVEK DHARM**  
DIRECTOR  
DIN: 00214361

**KIRAN PATWARDHAN**  
DIRECTOR  
DIN: 08136757

## Annexure 3

### FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including arms length transactions under third proviso thereto.

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis.

a)	Nature of Related Party	
b)	Nature of transactions	
	Sale of Goods	
	Rent Income	
	Availing of services	
c)	Duration of the contracts/ arrangements/transactions	Except for salaries to the Head Operations and Key Managerial Personnel there are no related party transaction entered by the Company
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Date(s) of approval by the Board, if any	
f)	Amount paid as advances, if any	

**For TREND ELECTRONICS LIMITED**  
**(A Company under Corporate Insolvency**  
**Resolution Process by NCLT order**  
**dated 25th September, 2018)**

Place: Mumbai  
Date: 17th December, 2019

**VIVEK DHARM**  
**DIRECTOR**  
**DIN: 00214361**

**KIRAN PATWARDHAN**  
**DIRECTOR**  
**DIN: 08136757**

**Annexure - 4**

Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act, 2013

(Pursuant to Section 134 (3)(g) of the Companies Act, 2013)

**A. DETAILS OF INVESTMENT:**

Sr. No.	Nature of transaction	Name of the person or body corporate whose securities have been acquired	No. and Kind of Securities	Cost of Acquisition (In case of securities how the Purchased Price was arrived at) Amount (₹ in Million)	Nominal Value	Date of Investment	Purchase Price (how the price was arrived at)
NIL							

**B. DETAILS OF LOANS:**

Sr. No.	Nature of transaction	Name of the person or body corporate whose securities have been acquired/ Sold	Amount of Loan/ Security/ Acquisition/ Guarantee	Time period for which it is made/ given	Purpose of Loan/ Acquisition/ Guarantee/ Security	% of loan/ acquisition / exposure on guarantee/security provided to the paid up Capital, Free Reserves and securities Premium account and % of free reserves and securities premium	Date of passing Special resolution, if required	Rate of Interest	Date of maturity
NIL									

**C. DETAILS OF GUARANTEE:**

Sr. No.	Nature of transaction (whether Loan/Guarantee/Security/ Acquisition)	Date of making Loan/ Acquisition/Giving Guarantee/ Providing Security	Name and Address of the Person or Body Corporate to whom it is made or given or whose securities have been acquired (Listed /Unlisted entities)	Amount of Loan/Security/ Acquisition/Guarantee
NIL				

FOR TREND ELECTRONICS LIMITED  
(A Company under Corporate Insolvency  
Resolution Process by NCLT order  
dated 25th September, 2018)

Place: Mumbai  
Date: 17th December, 2019

VIVEK DHARM  
DIRECTOR  
DIN: 00214361

KIRAN PATWARDHAN  
DIRECTOR  
DIN: 08136757

## Annexure 5A

### DISCLOSURE FOR RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS AS PER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- 1) **The ratio of the remuneration of each director** to the median remuneration of the employees of the company for the financial year: During the year under review, no remuneration is paid to any director of the company. Therefore, the ratio of the remuneration of each director to the median remuneration of the employees of the company is not relevant.
- 2) **The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company:**

Name	% Increase in the remuneration
Shri Jagdish Bangad – Chief Executive Officer	Nil
Shri Milind Deshpande – Chief Financial Officer	Nil
Smt Prabhavi Mungee* Company Secretary	N.A

\*Smt Prabhavi Mungee, Company Secretary was appointed on 6th December, 2018 and resigned on 7th June, 2019. Therefore, percentage cannot be calculated.

Note: No Remuneration or sitting fees is paid to any director of the Company.

- 3) **The Percentage increase in the median remuneration of employees in the financial year:** During the year under review, there were no increase in the remuneration. Hence, the percentage increase in median remuneration of the employee is Not Applicable.
- 4) **The number of permanent employees on the rolls of the Company:** 276 (Including 108 permanent workers)
- 5) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**  
Average Percentage Increase made in the salaries of Employees including the managerial personnel in the last financial year i.e. 2018-19 was Nil. Therefore, the comparison of percentile increase in remuneration of employee with managerial remuneration is not applicable.
- 6) **It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Remuneration Policy of the Company:**  
Yes
- 7) The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in as a separate annexure forming part of this report.

**For TREND ELECTRONICS LIMITED  
(A Company under Corporate Insolvency  
Resolution Process by NCLT order  
dated 25th September, 2018)**

Place: Mumbai  
Date: 17th December, 2019

**VIVEK DHARM  
DIRECTOR  
DIN: 00214361**

**KIRAN PATWARDHAN  
DIRECTOR  
DIN: 08136757**

## Annexure- 5B

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(₹ in millions)

Sr. No.	DATE OF JOINING	NAME	DESIGNATION	CTC	Qualification or experience	Age	The last employment held by such employee before joining the company;
1	05.05.2018	JAGDISH L. BANGAD	ASSOCIATE V.P.	7103563	B.E.(ELECT.), MEP	53	VIDEOCON IND.
2	05.05.2018	MILIND M. DESHPANDE	CHIEF FINANCIAL OFFICER	1300007	B.COM, LLB, DBM, DCA	51	VIDEOCON IND.
3	02.06.2018	SURENDER MOHAN GARG	ASST. GEN. MANAGER	1162602	BE (MECH.)	53	VIDEOCON IND.
4	05.05.2018	MANGESH GHAG	SR. MANAGER	1158922	BE (Mech.)	47	VIDEOCON IND.
5	01.04.2004	RAJENDRA P. SHENDE	DY. MANAGER	1028788	M.Sc. (Agri.)	46	VIDEOCON IND.
6	05.05.2018	SANDEEP S KULKARNI	MANAGER	973594	B.SC	49	-
7	05.05.2018	VILAS N KURKURE	MANAGER	928792	B.E. (ELECTRONICS)	55	-
8	05.05.2018	RAJENDRA M. DAYMA	MANAGER	901535	M.COM.	51	VIDEOCON IND.
9	07.04.1994	MADHUKAR D DETHE	DY. MANAGER	793370	ITI (Fitter)	55	-
10	05.05.2018	MADHUKAR P. KEMDHARNE	MANAGER	780429	HSC, Certificate Course in R & TV	49	VIDEOCON IND.

Notes:

- Remuneration comprises salary, allowances, commission, performance based payments, perquisite and Company's contribution to Provident Fund and super-annuation as per the definition contained in Section 2(78) of the Companies Act, 2013 paid during the year.
- The nature of employment is contractual in all the above cases.
- None of the employees employed throughout the financial year or part thereof, were in receipt of remuneration in that year, which in the aggregate, or as the case may be at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.
- In terms of proviso to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of employees posted and working in a country outside India, not being Directors or their relatives, have not been included in the above statement.

**B) Employees drawing salary of ₹102 lakhs or above per annum and posted in India**

Sl. No.	Name of Employee	Date of Joining	Gross Remuneration	Educational Qualification	Age	Experience	Whether related to director or manager, if related name of director	Last Employment	% of shares held	Designation
Not applicable										

**C) Employed for Part of the Year with an average salary of ₹ 8.5 lakhs or above per month and posted in India**

Sl. No.	Name of Employee	Date of Joining	Gross Remuneration	Educational Qualification	Age	Experience	Whether related to director or manager, if related name of director	Last Employment	% of shares held	Designation
Not applicable										

Notes:

- Remuneration comprises salary, allowances, commission, performance based payments, perquisite and Company's contribution to provident fund and superannuation as per the definition contained in Section 2(78) of the Companies Act, 2013 paid during the year. It also includes perquisites value of Restricted Stock Units (RSUs) exercised, if any, by employees.
- The nature of employment is contractual in all the above cases.
- None of the employees except the Chairman and Managing Director holds 2% or more of the paid up equity share capital of the Company as per clause (iii) of sub rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- In terms of the proviso to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employees posted and working in a country outside India.

**FOR TREND ELECTRONICS LIMITED**  
(A Company under Corporate Insolvency Resolution Process by NCLT order dated 25th September, 2018)

**VIVEK DHARM**  
DIRECTOR  
DIN: 00214361

**KIRAN PATWARDHAN**  
DIRECTOR  
DIN: 08136757

Place: Mumbai

Date: 17th December, 2019

## Annexure 6

### CORPORATE GOVERNANCE REPORT

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations'), the Board of Directors presents the Report on Corporate Governance for the Financial year ended 31st March, 2019 containing the matters detailed in the said Regulations with respect to Corporate Governance requirements.

#### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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. 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.

#### BOARD OF DIRECTORS

The State Bank of India in capacity of the Financial Creditor of the Company, had filed a Petition with Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai ("NCLT"), for the debts due to them and initiation of Corporate Insolvency Resolution Process ("CIRP") in respect of the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("Code"). In terms of the Order pronounced on 25th September, 2018, by the NCLT, Mr. Dushyant C. Dave, having Registration No.: IBBI/ IPA-003/IP-P00061/2017-18/10502 was appointed as Interim Resolution Professional of the Company. Subsequently, Mr. Dushyant C. Dave was appointed as Resolution Professional by the Committee of Creditors.

Pursuant to an application filed before the "NCLT", Mumbai by State Bank of India and Mr. Venugopal N Dhoot in the Videocon Consolidation Matter under Section 60 (5) of the Code read with the rules and regulations framed there under, as amended from time to time, the NCLT vide its order ("Consolidation Order") dated 8th August, 2019 had admitted application allowing consolidation of CIRP petitions of 13 Videocon Group Companies to avoid conflicting of orders, if any. However it was ordered that the CIRP of Trend Electronics Limited shall run independently as

the Company is capable of maintaining itself as a going concern. The NCLT vide its order 8th August, 2019, has appointed Mr. Divyesh Desai, having registration No. IBBI/IPA-001/IP-P00169/2017-18/10338, as the Resolution Professional of the Corporate Debtors replacing the then erstwhile resolution professional.

**On this background, the role and responsibilities of the Board of Directors after the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors stand suspended.**

#### • **Composition and Category of Board as on 31st March, 2019:**

As on 31st March, 2019, the strength of the Board was **four** Directors, comprising of three Non-Executive Independent Directors and One Non-Executive Director. The Company has complied with the requirements of Section 149(1) in relation with appointment of woman director.

The Board of Directors of the Company consists of eminent persons with considerable professional experience and expertise in business and industry. The composition of the Board as on 31st March, 2019, is tabulated below:

Category	Directors	Shareholding
Non-Executive - Independent Director	Mr. Vivek D. Dharm	NIL
Non-Executive - Independent Director	Mr. Kiran Patwardhan	NIL
Non-Executive - Independent Director	Mr. Chandrakant Sidram Jyoti	NIL
Non-Executive	Mrs. Smita V. Dharm	NIL

However, the Regulation 15 (2A) of SEBI Listing Regulations, the provision of Regulation 17 of SEBI Listing Regulations shall not be applicable during the Corporate Insolvency Resolution Process (CIRP).

#### • **Number of Board Meetings held, dates and attendance; including attendance at the last Annual General Meeting and Number of other Board(s) or Committee(s) in which director is member or chairperson:**

The attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on 31st March, 2019 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. During the financial year 2018-19, five Board Meetings were held on **1st April, 2018, 18th May, 2018, 3rd July, 2018, 31st July, 2018 and 17th August, 2018**. Details of Board Meetings are given in the appended table:

Name	No. of Board Meetings Attended during the year 2018-19	Whether attended last AGM held on 28th December, 2018	No. of Directorships in other public companies as on 31st March, 2019	No. of Committee positions in other public companies as on 31st March, 2019	
				Member	Chairman
Mr. Vivek D. Dharm	5	No	3	5	0
Ms. Kiran Patwardhan	5	No	3	3	0
Mrs. Smita Dharam	1	No	-	0	0
Mr. Chandrakant Sidram Jyoti	2	No	1	2	0

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 ("The Act") and SEBI Listing Regulations. None of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 or act as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. Chairmanships/ Memberships of Board Committees shall only include Audit Committee

and Stakeholders' Relationship Committee. Further none of the Non Executive Independent or Non Executive director(s) hold any shares of the Company. None of the Directors hold chairmanship on the Board of any other Public Companies in which they are directors. Further, none of the Directors are Directors in any listed entity

In terms of the applicable provisions, the Chairman of Audit Committee, the Chairman of Stakeholders' Relationship Committee and the Chairman of the Nomination & Remuneration Committee are required to attend the annual general meeting of the company. However, as per the provisions of Code and provisions of Regulation 15 (2A) and (2B) of SEBI (LODR) as amended from time to time, the provisions specified in Regulations 17, 18, 19, 20 and 21, shall not be applicable during the corporate insolvency resolution process. The provisions as specified in said regulations of the SEBI (LODR) shall not be applicable during the corporate insolvency resolution process period and the roles and responsibilities of the board of directors and the committees, specified in the respective regulations, shall be fulfilled by the interim resolution professional or resolution professional of the Company as required under the Code.

The Company is under the Insolvency Resolution proceedings in accordance with the Insolvency Bankruptcy Code, 2016 (hereinafter referred as IBC, 2016) since 25th September, 2018 (Ref. NCLT, Mumbai Order dated 25th September, 2018). As per section 17 of the IBC, 2016, the powers of the Board of Directors stands suspended and such powers have vested with the Resolution Professional (i.e. Mr. Dushtant Dave from 25th September, 2018 till 7th August, 2019 and Mr. Divyesh Desai from 8th August, 2019).

• **Disclosure of Relationship between directors inter-se:**

Except Mr. Vivek Dharm and his spouse Mrs. Smita V Dharm, none of the other Directors have any inter-se relations among themselves and with any employee of the Company.

• **The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:**

Sr No.	Area of skills/expertise/competencies
1.	Financial Skills/Accounts
2.	Human Resource/Leadership
3.	Supply Chain
4.	Risk Management

These skills/competencies are broad-based, encompassing several areas of expertise /experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

• **Confirmation that in the opinion of the Board, the independent director fulfill the condition specified in these regulations and are independent of the management.**

The Board of Directors have confirmed that Independent Director's have provided declaration under section 149(6) of companies Act, 2016 and Regulation 16(a)(b) of SEBI (LODR) Regulation, 2015.

**BOARD PROCEDURE:**

Pursuant to the provisions of the IBC, the powers of the Board of Directors of the Company stand suspended and the same stands vested with and are being exercised by the Resolution Professional.

The Board of Directors have followed the Board Procedure till commencement of CIRP.

- The Company has well defined guidelines and procedures for meetings of the Board of Directors and Committees thereof.
- The agenda of the board meeting is finalized by the Directors. Once the Agenda is approved by the Directors of the Company circulates

the agenda of the meeting along with all the supporting documents to all the directors entitled to receive the same, to facilitate meaningful and quality discussions at the time of the meeting.

- The notices and agenda along with supporting documents are circulated well in advance unless meetings are called at shorter notice.
- The information which were generally placed before the Board members prior to commencement of CIRP inter-alia included:
  - Notice of Disclosure of Interest;
  - Quarterly/Annual results of the Company and its operating divisions or business segments;
  - Annual operating plans and budgets and any updates;
  - Capital budgets and any updates;
  - Minutes of the meetings of Audit Committee and other Committees of the Board;
  - The information on recruitment and remuneration of senior offices just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
  - Material important litigations, show cause, demand, prosecution notices and penalty notices, if any and status updates;
  - Sale of material nature of investments, subsidiaries and assets, which are not in the normal course of business;
  - Establishment, operations and set up of Joint Venture, Subsidiary or Collaboration etc.,
  - Compliance Reports;
  - Related Party Transactions;
  - Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
  - Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
  - Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
  - Significant labour problems and their proposed solutions. Also any significant development in Human Resource and Industrial Relations;
  - Quarterly details of foreign exchange exposure and the steps taken by the 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;
  - Any issue, which involves possible public or product liability claims of substantial nature including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the Company; and
  - Any other materially relevant information.
  - Minutes of the proceedings of each Board/Committee/General Body Meetings are recorded. Draft minutes are circulated amongst all the members for their feedback/comments. The minutes of all the meetings are entered in the minutes book.
  - 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 the Committees.

- The Board periodically reviews the compliance reports to ensure adherence to all the applicable provisions of the law, rules and guidelines.
- The Board has laid down a Code of Conduct for all directors and senior management of the Company and has placed such Code of Conduct before the resolution professional of the company, which has been posted on the website of the Company i.e. [www.trendelectronics.in](http://www.trendelectronics.in). All directors and senior management personnel have affirmed compliance with the code for the year ended 31st March, 2019. A declaration to this effect is annexed to this Report.

#### COMMITTEES OF THE BOARD OF DIRECTORS:

In terms of the provisions of Code and provisions of Regulation 15 (2A) and (2B) of the SEBI Listing Regulations, as amended from time to time, the provision as specified in Regulation 17, 18, 19, 20 and 21 shall not be applicable during the insolvency resolution process in respect of Listed entity. The role and responsibilities of the Board of Directors after the Commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors and Committee thereof stand suspended.

