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**20TH
ANNUAL REPORT
2008-09**

TREND ELECTRONICS LIMITED

TREND ELECTRONICS LIMITED

BOARD OF DIRECTORS

Venugopal N. Dhoot
Pradipkumar N. Dhoot
S. Padmanabhan
Subhash S. Dayama
Subhash S. Nabar
Bhopinder K. Chopra
Vivek D. Dharm

AUDITORS

KHANDELWAL JAIN & CO.

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

KADAM & CO.

Chartered Accountants
"Vedant", 8/9 Viraj Estate,
Opp. Tarakpur Bus Stand
Ahmednagar - 414003

BANKERS

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

COMPANY SECRETARY

Kanchan A. Kakade

REGISTERED OFFICE & MANUFACTURING FACILITY

20 KM Stone,
Aurangabad – Beed Road,
Village Bhalgaon,
Aurangabad - 431 210
(Maharashtra)

CONTENTS

Notice	1
Directors' Report.....	3
Corporate Governance	6
Management Discussion and Analysis Report	12
Auditors' Report.....	14
Balance Sheet	16
Profit and Loss Account.....	17
Cash Flow Statement	18
Schedules.....	19
Notes to Accounts	21
Balance Sheet Abstract & Company's General Business Profile	24

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