The Board has constituted various Committees with specific terms of reference/scope to focus effectively on the issues and ensure expedient resolution of diverse matters. Following are the details of Committee as on 31st March, 2019:

#### I. AUDIT COMMITTEE:

##### • Composition of Audit Committee:

The Board of the Company has duly constituted Audit Committee, comprising of three directors, the details of which are given below:

Name of Committee member	Position	Category
Mr. Vivek D. Dharm	Chairman	Non-Executive Independent Director
Mr. Kiran Patwardhan	Member	Non-Executive Independent Director
Mr. Chandrakant Sidram Jyoti	Member	Non-Executive Independent Director

The constitution of the Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. The power and role of the Audit Committee is as per the guidelines set out in the SEBI Listing Regulations and as prescribed under Section 177 of the Companies Act, 2013.

##### • Meeting of Audit Committee

Before the Commencement of Insolvency Process, the committee met two (2) times i.e. on **8th May, 2018** and **3rd July, 2018** respectively. The number of Meetings held and attended by the Members during the financial year 2018-19 are as under:

Name	Category	Number of meeting during the financial year	
		Held	Attended
Mr. Vivek D. Dharm	Chairman	2	2
Mr. Kiran Patwardhan	Member	2	2
Mr. Chandrakant Sidram Jyoti	Member	2	1

The Statutory Auditors attended and participated in the meetings, on invitation. The Company Secretary being the de facto secretary of the Committee.

However, as per the provisions of the Code and provisions of Regulation 15 (2A) and (2B) of the SEBI (LODR), as amended from time to time, the provisions specified in regulation related to Audit Committee, shall not be applicable during the corporate insolvency resolution process. The provisions as specified in said regulations of the SEBI (LODR) shall not be applicable during the corporate insolvency resolution process period and the roles and responsibilities of the board of directors and the committees, specified in the respective regulations, shall be fulfilled by the interim resolution professional or resolution professional of the company.

**Note:** The Company is under the Insolvency Resolution proceedings in accordance with the IBC, 2016 since 25th September, 2018. As per section 17 of the IBC, the powers of the Board of Directors stands suspended and such powers have vested with the Resolution Professional (i.e. Mr. Dushyant Dave from 25th September, 2018 till 7th August, 2019 and Mr. Divyesh Desai from 8th August, 2019). The Company is currently under the control of Resolution Professional.

##### • Terms of reference and Scope of the Committee:

**The terms of reference of the Audit Committee as per Section 177 of the Companies Act, 2013 includes:**

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the Company with related parties;

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to conditions as prescribed under Rule 6A of Companies (Meeting of Board and its power) Rules, 2014 provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it.

Provided also that the provisions of this clause shall not apply to a transaction, other than a transaction referred to in section 188 of the Companies Act, 2013, between the company and its wholly owned subsidiary company.

5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters.

**The term of reference as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 includes:**

##### I. Role of Audit Committee:

- i. Review 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;
- ii. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - (b) changes, if any, in accounting policies and practices and reasons for the same;
    - (c) major accounting entries involving estimates based on the exercise of judgment by management;
    - (d) significant adjustments made in the financial statements arising out of audit findings;
    - (e) compliance with listing and other legal requirements relating to financial statements;
    - (f) disclosure of any related party transactions;
    - (g) modified opinion(s) in the draft audit report.
  - iii. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - iv. 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - v. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - vi. Valuation of undertakings or assets of the Company, wherever it is necessary;
  - vii. Evaluation of internal financial controls and risk management systems;
  - viii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - ix. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - x. Discussion with internal auditors of any significant findings and follow up there on;
  - xi. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - xii. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - xiii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - xiv. To review the functioning of the whistle blower mechanism;
  - xv. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - xvi. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

- xvii. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

## II. The Committee also reviews:

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

## II. NOMINATION AND REMUNERATION COMMITTEE

### • Composition of Nomination and Remuneration Committee:

The Board of the Company has duly constituted Nomination and Remuneration Committee, comprising of three directors, the details of which are given below:

Name of Committee member	Position	Category
Mr. Chandrakant Sidram Jyoti	Chairman	Non-Executive Independent Director
Mr. Vivek D. Dharm	Member	Non-Executive Independent Director
Mr. Kiran Patwardhan	Member	Non-Executive Independent Director

The constitution of the Nomination and Remuneration Committee meets the requirement of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The power and role of the Nomination and Remuneration Committee is as per the guidelines set out in the SEBI Listing Regulations and as prescribed under Section 178 of the Companies Act, 2013.

### • Meeting of Nomination and Remuneration Committee

Before the Commencement of Insolvency Process, the committee met once i.e. on **18th May, 2018**. All the members were present in the meeting.

As per the provisions of Code and provisions of Regulation 15 (2A) and (2B) of the SEBI (LODR), as amended from time to time, the provisions specified in Regulations 17, 18, 19, 20 and 21, shall not be applicable during the corporate insolvency resolution process. The provisions as specified in the said regulations of the SEBI (LODR) shall not be applicable during the corporate insolvency resolution process period and the roles and responsibilities of the board of directors and the committees, specified in the respective regulations, shall be fulfilled by the interim resolution professional or resolution professional.

The Company is under the Insolvency Resolution proceedings in accordance with the IBC, 2016 since 25th September, 2018. As per

section 17 of the IBC, the powers of the Board of Directors stands suspended and such powers have vested with the Resolution Professional (i.e. Mr. Dushyant Dave from 25th September, 2018 till 7th August, 2019 and Mr. Divyesh Desai from 8th August, 2019). The Company is currently under the control of Resolution Professional. Thus, the Nomination and Remuneration Committee meetings was not held during the last two Quarters of the financial year 2018- 19.

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

Pursuant to the regulation 19(4) read with Part D of Schedule II of SEBI Listing Regulations and Section 178 of the Act and as adopted by the Board of Directors of the Company, the terms of reference of Nomination & Remuneration Committee includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

**REMUNERATION OF DIRECTORS:**

- The Nomination and Remuneration Committee has formulated the policy for Remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other Employees of the Company which is displayed on the website of the Company www.trendelectronics.com.
- The Independent Directors are paid only sitting fees for attending board/ Committee meeting. However, Directors were not paid sitting fees, even though they were entitled, upto the commencement of CIRP. Further, as the Director have not lodged their claim in terms of the provision of Insolvency and bankruptcy code, 2016, the sitting fees paid /payable to directors has been shown as NIL.

**III. STAKEHOLDER RELATIONSHIP COMMITTEE**

**• Composition of Stakeholder Relationship Committee:**

Name of Committee member	Position	Category
Mr. Vivek D. Dharm	Chairman	Non-Executive Independent Director
Mr. Kiran Patwardhan	Member	Non-Executive Independent Director
Mr. Chandrakant Sidram Jyoti	Member	Non-Executive Independent Director

Ms. Prabhavi Mungee, Company Secretary was the compliance officer for the financial year ended 31st March, 2019. The Company Secretary was assisting the Resolution Professional in compliance of Companies Act, 2013 or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Post balance sheet date, Ms. Prabhavi Mungee, resigned as Company Secretary with effect from 07th June, 2019.

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

The Committee has delegated the power of Share Transfer to Registrar and Share Transfer Agent, who processes the transfers. The Committee also looks after the redressal of investors' grievances and performance of the Registrar and Share Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

**Scope of the Committee:**

- Transfer/Transmission of shares;
- Issue of Duplicate Share Certificates;
- Change of Status;
- Change of name;
- Transposition of shares;
- Sub-division of shares;
- Issue and Allotment of securities;
- Consolidation of Folios;
- Requests for Dematerialization/Rematerialization of shares;
- Redressal of investor grievances;
- Non-receipt of annual report;
- Non-receipt of declared dividends;
- General meetings;
- Reviewing of measures taken for effective exercise of voting rights by shareholders;
- Reviewing of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Reviewing of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends; and
- Ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Committee also closely monitors compliance of the code of conduct for prevention of insider trading.

The power of share transfer has been delegated to M/s. MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent of the Company, who processes the transfers.

During the year 2018-19, 10 complaints were received and resolved. There are no pending complaints at the end of the year.

**IV. RISK MANAGEMENT COMMITTEE:**

Pursuant to Regulation 21 of SEBI (LODR) as amended from time to time, the Company has constituted the Risk Management Committee to monitor and review the risk management plan. Framework of the Risk Management includes: Risk Identification, Risk Assessment, Risk Measurement, Risk Mitigation and Monitoring, Risk Treatment and Risk Reporting.

The Company has in place a comprehensive policy on risk management for assessment of risk and minimizes their adverse impact on the activities of the Company.

**• Composition of the Committee:**

The composition of the Committee as on 31st March, 2019, was as under:

Name	Position	Category
Mr. Vivek D. Dharm	Chairman	Non-Executive Independent Director
Mr. Kiran Patwardhan	Member	Non-Executive Independent Director
Mr. Chandrakant Sidram Jyoti	Member	Non-Executive Independent Director

**Terms of Reference of the Committee:**

The CSR Committee has adopted a policy that outlines the Company's Objective of catalyzing economic development and improving the quality of life for the Society and protection of the environment, communities and stakeholders. The Terms of Reference of the Committee are to:-

1. Formulate and recommend to the Board the CSR Policy and its review from time-to-time.
2. Recommend the amount of expenditure to be incurred on the CSR activities.
3. Ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
4. Ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

However, Corporate Social Responsibility is not applicable to the Company during the financial year 2018-19. Hence, the Company has not undertaken any activities related to Corporate Social Responsibility.

**INDEPENDENT DIRECTORS**

- Familiarisation Programme imparted to Independent Directors has been given on the Company's Website i.e. [www.trendelectronics.in](http://www.trendelectronics.in).
- The Independent Directors of the Company have convened a separate meeting of the Independent Directors and the in which performance evaluation of Non-Independent Directors, Board as whole, was carried out.

**PERFORMANCE EVALUATION**

- Performance Evaluation of the Board of Directors as well as that of its committees and individual directors including chairman of the board, key managerial personnel/senior management etc., was carried out during the year.

**GENERAL BODY MEETINGS**

- Location and Time of the last 3 (Three) General Meetings held so far:

AGM	AGM Date	Location	Time	Special Resolution Passed
26th AGM	26th September, 2016	20 K.M. Stone, Aurangabad - Beed Road, Village: Bhalgaon, Aurangabad – 431 210 (Maharashtra)	12.30 PM	NIL
27th AGM	29th September, 2017	20 K.M. Stone, Aurangabad - Beed Road, Village: Bhalgaon, Aurangabad – 431 210 (Maharashtra)	12.00 PM	NIL
28th AGM	28th December, 2018	20 K.M. Stone, Aurangabad - Beed Road, Village: Bhalgaon, Aurangabad – 431 210 (Maharashtra)	11.30 AM	NIL

- **Details of special resolution proposed to be conducted through postal ballot:** There were no special resolution passed through postal ballot.

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

- **Extra Ordinary General Meeting:**

No extra ordinary general meeting was held during the year under reference.

**MEANS OF COMMUNICATION**

- **WEBSITE:**

The Company's website ([www.trendelectronics.in](http://www.trendelectronics.in)) contains a separate dedicated section 'Investor Relations' where shareholders' information is available.

- **BSE CORPORATE COMPLIANCE & LISTING CENTRE (THE 'LISTING CENTRE'):**

BSE's Listing Centre is a web-based application designed for Listed Companies. The compliance filings like Shareholding Pattern, Corporate Governance Report and other announcements are filed electronically on the Listing Centre.

- **QUARTERLY RESULTS:**

The Shares of the Company are suspended from trading by BSE Limited due to Non-compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and penal reasons. As per the Stock Exchange data, the last trading in equity Shares took place on 16th April, 2018. Subsequent to this, the Company was admitted under Corporate Insolvency Resolution Process (CIRP) vide NCLT order dated 25th September, 2018. The CIRP application was filed by the State Bank of India under section 7(5)(a) of the IBC, 2016. Therefore, as per section 17 of the IBC, 2016, the powers of the Board are

suspended and affairs of the management have vested with the Resolution Professional.

The Company has failed in considering and adopting the quarterly results during the year under review.

**GENERAL SHAREHOLDER INFORMATION**

**Annual General Meeting**

The Twenty Ninth Annual General Meeting (AGM) of the Company for the financial year 2018-2019 is scheduled on 30th December, 2019 at its Registered Office at 20 K.M. Stone, Aurangabad - Beed Road, Village: Bhalgaon, Aurangabad – 431 210 (Maharashtra) at 3:00 pm.

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 and Regulation 44 of SEBI Listing Regulations, the Company has also extended e-voting facility to its Members to enable them to cast their votes electronically on the proposed resolutions in the Notice of the 29th Annual General Meeting, instead of Voting in the Annual General Meeting. The Instructions for e-voting are mentioned under “Notes” to the Notice of 29th Annual General Meeting.

Those Shareholders/ Members, who cannot attend the Annual General Meeting in person, can appoint a proxy to represent them in the Annual General Meeting, for which the Shareholder/Member needs to fill in a proxy form and send it to the Company at its Registered Office address on or before 28th December 2019 by 3:00 PM

**Date of Book Closure:**

The dates of Book Closure shall be 23rd December, 2019 to 30th December, 2019 (both days inclusive).

**FINANCIAL CALENDER FOR THE YEAR ENDED 31STMARCH, 2020:**

The financial calendar (tentative) shall be as under:

Financial Year	1st April, 2019 to 31st March, 2020
First Quarterly Results	In terms of provisions of SEBI (LODR) the First Quarterly results were required to be disseminated to Stock Exchange on or before 14th August, 2019. However, due to diverse reasons the company couldn't publish the same.
Second Quarterly Results	In terms of provisions of SEBI (LODR) the Second Quarterly results were required to be disseminated to Stock Exchange on or before 14th November, 2019. However, due to diverse reasons the company couldn't publish the same.
Third Quarterly Results	On or before 14th February, 2020
Fourth Quarterly Results	On or before 30th May, 2020
Annual General Meeting for year ending 31st March, 2020	On or before 30th September, 2020

**Dividend Payment Date:** No dividend is recommended.

**Listing on Stock Exchange:**

The Company's equity shares are listed on BSE Limited. The following are the details of the Company's shares:

Type of Shares	Equity Shares
International Securities Identification Number (ISIN)	INE703A01011
BSE- Stock Code	517228
BSE Address	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001; <a href="http://www.bseindia.com">www.bseindia.com</a> .
Annual Listing Fees	Annual Listing fees of BSE Limited for financial year 2018-19 has not been paid.

**Corporate Identity Number (CIN)**

The Corporate Identity Number (CIN) allotted by the Ministry of Corporate Affairs, Government of India, is L99999MH1989PLC052233. Your Company is registered in the State of Maharashtra, India.

**Market Price Data: High, Low during each month of the Financial Year 2018-19.**

The Company's Shares are listed on Bombay Stock Exchange Limited for the Financial Year 2018-19. The Shares of the Company are suspended from trading on BSE Limited due to Non-compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and penal reasons. As per the Stock Exchange data, the last trading in equity Shares took place on 16th April, 2018. In view of this, monthly high and low market price data are not available.

**Comparison of performance to board-based indices i.e. BSE Sensex is not viable since the share price of the Company is not available.**

**Equity shares of the Company are suspended from trading due to Non-compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and penal reasons. As per the Stock Exchange data, the last trading in equity Shares took place on 16th April, 2018.**

**Registrar and Transfer System Agent**

<b>Name</b>	MCS SHARE TRANSFER AGENT LTD,
<b>Address</b>	A-209, C-Wing, 2nd Floor, Gokul Industrial Estate, Sagbaug, Marol Co-op Industrial Area, B/H Times Square, Andheri (E) Mumbai - 400 059
<b>Contact No.</b>	022 - 28516020 / 022 – 28516021/022 - 28516022 / 022 – 28516023
<b>Fax No.</b>	022 – 28516021
<b>Website</b>	helpdesknum@mcsregistrars.com

**Share Transfer System**

**Share Transfer System**

**Share Transfer Details for the year 1st April, 2018- 31st March, 2019:**

Sr No.	Particulars	
a)	Number of Transfer	14
b)	Avg No. of transfer per month	1.17
c)	Number of Share Transferred	1,150

**Report of Demat/Remat of shares from 1st April, 2018- 31st March, 2019:**

Sr No.	Particulars	
a)	Number of Demat Requests approved	95
b)	Number of Sub-committee Meetigs held	35
c)	Number of shares Dematerialized	8,401
d)	Percentage of shares Dematerialized	0.11
e)	Number of Rematerialization Requests approved	NIL
f)	Number of shares Rematerialized	NIL

## Distribution of Shareholding

- Shareholding pattern as on 31st March, 2019, is as under:

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A+ B+ C)
	<b>Shareholding of promoter and promoter group</b>			
(1)	Indian	11	40,41,788	53.89
(2)	Foreign	-	-	-
	<b>Sub-Total (A)</b>	<b>11</b>	<b>40,41,788</b>	<b>53.89</b>
<b>(B)</b>	<b>Public Shareholding</b>			
(1)	<b>Institutions</b>	<b>9</b>	<b>3,975</b>	<b>0.05</b>
(2)	<b>Non-Institutions</b>			
	<b>Bodies Corporate</b>	<b>111</b>	<b>4,48,773</b>	<b>5.98</b>
	<b>Individuals</b>	<b>15,951</b>	<b>27,19,087</b>	<b>36.26</b>
	<b>Hindu Undivided Families</b>	<b>135</b>	<b>1,42,153</b>	<b>1.90</b>
	<b>NRI</b>	<b>790</b>	<b>1,44,224</b>	<b>1.92</b>
	<b>Sub-Total (B)</b>	<b>16,996</b>	<b>34,58,212</b>	
	<b>Total (A)+(B)</b>			
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>0</b>	<b>0</b>	<b>0</b>
(1)	Promoter and Promoter Group	0	0	0
(2)	Public	0	0	0
	Sub Total ( C )			
	<b>Grand Total (A)+ (B)+ (C)</b>	<b>17,007</b>	<b>75,00,000</b>	<b>100</b>

- Distribution Schedule

Share Holding of Nominal Value	Number of Shareholders	% to the total number of shareholder	No of shares	Amount in ₹	% of total value of capital
Up to 5,000	16,549	97.31	13,13,218	1,31,32,180	17.52
5,001 to 10,000	206	1.21	1,62,882	16,28,820	2.17
10,001 to 20,000	123	0.72	1,82,507	18,25,070	2.43
20,001 to 30,000	40	0.24	98,136	9,81,360	1.31
30,001 to 40,000	15	0.09	53,138	5,31,380	0.71
40,001 to 50,000	9	0.05	43,088	4,30,880	0.57
50,001 to 100,000	26	0.15	1,82,167	18,21,670	2.43
100,001 and above	39	0.23	54,64,864	5,46,48,640	72.86
Total	<b>17,007</b>	<b>100</b>	<b>75,00,000</b>	<b>7,50,00,000</b>	<b>100</b>

- Dematerialization of Shares and liquidity

As of 31st March, 2019, 87.46% of the Company's shares representing 65,60,131 shares were held in dematerialized form and the balance 12.54% representing 9,39,869 shares were held in physical form. The entire promoter shareholding is in dematerialised form.

- 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 March, 2019, there is no outstanding instrument which warrants conversion.

- Plant Location:

The Company's plant is located at Aurangabad.

- 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](mailto:secretarial_trend@videoconmail.com)

### Other Disclosures

#### • Related Party Transactions

There were no materially significant transactions with Related Parties during the financial year which were in conflict with the interest of the Company at large. The Company has in place a policy on Related Party transactions and the same is displayed on the Company's website [www.trendelectronics.in](http://www.trendelectronics.in).

#### • Details of Non-Compliance by the Company, penalties, Strictures imposed on the Company by Stock Exchange or the Board or any statutory authority, or any matter related to capital markets during the last three years;

During the year under review, following are the Non-Compliances with respect to SEBI (LODR) Regulations:

1. The Company has not submitted un-audited/audited financial results together with limited review Report/Auditor Report along with Statement of impact, as the case may be, in terms of the provision of Regulation 33(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations.
2. The Company has not published the financial results in the newspaper in terms of requirements of Regulation 47(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations.
3. The Company has not given any prior intimation to Stock Exchange(s) about consideration of Financial Results (if any) by the Board of Directors and/or Resolution Professional in terms of requirements of Regulation 29 of SEBI (LODR), 2015.
4. The Company has not paid Listing Fees in terms of Regulation 14 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations.
5. The Company has failed in submission of Certificate under Regulation 40(9) of SEBI (LODR), 2015 for the half year ended 31st March, 2018 & 30th September, 2018.
6. Based on Management representation made by the Company, there are no material events provided by the Company to the Stock Exchange.
7. In terms of Regulation 16 of SEBI (LODR), 2015, the Company does not have up to date information on the website.
8. The Company has delayed in:
  - submission of statement giving status of investor complaints in respect of few quarters in terms of Regulation 13(3) of SEBI LODR.
  - submission of Shareholding Patterns in respect of certain quarters in terms of Regulation 31 of SEBI (LODR), 2015.
  - submission of Reconciliation of Share Capital Audit in respect of certain quarters in terms of requirements of Regulation 55A of SEBI (Depositories and Participants Regulations), 1996.
  - submission of Compliance Certificate in respect of half year ended 30th September, 2018 and failed submission for half year ended 31st March, 2018 in terms of requirements of Regulation 7(3) of SEBI (LODR), 2015.

#### • Whistle Blower Policy

Section 177 of the Companies Act, 2013 and rules made there under and Regulation 22 of SEBI Regulations require all the listed companies to establish or formulate the vigil mechanism and Whistle Blower Policy. The vigil mechanism shall provide for adequate safeguards against victimization of Director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the Chairperson of Audit Committee in

appropriate or exceptional cases. The Board has formulated and adopted Whistle Blower Policy to promote reporting of:

1. any unethical or improper practice
2. violation of the Company's Code of Conduct
3. complaints regarding its accounting, auditing, internal controls or disclosure practices.

The effective implementation of whistle blower policy framed by the Board of Directors of the Company provides proper platform to directors, employees, to report any unethical or improper practice (not necessarily violation of law). This mechanism enables the Company to evolve the process to encourage ethical corporate behaviour, while rewarding employees for their integrity. More details are available on website [www.trendelectronics.in](http://www.trendelectronics.in).

#### • Mandatory requirements:

The Company has obtained a certificate from Company Secretary in Whole Time Practice certifying compliance with the Paragraph E of Schedule V to the SEBI Listing Regulations. This certificate is attached to this report, which gives us status of compliance of Mandatory Requirement.

#### • Material Subsidiary

The Company does not have any subsidiary.

#### • Web link where policy on dealing with related party transactions

The Company has formulated a Policy of related party transaction and the same is displayed on the Company's website [www.trendelectronics.in](http://www.trendelectronics.in).

#### • Disclosure of commodity price risks and commodity hedging activities: Not Applicable

#### • Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable.

#### • A certificate has been received from Gayathri R Girish, Practising Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

During the financial year 2018-19, there were no instances, wherein the Board had not accepted recommendations made by any Committee of the Board.

Total fees of the statutory auditor for their services for the Financial year 2018-19 is 78,000/- . As the Company is not having any subsidiary, the details related to fees paid on consolidated basis to auditors is not applicable.

During the financial year 2018-19, there were no complaints received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**The Company has complied with requirement of sub-para (2) to (10) above. Generally, there were no instances of non- Compliance except the details of Non-compliance as mentioned above.**

#### Non- Mandatory requirements:

Chairman of the Board as on 31st March, 2019: The Chairman of the Board is Non- Executive.

Shareholder Rights-Half yearly results

The Company's Quarterly Half yearly and Annually/Yearly results are published in leading English and Marathi.

Modified Audit Qualification: Not applicable

Reporting of Internal Auditors: The Internal Auditors reported to the Audit Committee before commencement of CIRP.

The Company has substantially complied with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as applicable, with regard to corporate governance of the annual report. In term of provisions of code and provisions of Regulation 15(2A) and 2(B) of the SEBI Listing Regulations, as amended from time to time, the provisions as specified in Regulation 17, 18, 19, 20 and 21 shall not be applicable during the insolvency resolution process in respect of Listed entity. The role and comprehensibilities of the Board of Directors after the commencement of corporate Insolvency Resolution process (CIRP) Shall be fulfilled by resolution professional in accordance with sections 17 and 23 in Insolvency and bankruptcy code 2016 and power of the Board of Directors and Committee thereof stand Suspended.

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**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE:**

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A certificate from the Company Secretary in whole time practice confirming compliance of conditions of Corporate Governance as stipulated under Clause E of Schedule V of the Listing Regulations is attached to this report.

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**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY’S CODE OF CONDUCT**

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This is to confirm that the Company has adopted a Code of Conduct for Board of Directors including the Non-Executive Director, Independent Directors and Senior Managerial Personnel.

We confirm that the Company has in respect of the year ended 31st March, 2019, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**FOR TREND ELECTRONICS LIMITED**  
**(A Company under Corporate Insolvency**  
**Resolution Process by NCLT order**  
**dated 25th September, 2018)**

Place: Mumbai

Date: 17th December, 2019

**VIVEK DHARM**  
**DIRECTOR**  
**DIN: 00214361**

**KIRAN PATWARDHAN**  
**DIRECTOR**  
**DIN: 08136757**

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

TREND ELECTRONICS LIMITED

The Corporate Governance Report prepared by Trend Electronics Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended 31st March, 2019.

The State Bank of India in capacity of the Financial Creditor of the Company, had filed a Petition with Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai ("NCLT"), for the debts due to them and initiation of Corporate Insolvency Resolution Process ("CIRP") in respect of the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("Code"). In terms of the Order pronounced on 25th September, 2018, by the NCLT, Mr. Dushyant C. Dave, having Registration No.: IBBI/IPA-003/IP-P00061/2017-18/10502 was appointed as Interim Resolution Professional of the Company. Pursuant to an application filed before the "NCLT", Mumbai by State Bank of India and Mr. Venugopal N Dhoot in the Videocon Consolidation Matter under Section 60 (5) of the Code read with the rules and regulations framed there under, as amended from time to time, the NCLT vide its order ("Consolidation Order") dated 8th August, 2019 had admitted application allowing consolidation of CIRP petitions of 13 Videocon Group Companies to avoid conflicting of orders, if any. However it was ordered that the CIRP of Trend Electronics Limited shall run independently as the Company is capable of maintaining itself as a going concern. The NCLT vide its order 8th August, 2019, has appointed Mr. Divyesh Desai, having registration No. IBBI/IPA-001/IP-P00169/2017-18/10338, as the Resolution Professional of the Corporate Debtors replacing the then erstwhile resolution professional.

#### MANAGEMENT'S RESPONSIBILITY

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### PCS RESPONSIBILITY

Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.

The procedures selected depend on the PCS judgement, including the assessment of the compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from management of the Company.

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### Opinion:

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 substantially complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges except for the following circumstances:

During the financial year under review,

- The Company has not submitted un-audited/audited financial results together with limited review Report/Auditor Report along with Statement of impact, as the case may be, in terms of the provision of Regulation 33(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations.
- The Company has not published the financial results in the newspaper in terms of requirements of Regulation 47(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations.
- The Company has not given any prior intimation to Stock Exchange(s) about consideration of Financial Results (if any) by the Board of Directors and/or Resolution Professional in terms of requirements of Regulation 29 of SEBI (LODR), 2015.
- The Company has not paid Listing Fees in terms of Regulation 14 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations.
- The Company has delayed in:
  - submission of statement giving status of investor complaints in respect of few quarters in terms of Regulation 13(3) of SEBI LODR.
  - submission of Shareholding Patterns in respect of certain quarters in terms of Regulation 31 of SEBI (LODR), 2015.
  - submission of Reconciliation of Share Capital Audit in respect of certain quarters in terms of requirements of Regulation 55A of SEBI (Depositories and Participants Regulations), 1996.
  - submission of Compliance Certificate in respect of half year ended 30th September, 2018 and failed submission for half year ended 31st March, 2018 in terms of requirements of Regulation 7(3) of SEBI (LODR), 2015.
- The Company has failed in submission of Certificate under Regulation 40(9) of SEBI (LODR), 2015 for the half year ended 31st March, 2018 & 30th September, 2018.
- In terms of Regulation 16 of SEBI (LODR), 2015, the Company does not have up to date information on website.

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

Gayathri R Girish  
CP No: 9255  
ACS: 18630

Place: Mumbai

Date: 17th December, 2019

UDIN: A018630A000423617



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members of  
TREND ELECTRONICS LIMITED  
20 K. M. Stone, Aurangabad-Beed Road,  
Village: Bhalgaon,  
Aurangabad 431210.

**Subject: Certificate under Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Trend Electronics Limited having CIN L99999MH1989PLC052233 and having registered office at 20 K. M. Stone, Aurangabad-Beed Road, Village: Bhalgaon, Aurangabad 431210 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in); list of entities debarred by Securities and Exchange Board of India, as uploaded on the website of Bombay Stock Exchange (BSE) Limited and based on the explanation furnished to me by the Company and its officers; & based on the explanation, declaration, representations from its Directors, I hereby certify that none of the Directors of the Company as stated below for the financial year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Vivek Dattatraya Dharm	00214361	08/12/2005
2.	Chandrakant Sidram Jyoti	03375482	29/01/2016
3.	Smita Vivek Dharm	07144712	31/03/2015
4.	Kiran Radhakrihan Patwardhan	08136757	18/05/2018

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: 17th December, 2019

**GAYATHRI R GIRISH**  
CP No: 9255  
ACS: 18630  
UDIN: A018630A000423628

## HEAD OPERATION /CFO CERTIFICATE

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of Trend Electronics Limited's (the Company) affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D.
  - (1) There are no significant changes in internal control over financial reporting during the year;
  - (2) There are no significant changes in accounting policies during the year ended 31st March, 2019 and that the same have been disclosed in the notes to the financial statements; and
  - (3) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Trend Electronics Limited

Place: Mumbai  
Date: 17th December, 2019

**Jagdish Bangad**  
Head Operation

**Milind Deshpande**  
Chief Financial Officer

Note: The Company has not appointed Chief Executive officer. Hence, this certificate has been signed by Head operation and Chief Financial Officer.

## Annexure 7

### Management Discussion and Analysis Report

The Management Discussion and Analysis Report is prepared in adherence to the spirit enunciated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Management presents herein the Industry Structure and Development, Opportunities and Threats in the Consumer Electronics Industry, Segment/ Product wise performance, Risks and Concerns, Internal Control Systems and their adequacy and the Company's Outlook for the future.

#### INDUSTRY OVERVIEW

The set-top box market is expected to register a CAGR of over 6% over the next five years (2019-2024). The market is expected to witness demand for STB's over the next five years period owing to the increasing penetration of high definition channels among consumers and the growing adoption of smart TVs.

High levels of technological innovations have led to the development of a wide range of STBs equipped with various features. Digital video recording is one of the most popular features as it enables viewers to watch and record their favorite shows. Over-the-air DVR systems are a standalone set-top box that enables the viewers to broadcast and record TV programs. Apart from DVRs, subscription-based TV services providers offer STBs to customers. The latest trend witnessing momentum in the market is the availability of TVs integrated with STBs. These TVs provide access to online video streaming platforms and social media. Additionally, they deliver better storage options with capacities up to 2TB. Moreover, government regulations mandating the digitization of cable networks in economies such as India and China have boosted the demand for STBs in these countries.

The global set-top box market is classified on the basis of its content quality, product type, services, end-user and regional demand. On the basis of its Content Quality, the market is divided into Standard Definition, High Definition, and 4K. Based on its Product Type, the market is segmented into Digital Terrestrial Television, Internet Protocol (IP) TV, Satellite, Over-The-Top Content (OTT), Cable, and Others. Based on its Services, the market is categorized into Interactive Services (Video on Demand, Video Conferencing and High-Speed Internet Television), and Managed Services (Testing, Repairing, Screening). On the basis of its End-User, the market is divided into Residential and Commercial.

India is a huge market for set-top boxes. In addition to a thriving direct-to-home satellite business, the country is nearing the end of the digitization of its cable TV system, an effort which saw the massive upgrade of cable boxes across the country. There is a tough competition between Cable TV and DTH. However, TV viewers might be able to switch their DTH or cable service providers without changing the set-top box (STB) by the end of 2020. The introduction of Smart TVs and High Definition (HD) channels has led to an increase in digital TV viewing, which in turn will boost the growth of the Set-top box (STB) market.

Furthermore, growing disposal income coupled with the presence of numerous government regulations about the digitalization of wired cable television broadcast channels across the region is expected to boost the growth of the STB market over the forecast period.

The manufacturers are working towards introduction of artificial intelligence in their latest set-top boxes.

#### OPPORTUNITIES AND THREATS

##### Opportunities

1. Technological proliferation, reduced prices of smart TVs and the introduction of HD channels are anticipated to boost the global STB market growth.
2. The increasing awareness pertaining to Internet-based STB devices, such as IPTV and OTT, is expected to present substantial opportunities for the growth of these technologies over the next few years.
3. The ongoing mergers and acquisitions in the market are expected to further continue over the forecast period, thereby eventually leading to market consolidation.
4. STB manufacturers are increasingly forming a strategic partnership with the content and internet service providers across the world, in order to leverage patent technologies and increase their geographic presence.
5. Consumers across the globe are increasingly demanding connectivity from their electronics devices, and set top boxes are expected to play a central role in the networking of products.

6. Whilst set top box is a much more matured commodity market, several innovations in telecom and broadcast technologies, such as the emergence of cloud-enabled and 4K services, are anticipated to continue to drive the demand for next generation hybrid STBs.
7. Worldwide service providers are presumed to focus more on lifecycle and logistics challenges, in addition to testing and integration, in order to fuel the market growth, as well as focus on the upcoming 4K and HDR color set top boxes over the forecast period.
8. As a part of "Make in India" Campaign, announced by Government of India, there are huge opportunity to enhance its activity across a globe.
9. The Global Set Top Box market is becoming more versatile and dynamic as it provides several benefits to customers, such as pause and store facilities and easy deployment options. Improving picture quality, the advent of HD TVs and multiple TV sets in a house are some of the major factors leading to an increase in the demand for STBs.

##### Threats:

- a. Over-the-top services is the most prominent challenge faced by the set top box market. Online streaming services like Netflix, and Amazon have become popular amongst the young population with their ease of accessibility and original content. Investment in introducing innovation to the set top box experience is the way to combat this challenge.
- b. High subscription rates of pay channels are expected to challenge the growth of HD and 4K STBs
- c. Increase in competition from foreign Competitors.
- d. Raw materials are not available through indigenous source and have to be imported. This adds to the cost of the STBs.
- e. Technology obsolescence.
- f. Changing consumer preferences.

#### OUTLOOK AND STRATEGY

The smart STB market is witnessing high consolidation, where several vendors are focusing on mergers and acquisitions to strengthen the portfolio. For instance, Videocon D2h Limited got amalgamated with Dish TV India Limited. Also, the growing construction activities in residential and hospitality sector is expected to increase the demand for smart set-top boxes. The smart STB market is witnessing rapid transformations. The growing consumption of hybrid content, digitization in emerging economies, the rising internet penetration, and growing demand from the commercial sector are some of the prominent factors leading to the growth of the smart STB market. The increasing consumption of OTT content on smartphones and other handheld devices are major drivers for the smart set-top box market. The rising demand for energy-efficient smart appliances is expected to generate high innovation opportunities for smart set-top boxes during the forecast period. The introduction of artificial intelligence and voice assistant technology is also fueling the smart STB market growth. Besides, the digitization of cable networks in high population countries has also increased the demand for smart set-top boxes. Also, the emergence of new smartphone and online platforms and digital pathways is supporting operators to provide cloud-based non-linear and on-demand services, thereby offering a high potential and growth for the smart STB market during the forecast period.

The Company intends to exploit the growing demand of STBs by offering innovative products.

#### RISKS AND CONCERNS

Your Company is exposed to risks such as high interest rates, stiff competition, and possible entry of multinational companies into manufacturing of Set Top Boxes in India. The management is aware of the risks and has laid down the procedure to mitigate the same.

In addition to this, the Company is also concerned about shortage of working capital considering that the Company is into Corporate Insolvency Resolution Process. The outcome of CIRP will be decide about the future prospects for the Company.

#### 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.

Prior to Commencement of CIRP, the 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.

The Internal Audit was not carried for last two quarter of financial year ended 31st March, 2019.

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.

In the past, significant findings of the internal audit were 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 ₹ 1,814.79 Million as against ₹ 3,949.50 Million for the year ended on March 31, 2018.

##### Other Income

Other Income for the year was ₹ 7.05 Million as against ₹ 16.10 Million for previous period ended on March 31, 2018. Other income comprises of profit on sale of fixed assets, interest income, Exchange Rate Fluctuation and other non operating income.

##### Expenditure:

##### Cost of Goods Consumed

During the year, the Cost of Goods Consumed/sold stood at ₹ 1,682.80 Million as against ₹ 5,337.08 Million for the previous year ended on March 31, 2018.

##### Employee Benefits Expenses

During the year under review, the Salary and Wages were ₹ 182.60 Million as against ₹ 193.35 Million for the previous year ended on March 31, 2018.

##### Other Expenses

During the year under review, the Other Expenses were ₹ 226.77 Million as against ₹ 280.83 Million for the previous year ended on March 31, 2018.

##### Finance Cost

Interest and Finance Charges were to the tune of ₹ 1,452.08 Million as against ₹ 1,090.42 Million for the previous year ended on March 31, 2018.

##### Depreciation & Amortization

During the year under review, Depreciation & Amortization amounted to ₹ 201.45 Million as against 230.54 Million for the previous year ended on March 31, 2018.

##### Loss Before Tax

The Loss before Tax for the current year amounted to ₹ 1,923.86 Million as against a loss of ₹ 3,271.86 Million for the previous year ended on March 31st, 2018.

##### Net Profit /Loss

Net Loss of the Company for the current year amounted to ₹ 1,923.86 Million as against a loss of ₹ 3,028.23 for the previous year ended on March 31, 2018.

#### Earnings Per Share

Earnings Per Share for the current year amounted to ₹ (256.51) as against ₹ (403.76) for the previous year ended on March 31, 2018.

**Details of significant changes (i.e change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanation therefor, including:**

S. No	Nature of Ratio	Ratio 2018-2019	RATIO 2017-2018	Reason
1	Debtor Turnover	3.57	2.30	There has been a significant change in all the key financial ratios on account of overall impact on the operations of the Company. The operations were impacted on account of the referral and consequently the commencement of Corporate Insolvency Resolution Process.
2	Inventory Turnover	1.03	1.88	
3	Interest Coverage Ratio	-0.32	-2.00	
4	Current Ratio	0.54	0.64	
5	Debt Equity Ratio	-2.39	-3.72	
6	Operating Profit Margin (%)	-26.38	-55.64	
7	Net Profit Margin (%)	-106.01	-76.67	

Similarly, the change in Return on Net Worth as compared to the immediately previous financial year was on account of significant losses and provisioning.

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

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 continue to strengthen employer-employee relationship by providing a conducive working environment. Imparting adequate HR training programmes and specialized trainings to the employees of the Company is an ongoing exercise.

The total staff strength of the Company for the period ended March 31, 2019, was around 276 (Including 108 permanent work).

#### 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.

For TREND ELECTRONICS LIMITED  
(A Company under Corporate Insolvency  
Resolution Process by NCLT order  
dated 25th September, 2018)

VIVEK DHARM  
DIRECTOR  
DIN: 00214361

KIRAN PATWARDHAN  
DIRECTOR  
DIN: 08136757

Place: Mumbai  
Date: 17th December, 2019

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Trend Electronics Limited,**

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of **Trend Electronics Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph* of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

a) As mentioned in Note No. 47, (a) the Company has not assessed impairment of fixed assets, (b) the Company has not ascertained net realisable value of inventory, and (c) the Company has not ascertained the realisable value of investments. The Resolution Professional ("RP") has appointed two valuers for valuation of assets including inventory and investments. According to RP there is a significant difference between book value and realisable value of Fixed Assets, inventories and investments. However, the reports, if any have not been made available to us and the impact thereof is not ascertained by the Company.

b) As mentioned in Note No. 48, to the financial statements, the balance confirmations have not been received in respect of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances. The Company continues the process of obtaining confirmations and reconciliation of the balances of trade receivables, trade and other payables and loans and advances. The impact of the same is not ascertainable at present.

The auditor's report for the preceding financial year included this matter as "Emphases of Matter".

c) As mentioned in Note No. 46, of the financial statements, the Company has made investments, given advances and has trade receivables aggregating to ₹ 2,932.98 Million in group/affiliate companies, which have also been referred to National Company Law Tribunal and have been admitted to Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 the extent of realisability of aforesaid investments, advances and trade receivables from these group/affiliate companies is not ascertainable till the completion of resolution process of these entities. The consequential effect of the above, on the financial statements for the year ended March 31, 2019 is not ascertainable.

d) As mentioned in Note No. 49 to the financial statements, pursuant to commencement of Corporate Insolvency Resolution Process (CIRP) of the Company under Insolvency and Bankruptcy Code, 2016, there are various claims submitted by the financial creditors, operational creditors, and employees to the RP. Such claims can be

submitted to the RP till the approval of the resolution plan by CoC. The overall obligations and liabilities including interest on loans and the principal amount of loans shall be determined during the CIRP. Pending final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims for operational and financial creditors. Hence, consequential impact, if any, is currently not ascertainable.

e) No determination and disclosures in respect of the dues and interest payable to Micro, Small and Medium Enterprises as required under The Micro, Small and Medium Enterprises Development Act, 2006 has been made or given and according to RP the Company being under CIRP, claims of all creditors including MSME will be treated as per approved resolution plan.

f) The Company has not submitted its financial results for the period ended 31st March 2018, and subsequent periods till date as prescribed under regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Consequently, we are unable to comment on the impact if any of these non-compliances on the financial statements.

g) **Material uncertainty relating to Going Concern:**

As mentioned in Note No. 45 to the financial statements, the Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, and there are persistent severe strains on the working capital and there is considerable decline in level of operations of the Company and net worth of the Company as on the reporting date is negative and it continues to incur losses. The Company has received invocation notices of corporate guarantees given by it and also the personal guarantees of promoter directors have been invoked. Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP. Accordingly, the financial statements are continued to be prepared on going concern basis. However, there exists a material uncertainty about the ability of the Company to continue as a "Going Concern". The same is dependent upon the resolution plan to be approved by NCLT. The appropriateness of the preparation of financial statements on going concern basis is critically dependent upon CIRP as specified in the Code. necessary adjustments required on the carrying amount of assets and liabilities are not ascertainable at this stage.

The auditor's report for the preceding financial year was also qualified in respect of this matter.

In respect of our observations at para (a) to (g) above, we are unable to determine the adjustments that are necessary in respect of Company's assets, liabilities as on Balance sheet date, income and expenses for the year, the elements making up the statement of changes in equity and cash flow statement and related presentation and disclosures in financial statements.

#### Emphasis of Matter

Attention is drawn to Note No. 31(e) regarding non recognition of deferred tax assets for the current year. The Company has carried forward the balance of deferred tax assets recognised in earlier year.

Our opinion is not modified in respect of above matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Apart from the matters described in the Basis for Qualified Opinion paragraph and Material uncertainty related to Going Concern section, we have also determined the matters described below to be the key other audit matters to be communicated in our report.

Key Other Audit Matter	How our audit addressed key audit matter
<p><b>Litigations, provisions and contingencies</b></p> <p>The Company is involved in several ongoing direct and indirect tax litigations.</p> <p>The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the management to make judgement and estimates in relation to the issues of each matter and the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability.</p> <p>The Company recognises a provision when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.</p> <p>A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.</p> <p>We have identified litigations, provisions and contingencies as a key audit matter because it requires the management / RP to make judgements and estimates in relation to the exposure arising out of litigations. The key judgement lies in the estimation of provisions where they may differ from the future obligations. The Company operates under several tax laws and some of these have a significant impact on the financial statements of the Company.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <p>We tested the effectiveness of key controls around the recording and assessment of tax provisions and contingent liabilities.</p> <p>We assessed the value of the provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondences with the authorities.</p> <p>We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.</p> <p>We have also discussed with the management significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied. We have held regular meetings with the management and key legal personnel responsible for handling legal matters.</p> <p>In addition, we have reviewed the details of the proceedings before the relevant authorities including the provision required to be made wherever the decision in litigation is against the Company.</p> <p>We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the financial statements.</p>

#### Information Other than the Financial Statements and Auditor's Report Thereon ("Other Information")

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Corporate Governance Report but does not include the financial statements and our auditor's report thereon. The Board's Report including Annexures to Board's Report and Corporate Governance Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report including Annexures to Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company has been under the Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") vide order dated 25th September, 2018 passed by the National Company Law Tribunal ("NCLT"). The powers of the Board of Directors stand suspended as per Section 17 of the Code and such powers are being exercised by the Resolution Professional (RP) appointed by the NCLT by the said order under the provisions of the Code. As per Section 20 of the Code, the management and operations of the Company were being managed by Interim Resolution Professional / Resolution Professional Mr. Dushyant C. Dave.

Subsequently, NCLT Principal Bench on October 24, 2018 directed to transfer all insolvency petitions related to certain Videocon group/ affiliate entities to one bench at NCLT, Mumbai and left open the matter of substantive consolidation to be decided by NCLT, Mumbai bench.

Further, State Bank of India had filed a petition at NCLT, Mumbai bench for substantive consolidation of CIRP of group/affiliate entities.

The NCLT, Mumbai Bench has passed an Order on August 8, 2019 approving Consolidation of CIRP of 13 Videocon Group/affiliate entities ("Consolidation Order"). Trend Electronics Limited, ("Trend"), is kept out of consolidation considering that Trend business of manufacturing set top boxes, is independent of other Videocon group/affiliate entities businesses. The Hon'ble Bench appointed Mr. Divyesh Desai Interim Resolution Professional (IRP) of Trend effective from the date of Consolidation Order. NCLT, Mumbai has granted a time of 180 days, from Order dated August 8, 2019, to the IRP to complete CIRP of Trend.

Committee of Creditors (CoC) in its meeting held on September 6, 2019 approved appointment of IRP as Resolution Professional ("RP") of Trend. Therefore, the management and operations of the Company are being managed by Resolution Professional Mr. Divyesh Desai.

The Company's management / RPs are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The management / RP is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a Statement that we have complied with relevant ethical requirements regarding

independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of subsection (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- B. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit, except for the matters described in the Basis of Qualified Opinion above.
  - b) Except for the possible effects of the matters described in the Basis of Qualified opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended, except requirement of Ind AS 36 on Impairment of Assets, Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets, Ind AS 113 Fair Value Measurement and Ind AS 2 Inventories with regard to matters described in the Basis of Qualified Opinion paragraph above.
  - e) The matters described under the basis for *qualified opinion paragraph and Material Uncertainty Related to Going Concern paragraph above in our opinion*, may have an adverse effect on functioning of the Company and on the amounts disclosed in financial statements of the Company.
  - f) We have not received any written representations from the directors as on March 31, 2019 with regard to disqualification from being appointed as a director in terms of Section 164(2) of the Act. Accordingly, we are unable to comment as to whether any of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B', and
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of

our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its financial statements – Refer Note 36, 37, 38, and 44 to the financial statements.
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses – Refer Note 50
- iii. The Company has defaulted in transferring amount of ₹ 0.43 Million, required to be transferred to the Investor Education and Protection Fund during the year ended March 31, 2019.

C. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For S Z DESHMUKH & CO.**  
**Chartered Accountants**  
**(Firm Registration No. 102380W)**

**D. U. KADAM**  
**Partner**  
**Membership No. 125886**  
**UDIN :19125886AAAACV3878**

Place: Mumbai  
Date: December 17, 2019

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure 'A' referred to in Independent Auditor's Report to the Members of the Trend Electronics Limited ('the Company') on the financial statements for the year ended March 31, 2019, we report the following:

## (i) In respect of fixed assets:

- (a) We have not been given the records maintained by the Company showing full particulars, including quantitative details and situation of fixed assets. Hence we are unable to comment on the completeness of the records of fixed assets.
- (b) We have been informed that a physical verification and valuation of fixed assets has been carried out by external agencies. However, we have not been given any such report. Hence, we are unable to comment as to whether there is any material discrepancies on physical verification. In our opinion, the frequency of verification is not satisfactory, having regard to the size of the Company and nature of its business.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) As per the information and explanation given to us, and as mentioned at part (a) of the Basis of Qualified Opinion paragraph in the main report, the inventories have been physically verified during the period by the valuers appointed by the RP. However, no report has been made available to us. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is not reasonable.
- (b) As per information and explanation given to us, the Company has appointed Valuers for verification of inventory and its valuation, who has identified shortages, damages and non moving items and there are huge difference between the book carrying value and the realisable value of the inventory (the quantum of which has not been disclosed to us by the RP) which has not yet been adjusted in the books of accounts.
- (iii) As per information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firm, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the period. Therefore, the provisions of clause (v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, in our opinion, the Company has, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with appropriate authorities except that, undisputed arrears of following statutory dues were outstanding as on March 31, 2019 for a period of more than six months from the date they became payable and not paid till date:

Nature of the Dues	₹ in Million
1. Central Sales Tax	0.03
2. Value Added Tax	35.45
3. Entry Tax	2.14
4. Customs Duty and Penalties	151.58
5. Excise Duty and Penalties	8.06

- (b) Except for the effects of the matters described in the basis for disclaimer of opinion paragraph in main report and according to the information and explanation given to us and on the basis of our examination of the records of the Company, details of dues of income tax, goods and service tax, sales tax, service tax, custom duty, excise duty, value added tax, cess which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	Nature of the Dues	₹ in Million	Forum where dispute is pending
1. Sales Tax Acts of various States	Sales Tax	0.02 0.28	Appellate Tribunal Additional Commissioner
2. Income Tax Act, 1961	Income Tax	1.95	DCIT (Appeals)

- (viii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has defaulted in repayment of interest and principal amount of all loans to financial institutions and banks. The default runs into more than 365 days.

The Company has not borrowed from government and has not issued any debentures during the year.

- (ix) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the period.
- (xi) The Company has not paid or provided the managerial remuneration to any of its Director.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period.
- (xv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the Clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

**For S Z DESHMUKH & CO.**  
Chartered Accountants  
(Firm Registration No. 102380W)

**D. U. KADAM**  
Partner

Place: Mumbai  
Date: December 17, 2019

**Membership No. 125886**  
**UDIN :19125886AAAACV3878**



## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

We were engaged to audit the internal financial controls over financial reporting of Trend Electronics Limited ('the Company') as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2019:

- Non-compliance of the requirements of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 with regard to preparation of periodical Financial results from quarter ended 31st March 2018 till date.
- Deficiencies in maintenance of books of accounts and documentation for stand taken by the management for items described in Basis for Qualified Opinion paragraph (a) to (g) of our main report.
- Deficiencies in non-assessment of impact of Indian Accounting Standards (Ind AS) for items described in Basis for qualified opinion paragraph (a) of our main report.
- Statutory dues (Goods and Service Tax / Value Added Tax / Tax Deducted at Source) accounts are in the process of reconciliation and there are delays in filing of certain statutory returns with the respective authorities. Company needs to strengthen internal control system in this regard.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. In our opinion, except for the effects / possible effects of the material weaknesses described above under Qualified Opinion paragraph on the achievement of the objectives of the control criteria, the Company has, in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

We have considered material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 financial statements of the Company and these material weaknesses affect our opinion on financial statements of the Company for the year ended March 31, 2019 [our audit report dated December 17, 2019, which expressed a qualified opinion on those financial statements of the Company].

**For S Z DESHMUKH & CO.**  
Chartered Accountants  
(Firm Registration No. 102380W)

**D. U. KADAM**  
Partner

Place: Mumbai  
Date: December 17, 2019

**Membership No. 125886**  
**UDIN :19125886AAAACV3878**

## Balance Sheet as at March 31, 2019

(₹ in Million)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>I. ASSETS</b>			
<b>1) Non-current assets</b>			
Property, Plant and Equipment	2	2,708.78	2,909.21
Other Intangible assets	3	2.88	3.89
Financial Assets			
i) Investments	4	101.17	132.79
ii) Loans	5	1.68	0.17
iii) Others	6	0.23	0.61
Deferred tax assets (Net)	7	134.62	134.62
Other Tax Assets (Net)		14.71	14.49
Other non-current assets	8	0.38	0.41
<b>Total non current assets</b>		<b>2,964.45</b>	<b>3,196.19</b>
<b>2) Current Assets</b>			
Inventories	9	1,471.12	1,809.81
Financial Assets			
i) Trade receivables	10	417.31	600.21
ii) Cash and cash equivalents	11a	9.50	16.52
iii) Bank balances other than cash and cash equivalents	11b	85.13	113.88
iv) Loans	12	5,055.72	5,056.40
Other current assets	13	9.51	23.73
<b>Total current assets</b>		<b>7,048.29</b>	<b>7,620.55</b>
<b>TOTAL ASSETS</b>		<b>10,012.74</b>	<b>10,816.74</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
Equity share capital	14	75.00	75.00
Other equity	15	(4,652.13)	(2,686.11)
<b>Total Equity</b>		<b>(4,577.13)</b>	<b>(2,611.11)</b>
<b>2) Non current liabilities</b>			
Financial liabilities			
i) Borrowings	16	1,627.25	1,536.85
Provisions	17	29.18	17.54
<b>Total non current liabilities</b>		<b>1,656.43</b>	<b>1,554.39</b>
<b>3) Current liabilities</b>			
Financial liabilities			
i) Borrowings	18	8,663.72	7,507.74
ii) Trade payables	19		
- Due to micro and small enterprises		9.33	44.35
- Due to creditors other than micro and small enterprises		255.84	478.41
iii) Others	20	3,799.19	3,774.30
Other current liabilities	21	203.19	45.91
Provisions	22	2.17	22.75
<b>Total Current liabilities</b>		<b>12,933.44</b>	<b>11,873.46</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,012.74</b>	<b>10,816.74</b>
<b>Significant Accounting Policies</b>	1		

The accompanying notes are integral part of these financial statements

As per our report of even date

For S Z DESHMUKH & CO.  
Chartered AccountantsMILIND DESHPANDE  
Chief Financial Officer

For and on behalf of the Board

KIRAN PATWARDHAN  
Director  
DIN 08136757D. U. KADAM  
Partner  
ICAI Membership No: 125886DIVYESH DESAI  
Resolution Professional  
IP No. 10338VIVEK D. DHARM  
Director  
DIN 00214361Place : Mumbai  
Date : December 17, 2019

## Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Million)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I. Income</b>			
Revenue from Operations	23	1,814.79	3,949.50
Other income	24	7.05	16.10
<b>Total Income</b>		<b>1,821.84</b>	<b>3,965.60</b>
<b>II. Expenses</b>			
Cost of materials consumed	25	1,659.78	4,595.60
Purchase of stock-in-trade	26	-	516.66
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	23.02	224.82
Excise Duty		-	105.24
Employee Benefits Expenses	28	182.60	193.35
Finance Costs	29	1,452.08	1,090.42
Depreciation and Amortization Expenses	283	201.45	230.54
Other Expenses	30	226.77	280.83
<b>Total Expenses</b>		<b>3,745.70</b>	<b>7,237.46</b>
<b>Profit/(Loss) before Tax</b>		<b>(1,923.86)</b>	<b>(3,271.86)</b>
<b>Tax expense:</b>	31		
i) Current Tax		-	-
ii) Deferred Tax		-	(243.63)
<b>Total Tax Expenses</b>		<b>-</b>	<b>(243.63)</b>
<b>Profit/(Loss) for the year</b>		<b>(1,923.86)</b>	<b>(3,028.23)</b>
<b>Other comprehensive income/(loss)</b>			
Items that will not be reclassified to statement of profit or loss in subsequent period			
i) Remeasurements of the defined benefit plans		(10.54)	1.25
ii) Equity instruments through other comprehensive income - net change in fair value		(31.62)	(279.83)
iii) Income tax on above		-	(0.41)
		<b>(42.16)</b>	<b>(278.99)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(1,966.02)</b>	<b>(3,307.22)</b>
<b>Earnings per equity share</b>			
Basic and diluted earnings per share	32	(256.51)	(403.76)
Significant Accounting Policies	1		

The accompanying notes are integral part of these financial statements

As per our report of even date

For S Z DESHMUKH & CO.  
Chartered Accountants

MILIND DESHPANDE  
Chief Financial Officer

For and on behalf of the Board

KIRAN PATWARDHAN  
Director  
DIN 08136757

D. U. KADAM  
Partner  
ICAI Membership No: 125886

DIVYESH DESAI  
Resolution Professional  
IP No. 10338

VIVEK D. DHARM  
Director  
DIN 00214361

Place : Mumbai  
Date : December 17, 2019

## Statement of Cash Flows for the year ended March 31, 2019

(₹ in Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Tax	(1,923.86)	(3,271.86)
Adjustments for:		
Depreciation and Amortisation	201.45	230.54
Finance Costs	1,452.08	1,090.42
Provision for Warranty and Maintenance Expenses	(20.30)	(5.62)
Provision for Gratuity	12.32	(3.14)
Provision for Leave Encashment	(0.96)	(0.64)
Interest Income	(7.05)	(15.79)
(Profit)/Loss on Sale/Discard of Fixed Assets	-	45.03
<b>Operating Profit before Working Capital Changes</b>	<b>(286.32)</b>	<b>(1,931.06)</b>
Adjustments for:		
Inventories	338.69	2,051.46
Trade Receivables	182.90	2,234.70
Other financial and non financial assets	13.42	(3,134.62)
Trade Payables	(257.59)	(1,554.89)
Other financial and non financial liabilities	203.32	577.04
<b>Cash generated from Operations</b>	<b>194.42</b>	<b>(1,757.37)</b>
Less: Taxes Paid (Net)	0.22	3.81
<b>Net Cash (used in) / from Operating Activities</b>	<b>(A) 194.20</b>	<b>(1,761.18)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Income	7.05	15.79
Purchase of Fixed Assets (Including Capital Work-in-Progress)	(0.01)	(2.34)
(Increase)/Decrease in Fixed Deposits and Other Bank Balances	29.13	239.33
(Purchase)/Sale of Investments (Net)	-	0.02
<b>Net Cash from Investing Activities</b>	<b>(B) 36.17</b>	<b>252.80</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Non-Current Borrowings	58.71	204.06
Increase/(Decrease) in Current Borrowings	1,155.98	2,403.04
Finance Costs	(1,452.08)	(1,090.42)
Payment of Dividend	-	(0.40)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(C) (237.39)</b>	<b>1,516.28</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(A+B+C) (7.02)</b>	<b>7.90</b>
Cash and Cash Equivalents at beginning of the year	16.52	8.62
<b>Cash and Cash Equivalents at end of the year</b>	<b>9.50</b>	<b>16.52</b>

The accompanying notes are integral part of these financial statements

As per our report of even date

For S Z DESHMUKH & CO.  
Chartered Accountants

MILIND DESHPANDE  
Chief Financial Officer

For and on behalf of the Board

KIRAN PATWARDHAN  
Director  
DIN 08136757

D. U. KADAM  
Partner  
ICAI Membership No: 125886

DIVYESH DESAI  
Resolution Professional  
IP No. 10338

VIVEK D. DHARM  
Director  
DIN 00214361

Place : Mumbai  
Date : December 17, 2019

## Statement of Changes in Equity (SOCIE) for the year ended March 31, 2019

### a) Equity share capital

Particulars	Note	₹ in Million
Balance as at April 1, 2017		75.00
Changes in equity share capital during the year	14	-
Balance as at March 31, 2018		75.00
Changes in equity share capital during the year	14	-
Balance as at March 31, 2019		75.00

### b) Other equity

(₹ in Million)

Particulars	Reserves & Surplus					Items of Other Comprehensive Income (OCI)		Total
	Equity component of financial instruments	Capital Redemption Reserve	General Reserve	Retained earnings*	Deemed Equity Contribution	Equity investments through OCI		
<b>Balance as at April 1, 2017</b>	<b>1,100.93</b>	<b>500.00</b>	<b>143.85</b>	<b>(1,092.19)</b>	<b>20.08</b>	<b>(51.56)</b>	<b>621.11</b>	
Profit for the year	-	-	-	(3,028.23)	-	-	(3,028.23)	
Other comprehensive income for the year	-	-	-	0.84	-	(279.83)	(278.99)	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,027.39)</b>	<b>-</b>	<b>(279.83)</b>	<b>(3,307.22)</b>	
<b>Balance at March 31, 2018</b>	<b>1,100.93</b>	<b>500.00</b>	<b>143.85</b>	<b>(4,119.58)</b>	<b>20.08</b>	<b>(331.39)</b>	<b>(2,686.11)</b>	
Profit for the year	-	-	-	(1,923.86)	-	-	(1,923.86)	
Other comprehensive income for the year	-	-	-	(10.54)	-	(31.62)	(42.16)	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,934.40)</b>	<b>-</b>	<b>(31.62)</b>	<b>(1,966.02)</b>	
<b>Balance at March 31, 2019</b>	<b>1,100.93</b>	<b>500.00</b>	<b>143.85</b>	<b>(6,053.98)</b>	<b>20.08</b>	<b>(363.01)</b>	<b>(4,652.13)</b>	

\* Includes fair valuation impact on Land and Building ₹ 1,307.39 Million for March 31, 2019 and ₹ 1,313.00 Million for March 31, 2018. Such amounts are not available for distribution as dividend.

The accompanying notes are integral part of these financial statements

As per our report of even date

**For S Z DESHMUKH & CO.**  
Chartered Accountants

**MILIND DESHPANDE**  
Chief Financial Officer

For and on behalf of the Board

**KIRAN PATWARDHAN**  
Director  
DIN 08136757

**D. U. KADAM**  
Partner  
ICAI Membership No: 125886

**DIVYESH DESAI**  
Resolution Professional  
IP No. 10338

**VIVEK D. DHARM**  
Director  
DIN 00214361

Place : Mumbai  
Date : December 17, 2019

## Notes to financial statements for the year ended March 31, 2019

### Note 1

#### Significant accounting policies

##### 1.1 Company Information

Trend Electronics Limited is a company domiciled in India, with its registered office situated at 20 KM Stone, Aurangabad - Beed Road, Village Bhalgaon, District Aurangabad, Maharashtra, Pincode 431210. The Company has been incorporated under the provisions of Indian Companies Act. The entity is primarily involved in manufacturing and trading of consumer electronics products and electronic components.

##### 1.2 Basis of preparation

###### A. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The financial statements of the Company for the year ended March 31, 2019 were approved for issue in accordance with the resolution of the Board of Directors on December 17, 2019. Details of accounting policies are included in Note 1.

###### B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the entity's functional currency. All amounts have been rounded off to the nearest millions with two decimals unless otherwise indicated.

###### C. Basis of measurement

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Net defined benefit (asset) / liability – fair value of plan assets less present value of defined benefit obligations.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

###### D. Key estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

###### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

Note 1.3.A – Estimation of rate of interest for discounting of long-term financial assets;

Note 1.3.B – Estimation of rate of interest for discounting of long-term financial liabilities;

Note 1.3.C – Useful life of property, plant and equipment and intangible assets.

Assumptions and estimation uncertainties:

Note 1.3.M – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 1.3.J – measurement of defined benefit obligations: key actuarial assumptions;

Note 1.3.K – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

###### E. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial instruments.

The Company has an established control framework with respect to the measurement of fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The management regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The entity has recognised certain assets at fair value and further information is included in the relevant notes.

### F. Current and non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within twelve months after the Balance Sheet date; or
- d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the Balance Sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in, the entity's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the Balance Sheet date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date.

All other liabilities are classified as non-current.

### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

## 1.3 Significant accounting policies

### A. Financial assets

#### i) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

#### ii) Classification and subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Management determines the classification of its financial assets at the time of initial recognition or, where applicable, at the time of reclassification. Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

#### iii) Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

- a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.
- b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.
- c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss. In addition, the Company may, at initial recognition, irrevocably designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

### iv) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

### v) Trade Receivables

Trade receivables are initially recognised at fair value. Subsequently, it recognises impairment loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits and expectations about future cash flows. The impairment losses and reversals are recognised in the Statement of Profit and Loss.

### vi) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset and associated liability for any amounts it may have to pay.

### vii) Impairment of Financial Asset

Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security deposit collected etc. and expectations about future cash flows.

The Fixed Assets or a group of assets (cash generating unit) 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.

## B. Financial liabilities

### i) Initial recognition, measurement and classification

Financial liabilities are classified as either held at a) fair value through profit or loss, or b) at amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification. The classification is done in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities at amortised cost includes loan and borrowings, interest accrued but not due on borrowings, trade and other payables. Such financial liabilities are recognised initially at fair value minus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

### ii) Financial guarantee contracts

The Company has elected to account all its financial guarantee contracts as financial instruments as specified in Ind AS 109 on Financial Instruments. The company recognises the commission income on such financial guarantees and accounts for the same in Profit and Loss account over the tenure of the financial guarantee.

### iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### Offsetting of financial instruments

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

## C. Property, Plant and Equipment

### i) Recognition and measurement

Items of property, plant and equipment (PPE) are measured at original cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. If significant parts of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Plant and Equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Capital work in progress is carried at cost, comprising of direct cost, attributable interest and related incidental expenditure.

Advances paid towards the acquisition of PPE outstanding at each reporting date are classified as capital advances under Other Non-Current Assets.

PPE are eliminated from financial statement on disposal and gains or losses arising from disposal are recognised in the Statement of Profit and Loss in the year of occurrence.

### ii) Transition to Ind AS

On transition to Ind AS certain items of property, plant and equipment have been fair valued and such fair value is considered as deemed cost on the transition date.



## Notes to financial statements for the year ended March 31, 2019 (Contd.)

The Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

### iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the entity.

### iv) Depreciation

The Company provides depreciation on fixed assets, to the extent of depreciable amount on straight line method, based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except depreciation on plant and machinery used in Hermatic Divisions which has been provided on written down value method based on useful life of assets as prescribed in Schedule II to the Companies Act, 2013. Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

The estimated useful life of items of property, plant and equipment for the current and comparative period are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Buildings	30	30
Plant and Machinery	15	15
Furniture and Fixtures	10	10
Computers	3	3
Electrical Installation	10	10
Office Equipments	5	5
Vehicles	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## D. Intangible assets

### i) Recognition and measurement

Intangible assets are recognised when it is probable that future economic benefits that are attributable to concerned assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets are initially measured at cost and are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

### ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

### iii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

### iv) Amortisation

Intangible assets are amortised using the straight-line method over a period of five years.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

### v) Expenditure on research and development

Revenue expenditure pertaining to research and development is charged to revenue under the respective heads of account in the period 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.

## E. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method. The cost comprises its purchase price and any directly attributable cost of bringing to its present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## F. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### G. Revenue

Effective April 1, 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 1, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

- a) Revenue from sale of goods is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer. The Company recognizes revenues on the sale of products, net of returns, discounts, sales incentives/rebate, amounts collected on behalf of third parties (such as goods and service tax) and payments or other consideration given to the customer that has impacted the pricing of the transaction.
- b) Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.
- c) Service income are recognised on the basis of completion of service as per contractual terms.

### H. Recognition of dividend income, interest income or expense

Dividend income is recognised in Statement of Profit and Loss on the date on which the Company's right to receive payment is established.

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options). The expected credit losses are considered if the credit risk on that financial instrument as increased significantly since initial recognition.

### I. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in the Statement of Profit and Loss.

### J. Employee benefits

#### i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

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

The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

#### iii) 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 recognised immediately in the Other Comprehensive Income. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### iv) 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 recognised immediately in the Statement of Profit and Loss.

### K. Provisions (other than for employee benefits)

- i) Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

ii) **Warranties**

Provision for the estimated liability in respect of warranty on sale of consumer durable products is made in the year in which the revenues are recognised, based on technical evaluation and past experience. Warranty provision is accounted as current and non current provision. Non current provision is discounted to its present value and the subsequent unwinding effect is passed through Statement of Profit and Loss account under Finance Costs.

**L. Contingent liabilities and contingent assets**

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

Disputed demands in respect of customs duty, income tax, sales tax and others 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.

**M. Income Tax**

Income tax expense comprises current and deferred tax and is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

i) **Current Tax**

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

ii) **Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**N. Borrowing Costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of a qualifying asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**O. Earnings per share**

The basic earnings per share ('EPS') is computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting year. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive. The Company has no potentially dilutive equity shares.

**P. Excise and Customs Duty**

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

**Q. Goods and Service Tax**

Goods and Service Tax benefit is accounted for by reducing the purchase cost of the materials/fixed assets/services.

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

### R. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

### S. 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.

### T. Recent Accounting Pronouncements - Standards issued but not yet effective:

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019 and Companies (Indian Accounting Standards) (Second Amendment) Rules, 2019 notifying Ind AS 116 – 'Leases' and making amendments to various other Ind AS standards viz. Ind AS 12 – 'Income Taxes', Ind AS 19 – 'Employee benefits', Ind AS 23 – 'Borrowing Cost', Ind AS 28 – 'Investments in Associates and Joint Ventures', Ind AS 111 – 'Joint Arrangements', Ind AS 103 – 'Business Combinations' and Ind AS 109 – 'Financial Instruments'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB). The amendments are effective from accounting periods beginning from April 1, 2019.

#### Ind AS 116 – 'Leases':

This standard will supersede Ind AS 17 – 'Leases'. It abolishes for lessees the previous classification of leasing agreements as either operating or finance leases. Instead, Ind AS 116 introduces a single lessee accounting model, requiring lessees to recognise assets for right to use assets and lease liability representing its obligation to make lease payments. This means that leases which were previously not reported in the Balance Sheet will have to be reported in subsequent reporting periods. The depreciation expense will include amortisation of right to use asset and finance costs will include interest expense on lease liability. Ind AS 116 also provides exception from recognition of right to use asset and lease liability where lease term is less than 12 months or leases for which underlying asset is of low value. In such cases, lease payments are recognised as an expense over lease term either on straight-line basis unless another systematic basis is representative of time pattern of the user's benefit.

The Company does not expect any significant impact of the amendment on its financial statements.

#### Amendments to Ind AS 12 – 'Income Taxes':

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Further, the amendment to Appendix C specifies that when an entity is uncertain how tax laws applies to a particular transaction or circumstance until the relevant tax authorities or a court takes a decision in future and it is not probable that taxation authorities may accept entities tax position then entity is required to estimate effect of such uncertain position on income tax and deferred tax. The Company does not expect any significant impact of the amendment on its financial statements.

#### Amendment to Ind AS 19 – 'Employee Benefits':

The amendment clarifies that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendment has been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. There is no impact of the amendment on the Company's financial statements.

#### Amendment to Ind AS 23 – 'Borrowing Cost':

The amendment clarifies borrowing costs related to specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or sale should subsequently be considered as part of general borrowing costs of an entity. The amendment does not have significant impact on the Company's financial statements.

#### Amendment to Ind AS 28 – 'Investments in Associates and Joint Ventures':

The amendment specifies that entity shall apply Ind AS 109 before applying Ind AS 28 to long term interests in associates and joint ventures that form part of net investment in associate and joint venture but to which equity method is not applied. The amendment does not have significant impact on Company's financial statements.

#### Amendment to Ind AS 103 – 'Business Combination and Ind AS 111 – Joint Arrangements':

The amendment to Ind AS 103 relating to re-measurement clarifies that when an entity obtains control of a business that is a joint operation, then the entity considers such an acquisition as a business combination achieved in stages and accounts for it accordingly i.e., it re-measures previously held interests in that business.

The amendment to Ind AS 111 clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

The Company will apply the pronouncement if and when it obtains control/joint control of a business that is a joint operation.

#### Amendment to Ind AS 109 – 'Financial instruments':

The amendment relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The amendment does not have any significant impact on the Company's financial statements.

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

## Note 2

## Property, Plant and Equipment

(₹ in Million)

Particulars	Freehold Land	Building	Plant and Machinery	Electrical Installation	Computers	Furniture and Fixtures	Office Equipments	Vehicles	Total
Cost as at April 1, 2017	1,135.11	435.86	4,560.65	11.08	8.78	6.58	4.83	12.64	6,175.53
Additions	-	-	1.05	-	0.03	-	-	-	1.08
Disposals	-	-	1,276.05	6.27	7.23	6.36	3.87	2.20	1,301.98
<b>Cost as at March 31, 2018 (A)</b>	<b>1,135.11</b>	<b>435.86</b>	<b>3,285.65</b>	<b>4.81</b>	<b>1.58</b>	<b>0.22</b>	<b>0.96</b>	<b>10.44</b>	<b>4,874.63</b>
Accumulated depreciation as at April 1, 2017	-	142.92	2,815.68	7.86	7.23	6.40	4.25	8.36	2,992.70
Depreciation for the year	-	9.27	217.79	0.52	0.49	0.02	0.17	1.41	229.67
Disposals	-	-	1,231.69	6.07	7.03	6.33	3.74	2.09	1,256.95
<b>Accumulated depreciation as at March 31, 2018 (B)</b>	<b>-</b>	<b>152.19</b>	<b>1,801.78</b>	<b>2.31</b>	<b>0.69</b>	<b>0.09</b>	<b>0.68</b>	<b>7.68</b>	<b>1,965.42</b>
<b>Net carrying amount as at March 31, 2018 (A) - (B)</b>	<b>1,135.11</b>	<b>283.67</b>	<b>1,483.87</b>	<b>2.50</b>	<b>0.89</b>	<b>0.13</b>	<b>0.28</b>	<b>2.76</b>	<b>2,909.21</b>
Cost as at April 1, 2018	1,135.11	435.86	3,285.65	4.81	1.58	0.22	0.96	10.44	4,874.63
Additions	-	-	0.01	-	-	-	-	-	0.01
Disposals	-	-	-	-	-	-	-	-	-
<b>Cost as at March 31, 2019 (A)</b>	<b>1,135.11</b>	<b>435.86</b>	<b>3,285.66</b>	<b>4.81</b>	<b>1.58</b>	<b>0.22</b>	<b>0.96</b>	<b>10.44</b>	<b>4,874.64</b>
Accumulated depreciation as at April 1, 2018	-	152.19	1,801.78	2.31	0.69	0.09	0.68	7.68	1,965.42
Depreciation for the year	-	9.27	188.65	0.51	0.46	0.02	0.12	1.41	200.44
Disposals	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2019 (B)</b>	<b>-</b>	<b>161.46</b>	<b>1,990.43</b>	<b>2.82</b>	<b>1.15</b>	<b>0.11</b>	<b>0.80</b>	<b>9.09</b>	<b>2,165.86</b>
<b>Net carrying amount as at March 31, 2019 (A) - (B)</b>	<b>1,135.11</b>	<b>274.40</b>	<b>1,295.23</b>	<b>1.99</b>	<b>0.43</b>	<b>0.11</b>	<b>0.16</b>	<b>1.35</b>	<b>2,708.78</b>

The Company has decided to reflect fair value for Freehold Land and Building as the deemed cost as per Ind AS 101. The fair valuation impact for April 1, 2016 is ₹ 1,131.93 Million for Freehold Land and ₹ 192.29 Million for Building. The numbers are gross and do not include tax effect.

## Note 3

## Other Intangible Assets

(₹ in Million)

Particulars	Computer Software	Total
Cost as at April 1, 2017	13.01	13.01
Additions	1.26	1.26
Disposals/ adjustments	9.01	9.01
<b>Cost as at March 31, 2018 (A)</b>	<b>5.26</b>	<b>5.26</b>
Accumulated depreciation as at April 1, 2017	9.51	9.51
Depreciation for the year	0.87	0.87
Disposals	9.01	9.01
<b>Accumulated depreciation as at March 31, 2018 (B)</b>	<b>1.37</b>	<b>1.37</b>
<b>Net carrying amount as at March 31, 2018 (A) - (B)</b>	<b>3.89</b>	<b>3.89</b>
Cost as at April 1, 2018	5.26	5.26
Additions	-	-
Disposals/ adjustments	-	-
<b>Cost as at March 31, 2019 (A)</b>	<b>5.26</b>	<b>5.26</b>
Accumulated depreciation as at April 1, 2018	1.37	1.37
Depreciation for the year	1.01	1.01
Disposals	-	-
<b>Accumulated depreciation as at March 31, 2019 (B)</b>	<b>2.38</b>	<b>2.38</b>
<b>Net carrying amount as at March 31, 2019 (A) - (B)</b>	<b>2.88</b>	<b>2.88</b>

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount as per previous GAAP has been considered as the gross block carrying amount as on April 1, 2016 (transition date).

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
<b>Note 4</b>		
<b>Financial Assets - Non Current</b>		
<b>Investments</b>		
<b>Investments at Fair Value through Other comprehensive income</b>		
i) <b>Quoted</b>		
Investments in Equity Instruments**	9.11	40.73
ii) <b>Unquoted</b>		
Investments in Equity Instruments	91.68	91.68
<b>Investment in Preference shares at amortized cost</b>	0.38	0.38
<b>Total Non-Current Investments</b>	<b>101.17</b>	<b>132.79</b>
Aggregate amount of Quoted Investments	9.11	40.73
Aggregate Market value of Quoted Investments	9.11	40.73
Aggregate amount of Unquoted Investments	92.06	92.06
**Out of total Investments, 3,075,642 Equity Shares of Videocon Industries Limited are pledged as security for availment of certain loans.		
<b>Note 5</b>		
<b>Financial Assets - Non Current</b>		
<b>Loans</b>		
Sundry Deposits	1.68	0.17
	<b>1.68</b>	<b>0.17</b>
<b>Note 6</b>		
<b>Financial Assets - Non Current</b>		
Others		
Bank balances other than (11a) below		
Fixed deposits with maturity more than 12 months	0.23	0.61
(Held as margin money for credit facilities and other commitments)		
	<b>0.23</b>	<b>0.61</b>
<b>Note 7</b>		
<b>Deferred tax assets (net)</b>		
Deferred tax assets (net) (Refer Note 31)	134.62	134.62
	<b>134.62</b>	<b>134.62</b>
<b>Note 8</b>		
<b>Other non-current assets</b>		
Others	0.38	0.41
	<b>0.38</b>	<b>0.41</b>
<b>Note 9</b>		
<b>Inventories</b>		
(valued at lower of cost and net realisable value)		
Raw Materials including Consumables, Stores and Spares	1,313.48	1,613.13
Materials in Transit and in Bonded Warehouse	-	16.02
Work-in-Process	82.57	43.98
Finished Goods and Stock in Trade	75.07	136.68
	<b>1,471.12</b>	<b>1,809.81</b>

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
<b>Note 10</b>		
<b>Financial Assets - Current</b>		
Trade receivables		
Unsecured considered good	417.31	600.21
Considered Doubtful	-	-
	<u>417.31</u>	<u>600.21</u>
Less: Provision for doubtful debts	-	-
	<u>417.31</u>	<u>600.21</u>
<b>Note 11a</b>		
<b>Financial Assets - Current</b>		
Cash and cash equivalents		
Cash on hand	0.03	0.72
Balance with banks in current accounts	9.47	15.80
	<u>9.50</u>	<u>16.52</u>
<b>Note 11b</b>		
<b>Financial Assets - Current</b>		
<b>Bank balances other than cash and cash equivalents</b>		
In Dividend Warrant Accounts	0.43	0.43
In Fixed Deposits - Maturity 12 months or less (Held as margin money for credit facilities and other commitments)	84.70	113.45
	<u>85.13</u>	<u>113.88</u>
<b>Note 12</b>		
<b>Financial Assets - Current</b>		
<b>Loans</b>		
(Unsecured, considered good, unless otherwise specified)		
Other Short Term Loans and Advances	5,055.72	5,056.40
	<u>5,055.72</u>	<u>5,056.40</u>
<b>Note 13</b>		
<b>Other current assets</b>		
Others	9.51	23.73
	<u>9.51</u>	<u>23.73</u>
<b>Note 14</b>		
<b>Share Capital</b>		
Authorised		
25,000,000 Equity Shares of ₹ 10/- each	250.00	250.00
	<u>250.00</u>	<u>250.00</u>
<b>Issued, Subscribed and Paid-up</b>		
7,500,000 Equity Shares of ₹ 10/- each fully paid-up	75.00	75.00
	<u>75.00</u>	<u>75.00</u>

## i) Reconciliation of the number of Shares: Equity Shares of ₹ 10/- each

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
At the beginning of the year	7,500,000	75.00	7,500,000	75.00
Issued during the year	-	-	-	-
At the end of the year	7,500,000	75.00	7,500,000	75.00

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

### ii) Rights, preference and restrictions:

- 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.
- 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.

### iii) Details of Shareholders holding more than 5% Shares:

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
a) Dome-Bell Electronics India Private Limited	1,250,100	16.67	1,250,100	16.67
b) Videocon Industries Limited	1,408,800	18.78	1,408,800	18.78
c) Waluj Components Private Limited	710,730	9.48	710,730	9.48

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
<b>Note 15</b>		
<b>Other equity</b>		
Capital Redemption Reserve	500.00	500.00
Deemed Equity Contribution	20.08	20.08
General Reserve	143.85	143.85
Equity component of compound financial instruments	1,100.93	1,100.93
Equity instruments through OCI	(363.01)	(331.39)
Retained Earnings	(6,053.98)	(4,119.58)
	<b>(4,652.13)</b>	<b>(2,686.11)</b>

- Capital Redemption Reserve: The Company recognises the capital redemption reserve from its retained earnings as per the provisions of Companies Act, 2013, as applicable.
- Deemed Equity Contribution: Capital contribution from the group.
- General Reserve: The Company was required to transfer a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provision of companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
- Equity component of compound financial instrument: The account represents the equity component of preference shares calculated as per Ind AS 109.
- Equity instruments through OCI: This account represents the fair value changes in the investments calculated at every reporting date as per Ind AS 109.
- Retained Earnings: This account includes the amount of profit and loss account transferred to the equity.

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
<b>Note 16</b>		
<b>Financial Liabilities</b>		
<b>Non current borrowings</b>		
<b>Unsecured</b>		
Sales Tax deferral	38.71	99.44
8% Non Cumulative Redeemable Preference shares	1,588.54	1,437.41
	<b>1,627.25</b>	<b>1,536.85</b>

#### Note:

- 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.
- 8% Non Cumulative Redeemable Preference Shares (20,000,000 Redeemable Preference Shares of ₹ 100/- each):



## Notes to financial statements for the year ended March 31, 2019 (Contd.)

### i) Rights, Preferences and restrictions attached to preference shares:

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

### ii) Terms of redemption of Preference Shares:

The Preference Shares of ₹ 1,000.00 Million are redeemable at par in 4 equal yearly installments on December 4, 2017, December 4, 2018, December 4, 2019 and December 4, 2020. The Company has not paid first and second installments, which was due on December 4, 2017 and December 4, 2018.

The Preference Shares of ₹ 1,000.00 Million are redeemable at par in 4 equal yearly installments on March 30, 2021, March 30, 2022, March 30, 2023 and March 30, 2024.

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
<b>Note 17</b>		
<b>Provisions</b>		
Provision for Gratuity (Refer Note 35)	25.46	13.02
Provision for Leave Encashment (Refer Note 35)	3.72	4.52
	<u>29.18</u>	<u>17.54</u>
<b>Note 18</b>		
<b>Financial Liabilities</b>		
<b>Current Borrowings</b>		
<b>Secured</b>		
Rupee Term Loan from Banks	2,166.93	2,096.20
Working Capital Loans from Banks	6,496.79	5,411.54
	<u>8,663.72</u>	<u>7,507.74</u>

### Secured Loans:

#### i) Rupee Term Loans 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 (RTL Lenders), in the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities covered are Value Industries Limited, Videocon Industries Limited (VIL), 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, Evans Fraser and Co. (India) Limited and Electroworld Digital Solutions Limited.

Further, Videocon Telecommunications Limited (VTL), subsidiary of Videocon Industries Limited had availed financial assistance from consortium of Banks/Financial Institutions (VTL Lenders). It has been agreed between the RTL Lenders and VTL Lenders to share the security available to the RTL Lenders under the RTL Agreement (including the receivables from each of the Obligors) with the VTL Lenders under the VTL facility agreement (including the receivables from VTL) on a reciprocal first pari-passu charge basis. Thus, VTL is also inducted as co-obligor in the said facility agreement with the consortium of RTL Lenders.

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. The said loans have been classified as Short Term Borrowings, as the banks have raised the demands for entire loan amount. [Also refer Note No. 37]

- ii) 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 guarantees of Mr. Venugopal N. Dhoot, Mr. Rajkumar N. Dhoot and Mr. Pradipkumar N. Dhoot.

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
<b>Note 19</b>		
<b>Financial Liabilities</b>		
<b>Current</b>		
<b>Trade payables</b>		
Total outstanding due to micro and small enterprises (Refer Note 39)	9.33	44.35
Total outstanding due to creditors other than micro and small enterprises	255.84	478.41
	<u>265.17</u>	<u>522.76</u>
<b>Note 20</b>		
<b>Financial Liabilities- Current</b>		
<b>Others</b>		
Current maturities of Long Term Borrowings	626.75	658.44
Bank Overdraft as per books	0.01	-
Unclaimed Dividend	0.43	0.43
Other Payables	3,172.00	3,115.43
	<u>3,799.19</u>	<u>3,774.30</u>
<b>Note 21</b>		
<b>Other current liabilities</b>		
Statutory dues payable	200.50	42.76
Others	2.69	3.15
	<u>203.19</u>	<u>45.91</u>
<b>Note 22</b>		
<b>Provisions</b>		
Provision for Gratuity (Refer Note 35)	1.93	2.05
Provision for Leave Encashment (Refer Note 35)	0.24	0.40
Provision for Warranty and Maintenance expenses	-	20.30
	<u>2.17</u>	<u>22.75</u>
<b>Movement of Provision for warranty and maintenance expenses</b>		
At the commencement of the year	20.30	25.92
Provision made during the year	-	20.30
Utilisation of Provisions	20.30	25.92
At the end of the year	<u>-</u>	<u>20.30</u>

**Provision for warranty and maintenance expenses**

A provision is estimated for expected warranty claims in respect of products sold on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification and replacement. The costs include expenses to be incurred for repairs, replacement, material cost and servicing. It is expected that this expenditure will be incurred over the contractual warranty period that is usually one year.

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Note 23</b>		
<b>Revenue from Operations</b>		
Sale of Products - Electrical and Electronic items	1,731.29	3,832.66
Income from Services	82.67	116.20
Other Operating Revenue	0.83	0.64
	<b>1,814.79</b>	<b>3,949.50</b>
<b>Note 24</b>		
<b>Other income</b>		
Interest Income	7.05	15.79
Other Non Operating Income	-	0.31
	<b>7.05</b>	<b>16.10</b>
<b>Note 25</b>		
<b>Cost of materials consumed</b>		
Imported	-	2,676.05
Indigenous	1,659.78	1,919.55
	<b>1,659.78</b>	<b>4,595.60</b>
<b>Note 26</b>		
<b>Purchase of stock-in-trade (Traded goods)</b>		
Electrical and Electronic items	-	516.66
	<b>-</b>	<b>516.66</b>
<b>Note 27</b>		
<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>Opening Inventory</b>		
Finished Goods and Stock-in-Trade	136.68	79.14
Work-in-Process	43.98	326.34
	<b>180.66</b>	<b>405.48</b>
<b>Closing Inventory</b>		
Finished Goods and Stock-in-Trade	75.07	136.68
Work-in-Process	82.57	43.98
	<b>157.64</b>	<b>180.66</b>
Changes in inventory	<b>23.02</b>	<b>224.82</b>
<b>Note 28</b>		
<b>Employee Benefits Expenses</b>		
Salary, Wages and Other Benefits	161.17	168.34
Contribution to Provident Fund and Other Funds	15.94	18.65
Staff Welfare Expenses	5.49	6.36
	<b>182.60</b>	<b>193.35</b>
<b>Note 29</b>		
<b>Finance Costs</b>		
Interest Expenses	1,452.08	1,081.37
Other Borrowing Costs	-	9.05
	<b>1,452.08</b>	<b>1,090.42</b>

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Note 30</b>		
<b>Other Expenses</b>		
Power, Fuel and Water	14.89	14.67
Rent, Rates and Taxes	0.56	2.54
Repairs to Building	0.15	0.68
Repairs to Plant and Machinery	1.23	4.80
Other Repairs and Maintenance	1.25	1.08
Insurance	3.58	4.24
Carriage and Cartage	14.16	24.74
Bank Charges	0.56	37.37
Payment to Auditors*	0.51	0.54
Directors' Sitting Fees	-	0.07
Exchange Rate Fluctuation	12.06	25.62
Loss on Sale/Discard of Fixed Assets	-	45.03
Warranty and Maintenance	-	23.08
Excise and custom duty demands	159.65	-
Office and General Expenses	18.17	96.37
	<b>226.77</b>	<b>280.83</b>
<b>*Payment to Auditors:</b>		
a) Statutory Audit Fees	0.46	0.46
b) Tax Audit Fees	0.05	0.05
c) Out of Pocket Expenses	-	0.03
	<b>0.51</b>	<b>0.54</b>
<b>Note 31</b>		
<b>Income Taxes</b>		
a) <b>Amounts recognised in profit and loss</b>		
<b>Current income tax</b>	-	-
<b>Deferred income tax (asset) / liability, net</b>		
Origination and reversal of temporary differences	-	(243.63)
<b>Deferred tax expense</b>	-	(243.63)
<b>Tax expense for the year</b>	-	<b>(243.63)</b>
b) <b>Amounts recognised in other comprehensive income</b>		
Deferred tax on remeasurements of the defined benefit plans	-	(0.41)
	-	<b>(0.41)</b>
c) <b>Deferred Tax assets and liabilities are attributable to the following:</b>		

(₹ in Million)

Particulars	Net deferred Tax (Assets)/Liabilities	
	March 31, 2019	March 31, 2018
<b>Property, Plant and Equipment</b>	543.47	543.47
Expenses allowable for deduction in future years	(197.76)	(197.76)
Unabsorbed depreciation and losses	(478.09)	(478.09)
Fair valuation of investments through OCI	8.18	8.18
MAT Credit	(8.63)	(8.63)
Indexation Impact	(1.79)	(1.79)
<b>Net deferred tax (Assets)/ Liabilities</b>	<b>(134.62)</b>	<b>(134.62)</b>

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

## d) Movement in Temporary differences:

(₹ in Million)

Particulars	Balance as at April 1, 2017	Recognised in Profit and Loss during 2017-18	Recognised in OCI during 2017-18	Balance as at March 31, 2018	Recognised in Profit and Loss during 2018-19	Recognised in OCI during 2018-19	Balance as at March 31, 2019
Property, Plant and Equipment	584.12	(40.65)	-	543.47	-	-	543.47
Expenses allowable for deduction in future years	(47.29)	(150.47)	-	(197.76)	-	-	(197.76)
Unabsorbed depreciation and losses	(427.63)	(50.46)	-	(478.09)	-	-	(478.09)
Fair valuation of investments through OCI	8.18	-	-	8.18	-	-	8.18
MAT Credit	(8.63)	-	-	(8.63)	-	-	(8.63)
Remeasurements of defined benefit obligation	-	(0.41)	0.41	-	-	-	-
Indexation Impact	(0.15)	(1.64)	-	(1.79)	-	-	(1.79)
<b>Total</b>	<b>108.60</b>	<b>(243.63)</b>	<b>0.41</b>	<b>(134.62)</b>	<b>-</b>	<b>-</b>	<b>(134.62)</b>

- e) In view of the losses and unabsorbed depreciation, in the opinion of the management considering the ground of prudence, deferred tax assets have not been recognised in the books of accounts. The deferred tax assets recognised in earlier years have been carried forward.

## Note 32

## Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of Equity shares outstanding during the year and the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Basic and diluted earnings per share for ordinary shareholders</b>		
a) Net Profit/(Loss) for the year attributable to Equity Shareholders (₹ Million)	(1,923.86)	(3,028.23)
b) Weighted average Number of Equity Shares	7,500,000	7,500,000
c) Basic and Diluted Earnings per Share of ₹ 10/- each (₹)	(256.51)	(403.76)
d) Nominal value of Equity Share (₹)	10.00	10.00

## Note:

- a) Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- b) The Company did not have any potentially dilutive securities in any of the above reporting period presented.

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

## Note 33

## Financial instruments – Fair values and risk management

## A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

(₹ in Million)

As at March 31, 2019	Carrying Amount				Fair Value		
	Total	Amortised Cost	FVTPL	FVTOCI	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>							
Investments	101.17	0.38	-	100.79	9.11	0.38	91.68
Loans	1.68	1.68				1.68	
Others	0.23	0.23				0.23	
<b>Current financial assets</b>							
Trade receivables	417.31	417.31					
Cash and cash equivalents	9.50	9.50					
Other bank balances	85.13	85.13					
Loans	5,055.72	5,055.72					
	<b>5,670.74</b>	<b>5,569.95</b>	<b>-</b>	<b>100.79</b>	<b>9.11</b>	<b>2.29</b>	<b>91.68</b>
<b>Non-current financial liabilities</b>							
Borrowings	1,627.25	1,627.25				1,627.25	
<b>Current financial liabilities</b>							
Borrowings	8,663.72	8,663.72					
Trade payables	265.17	265.17					
Others	3,799.19	3,799.19					
	<b>14,355.33</b>	<b>14,355.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,627.25</b>	<b>-</b>

(₹ in Million)

As at March 31, 2018	Carrying Amount				Fair Value		
	Total	Amortised Cost	FVTPL	FVTOCI	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>							
Investments	132.79	0.38	-	132.41	40.73	0.38	91.68
Loans	0.17	0.17				0.17	
Others	0.61	0.61				0.61	
<b>Current financial assets</b>							
Trade receivables	600.21	600.21					
Cash and cash equivalents	16.52	16.52					
Other bank balances	113.88	113.88					
Loans	5,056.40	5,056.40					
	<b>5,920.58</b>	<b>5,788.17</b>	<b>-</b>	<b>132.41</b>	<b>40.73</b>	<b>1.16</b>	<b>91.68</b>
<b>Non-current financial liabilities</b>							
Borrowings	1,536.85	1,536.85				1,536.85	
<b>Current financial liabilities</b>							
Borrowings	7,507.74	7,507.74					
Trade payables	522.76	522.76					
Others	3,774.30	3,774.30					
	<b>13,341.65</b>	<b>13,341.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,536.85</b>	<b>-</b>

- a. The fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

b. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

c. Measurement of fair values: The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique

Level - 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities

Level - 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level - 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique
Investments in quoted equity instruments	"Listing price as fair value on the date of reporting
Investments in unquoted equity instruments	

### B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- i) Liquidity risk;
- ii) Credit risk; and
- iii) Interest rate risk

#### Risk management framework

The Company's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operations and the financial assets include trade receivables, deposits, cash and bank balances, other receivables etc. arising from its operation.

Corporate Insolvency Resolution Process (CIRP) has been initiated in case of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Company stand vested with the Resolution Professional (RP) appointed by the NCLT. The framework and the strategies for effective management will be established post implementation of Resolution Plan. Presently, the financial management activities are restricted to management of current assets and liabilities of the Company and the day to day cashflow and its associated risks are as under:

#### i) Liquidity risk

The Company is under CIRP. The Company depends upon timely receipt from sales and delay in sales realisation as well as vendor payments can severely impact the current level of operation. Liquidity crises had led to default in repayment of principal and interest to lenders. Since the Company is under CIRP, it is not required to meet any loan or interest obligation till the resolution plan is implemented.

Liquidity risk is the financial risk that is encountered due to uncertainty resulting in difficulty in meeting its obligations. An entity is exposed to liquidity risk if markets on which it depends are subject to loss of liquidity for any reason; extraneous or intrinsic to its business operations, affecting its credit rating or unexpected cash outflows. A position can be hedged against market risk but still entail liquidity risk. Prudence requires liquidity risk to be managed in addition to market, credit and other risks as it has tendency to compound other risks. It entails management of asset, liabilities focused on a medium to long-term perspective and future net cash flows on a day-by-day basis in order to assess liquidity risk.

Liquidity Periodic budget and rolling forecasts shall be determined during CIR process.

#### ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

##### a) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery terms and conditions. The Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

The following table provides information about the exposure to credit risk for trade receivables:

(₹ in Million)

	Gross carrying amount	
	As at March 31, 2019	As at March 31, 2018
<b>Past due not impaired</b>		
Past due 1-30 days	-	3.21
Past due 31-60 days	6.23	135.68
Past due 61-90 days	2.67	0.92
Past due 91-120 days	17.60	1.91
Past due 121-180 days	33.75	14.26
More than 180 days	357.06	444.23
<b>Total</b>	<b>417.31</b>	<b>600.21</b>

Management has analysed the debtors outstanding as of March 31 2019 and concluded that the history of bad debts on the profile of its current debtors is insignificant. The debtors which are outstanding have been generally regular in making payments and hence it does not expect significant impairment losses on its current profile of outstanding debtors. The debtors which have defaulted are mostly on account of any litigations and its experience regarding bad debts has been very low in the past.

On the basis of above, no additional provision has been made in the books of accounts under Ind AS.

### b) Cash and cash equivalents and Other bank balances

The Company held cash and cash equivalents and other bank balances of ₹ 94.63 Million as at March 31, 2019 (March 31, 2018: ₹ 130.40 Million). The cash and cash equivalents are held with banks.

### c) Other financial assets

Other than trade and other receivables, the Company has no other financial assets that are past due not impaired.

### iii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. Since the Company is under CIRP, it could not meet interest obligation during the year and shall be finalised when resolution plan is implemented.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company's is as follows.

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
<b>Borrowings</b>		
<b>Variable rate borrowings</b>		
Non current borrowings	1,627.25	1,536.85
Current borrowings	8,663.72	7,507.74
Current maturities of long term borrowings	626.75	658.44
<b>Total</b>	<b>10,917.72</b>	<b>9,703.03</b>

#### Fair value sensitivity analysis for fixed-rate instruments

The entity does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.



## Notes to financial statements for the year ended March 31, 2019 (Contd.)

In cases where the related interest rate risk is capitalized to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

(₹ in Million)

Particulars	Profit or (Loss) before tax	
	100bp increase	100bp decrease
March 31, 2019	(109.18)	109.18
March 31, 2018	(97.03)	97.03

## Note 34

## Capital Management

Capital of the Company, for the purpose of capital management, include issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise shareholders value. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings

The entity monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

(₹ in Million)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Non Current Borrowings	1,627.25	1,536.85
Current Borrowings	8,663.72	7,507.74
Current maturity of long term borrowings	626.75	658.44
<b>Gross Debt</b>	<b>10,917.72</b>	<b>9,703.03</b>
Less: Cash and cash equivalents	9.50	16.52
Less: Other bank balances	85.13	113.88
<b>Adjusted Net Debt</b>	<b>10,823.09</b>	<b>9,572.63</b>
Total Equity	(4,577.13)	(2,611.11)
<b>Adjusted Net Debt to Total Equity</b>	<b>(2.36)</b>	<b>(3.67)</b>

## Note 35

## Employee benefits

The Company contributes to the following post-employment plans in India.

## A) Defined Contribution Plans:

The contributions paid/payable to Provident Fund, Employees State Insurance Scheme, Employees Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and/or statutes and are recognised as expense in the Statement of Profit and Loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

Contribution to Provident and Other Funds of ₹ 15.94 Million (Previous year ₹ 18.65 Million) is recognised as an expense and shown under the head "Employee Benefits Expense" in the Statement of Profit and Loss.

## B) Defined Benefit Plan: Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company is required to provide post employment benefit to its employees in the form of gratuity. The present value of the obligation under such defined benefit plan is determined at each balance sheet date based on an actuarial valuation using the projected unit credit method.

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

### Fair value of the plan assets and present value of the defined benefit liabilities

The amount included in the Balance sheet arising from the Company's obligations and plan assets in respect of its defined benefit schemes is as follows:

#### i) Movement in defined benefit obligations:

(₹ in Million)

Particulars	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Defined benefit obligation at the beginning of the year	36.27	35.19	4.92	5.56
<i>Recognised in profit or loss</i>				
Current service cost	2.06	2.06	1.06	1.16
Interest expense	2.54	2.35	0.36	0.36
Past service cost	2.24	1.32	-	-
<i>Recognised in other comprehensive income</i>				
Actuarial (gains)/losses on obligations	9.66	(1.13)	1.39	(1.12)
Benefit paid	(18.72)	(3.52)	(3.77)	(1.04)
<b>Defined benefit obligation at the end of the year</b>	<b>34.05</b>	<b>36.27</b>	<b>3.96</b>	<b>4.92</b>

#### ii) Movement in fair value of plan assets:

(₹ in Million)

Particulars	Gratuity	
	March 31, 2019	March 31, 2018
At the beginning of the year	21.20	16.98
<i>Recognised in profit or loss</i>		
Interest income	1.51	1.15
Expected Return on Plan Assets	(0.88)	0.12
<i>Recognised in other comprehensive income</i>		
Actuarial gains/(losses)		
Due to change in financial assumptions		
Employer contributions	3.55	6.47
Benefit paid	(18.72)	(3.52)
<b>At the end of the year</b>	<b>6.66</b>	<b>21.20</b>

#### iii) Amount recognised in Balance sheet:

(₹ in Million)

Particulars	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Defined benefit obligation	34.05	36.27	3.96	4.92
Fair value of plan assets	(6.66)	(21.20)	-	-
<b>Net defined benefit (obligation)/assets</b>	<b>27.39</b>	<b>15.07</b>	<b>3.96</b>	<b>4.92</b>

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

## iv) Expense recognised in the Statement of profit and loss and Other comprehensive Income:

(₹ in Million)

Particulars	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Recognised in the Statement of profit and loss</b>				
Current service cost	2.06	2.06	1.06	1.16
Interest expense	2.54	2.35	0.36	0.36
Past service cost	2.24	1.32	-	-
Interest income	1.51	1.15	-	-
<b>For the year</b>	<b>5.33</b>	<b>4.58</b>	<b>1.42</b>	<b>1.52</b>
<b>Recognised in the Other comprehensive income</b>				
Actuarial (gains) / losses on obligations	9.66	(1.13)	1.39	(1.12)
Actuarial (gains) / losses on plan assets	0.88	(0.12)	-	-
<b>For the year</b>	<b>10.54</b>	<b>(1.25)</b>	<b>1.39</b>	<b>(1.12)</b>

## v) Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Financial assumptions</b>				
Discount rate	7.50%	7.00%	7.50%	7.30%
Salary escalation	5.00%	5.00%	5.00%	5.00%
<b>Demographic assumptions</b>				
Mortality rate	Indian assured life mortality (2006-2008) ultimate			
Turnover Rate	5% at younger ages reducing to 1% at older ages			
Future Salary Increase	5% per annum			

## vi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Million)

Particulars	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
<b>Gratuity</b>				
Discount rate (0.50% movement)	(32.91)	35.20	(35.20)	37.42
Rate of increase in salaries (0.50% movement)	35.22	(32.88)	37.41	(35.19)
Withdrawal rate (10% movement)	34.11	(33.95)	36.35	(36.21)
<b>Leave Encashment</b>				
Discount rate (0.50% movement)	3.82	4.10	(4.77)	5.08
Rate of increase in salaries (0.50% movement)	4.10	3.82	5.08	(4.77)
Withdrawal rate (10% movement)	3.95	3.97	4.93	(4.91)

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

vii) The expected future cash flows as at March 31, were as follows:

(₹ in Million)					
Particulars	Upto 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
<b>Defined benefit obligations (Gratuity - funded)</b>					
March 31, 2019	1.84	2.19	9.12	30.51	43.66
March 31, 2018	2.97	2.95	13.22	25.31	44.45

(₹ in Million)

Note 36		As at March 31, 2019	As at March 31, 2018
Contingent Liabilities not provided for:			
i) Letters of Credit opened		-	0.29
ii) Letters of Guarantees		0.50	3.96
iii) Claims against the Company not acknowledged as debt:			
a) Custom Duty demands and penalties under dispute		-	0.75
b) Excise Duty and Service Tax demands and penalties under dispute		-	21.22
c) Sales Tax demands and penalties under dispute		0.57	0.57
			[Amount paid under protest ₹ 0.27 Million (Previous year ₹ 0.27 Million)]
iv) Income Tax matters in respect of which appeals are pending		1.95	1.95

## Note 37

The Company alongwith 13 other affiliates/entities (collectively referred to as 'Obligors' or individually as 'Borrower' or 'Co-Obligors') 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, Evans Fraser and Co. (India) Limited, Electroworld Digital Solutions Limited and Videocon Telecommunications 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 March 31, 2019 of ₹ 210,200.65 Million (As at March 31, 2018 ₹ 210,200.65 Million).

## Note 38

The Directorate of Revenue Intelligence, Mumbai Zonal Unit ('DRI'), has on December 30, 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. Demand issued for the penalty of ₹ 0.50 Million.

In order to buy peace, the Company filed application with the Adjudication Authority who determined that the declared value is liable to be rejected and re-determined under Custom Valuation Rules read with Section 14 of the Customs Act, 1962. The Adjudication Authority imposed a penalty of ₹ 0.50 Million on the Company under Section 112(a) of the Customs Act, 1962. Subsequently, the Company has filed an appeal against the Order passed by Adjudication Authority before The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) and the same is pending before the said CESTAT. The Company has been advised by its counsels that the Order passed by Adjudication Authority is untenable in the court of laws. Hence, no provision has been considered necessary in the financial statements.

## Note 39

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

(₹ in Million)			
		As at March 31, 2019	As at March 31, 2018
a)	Principle amount remaining unpaid as at the end of the year	9.33	44.35
b)	Interest due thereon as at the end of the year	0.42	0.06
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	-	4.81
d)	Interest due and payable for the period of delay in making payment	0.42	0.06
e)	Interest accrued and remaining unpaid at the end of the year	0.42	0.06
f)	Further interest remaining due and payable even in the succeeding years, untill 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	-	-

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

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.

(₹ in Million)

	Year ended on March 31, 2019	Year ended on March 31, 2018
<b>Note 40</b>		
<b>C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency</b>		
a) C.I.F. Value of Imports:		
Raw Materials and Stock in Trade	0.15	1,805.61
Capital Goods	-	0.20
b) Expenditure incurred in Foreign Currency	-	-
c) Other Earnings/Receipts in Foreign Currency	-	-

**Note 41****Corporate Social Responsibility**

The Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year ended March 31, 2019.

**Note 42**

The Company is primarily engaged in manufacturing and trading of Electrical and Electronic Appliances and there is no other reportable segment as defined in Indian Accounting Standard 108 on "Operating Segments".

**Note 43****Related party transactions:****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

Mr. Milind Deshpande - Chief Financial Officer

Mr. Kaustubha Sahasrabudhe - Company Secretary (upto August 31, 2018)

Ms. Prabhavi Mungee - Company Secretary (w.e.f. December 8, 2018)

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

Remuneration to Key Management Personnel - ₹ 8.31 Million (Previous year ₹ 7.00 Million)

**Note 44**

Pursuant to an application filed before the Hon'ble National Company Law Tribunal, Mumbai (Adjudicating Authority) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) against Trend Electronics Limited ('Trend' or 'Corporate Debtor'), the Adjudicating Authority had admitted the application for the initiation of the Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor vide an order dated September 25, 2018 and appointed Mr. Dushyant C. Dave as the insolvency Resolution Professional. Subsequently, the Committee of Creditors (CoC) approved appointment of Mr. Dushyant C. Dave as Resolution Professional (Erstwhile Resolution Professional).

Thereafter, separate applications were filed by State Bank of India (on behalf of all the financial creditors) and Mr. Venugopal Dhoot (one of the promoters of the Videocon group) for the consolidation of the Corporate Debtor along with other group companies (collectively referred to as the 'Videocon Group Entities'). The Adjudicating Authority has passed an order on August 8, 2019 approving consolidation of CIRP of 13 Videocon Group Entities. Trend was kept out of consolidation considering that business of Trend for manufacturing set top boxes, is independent of other Videocon Group Entities business. The Adjudicating Authority appointed Mr. Divyesh Desai as the Interim Resolution Professional (IRP) of Trend effective from the date of consolidation order. Adjudicating Authority has granted a time of 180 days, from order dated August 8, 2019, to the IRP to complete CIRP of Trend.

Subsequently, the first meeting of the Committee of Creditors (CoC) held on September 6, 2019, approved the appointment of IRP as Resolution Professional (RP). Therefore, the management and operations of the Company are being managed by RP Mr. Divyesh Desai. On and from the date of publication of the aforesaid order, the powers of the board of directors of the Company stand vested in the RP.

**Note 45**

The Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 as amended, and there are persistent severe strains on the working capital and there is considerable decline in level of operations of the Company and net worth of the Company as on the reporting date is negative and it continue to incur losses. The Company has received invocation notices of corporate guarantees given by it and also the personal guarantees of promoters have been invoked. Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP. Accordingly, the financial statements are continued to be prepared on going concern basis. The Company continues the process for ascertaining the realisable value for its assets (including inventories and trade receivables) and necessary adjustments to the carrying value will be effected in due course, the impact of which is not ascertainable at this stage.

## Notes to financial statements for the year ended March 31, 2019 (Contd.)

**Note 46**

The Company has made investments, given advances and has trade receivables aggregating to ₹ 2,932.98 Million in group/affiliate companies, namely Videocon Industries Limited, Applicomp (India) Limited, VOVL Limited, Value Industries Limited, KAIL Limited, Sky Appliances Limited and Techno Electronics Limited, which have been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 by their lenders and subsequently admitted to Corporate Insolvency Resolution Process (CIRP). The actual amount of loss on these investments, advances and trade receivables are not ascertainable till the completion of resolution process of these group/entities.

**Note 47**

The Company has not assessed or reviewed the plant and machinery and other fixed assets for impairment, not ascertainment of net realisable value of inventories and not ascertainment of the realisable value of unquoted investments. The RP has appointed two valuers for valuations of assets including inventories and investments. The RP continues the process for ascertaining the realisable value of assets and necessary adjustments to the carrying value will be effected in due course. The impact of which is not ascertainable at this stage.

**Note 48**

The confirmations and reconciliation of balances of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances are pending. The management is in the process of obtaining confirmations and reconciliation of balances and ascertaining the impact of which is not ascertainable at present.

**Note 49**

Pursuant to commencement of CIRP of the Company under Insolvency and Bankruptcy Code, 2016, there are various claims submitted by the financial creditors, operational creditors, employees and other creditors to the RP. The overall obligations and liabilities including interest on loans and the principal amount of loans shall be determined during the CIRP. Pending final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims for operational and financial creditors.

**Note 50**

The Company did not have any outstanding long term contracts including derivative contracts as at March 31, 2019.

**Note 51**

The Company has defaulted in transferring amount of ₹ 0.43 Million, required to be transferred to the Investor Education and Protection Fund during the year ended March 31, 2019.

**Note 52**

Previous year figures have been reclassified, restated, recasted to conform to the classification of the current year.

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As per our report of even date

**For S Z DESHMUKH & CO.**  
Chartered Accountants

**MILIND DESHPANDE**  
Chief Financial Officer

For and on behalf of the Board

**KIRAN PATWARDHAN**  
Director  
DIN 08136757

**D. U. KADAM**  
Partner  
ICAI Membership No: 125886

**DIVYESH DESAI**  
Resolution Professional  
IP No. 10338

**VIVEK D. DHARM**  
Director  
DIN 00214361

Place : Mumbai  
Date : December 17, 2019

**ATTENDANCE SLIP**

**TREND ELECTRONICSLIMITED**

**CIN** :L99999MH1989PLC052233

**Regd. Office** : 20 K. M. Stone, Aurangabad-Beed Road, Village: Bhalgaon, Aurangabad MH 431210

**Tel.No.:** +91-24202644507/9 **Fax. No.:** +91-2402644506

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

**29th Annual General Meeting on Monday, 30th December, 2019**

Regd. Folio No. / Client ID No.

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DPID No.

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No. of shares held

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I certify that I am a registered Shareholder/Proxy for the registered Shareholder of the Company.

I hereby record my presence at the **29th ANNUAL GENERAL MEETING** of the Company held on Monday, 30th December, 2019 at 3:00 pm at the Registered Office of the Company at 20 K. M. Stone, Aurangabad-Beed Road, Village: Bhalgaon, Aurangabad 431210 (Maharashtra).

.....  
Member's / Proxy's Name in Block Letters

.....  
Member's / Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.

*Please read errata for typesetting matter.*





# 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 MH 431210

Tel.No.: +91-24202644507/9 Fax. No.: +91-2402644506

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

**29th Annual General Meeting on Monday, 30th December, 2019**

Name of the Member(s)

Registered address

Email ID

Folio No. / Client ID

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DPID

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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 : \_\_\_\_\_ or failing him/her

as my/ our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Monday, 30th December, 2019 at 3:00 pm at the Registered office at 20 K. M. Stone, Aurangabad-Beed Road, Village: Bhalgaon, Aurangabad 431210 (Maharashtra) and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution Number	Resolution	For	Against
1	To receive, consider and adopt the Audited Statement of Profit and Loss for the Financial Year ended 31st March, 2019 and the Balance Sheet as at that date together with the Cash Flow Statement and notes and annexures thereto; and the Reports of the Directors and Auditors thereon.		
2	To appoint a Director in place of Mrs. Smita Dharm (DIN: 07144712), who retires by rotation, and being eligible offers herself for re-appointment.		
3	To approve the remuneration to Statutory Auditor		

Affix  
Revenue  
Stamp Re. 1

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

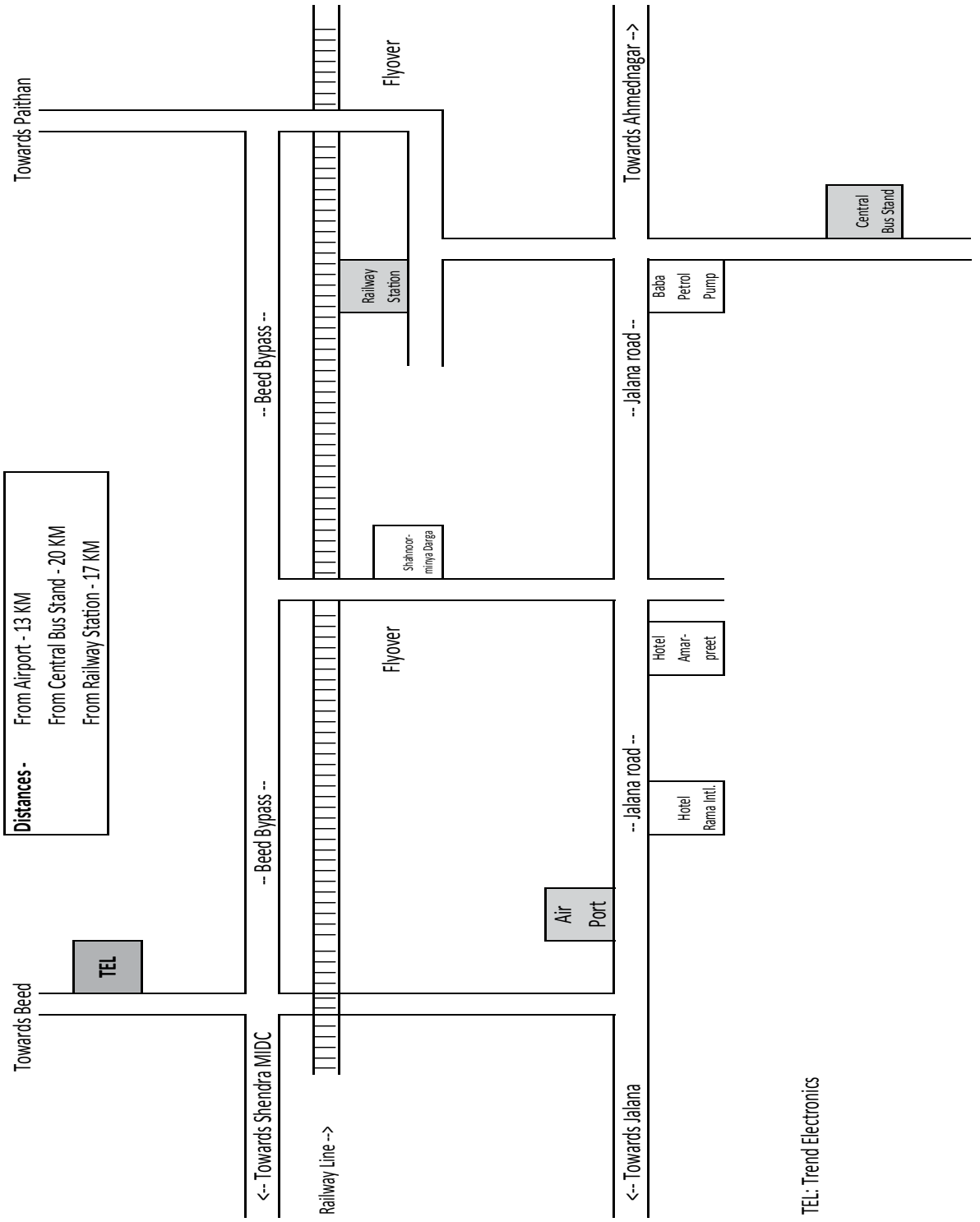
\_\_\_\_\_  
Signature of the Proxy holder(s)

Notes:

*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.*



ROUTE MAP FOR THE VENUE OF THE ANNUAL GENERAL MEETING



TEL: Trend Electronics

Courier / Registered Post

*If undelivered, please return to:*

**MCS Share Transfer Agent Limited**

**Unit: Trend Electronics Limited**

A-209, C Wing, 2nd floor Gokul Industries Estate Building,  
Sagbaug, Marol Co-op Industrial Area,  
B/H Times Square, Andheri East, Mumbai- 400059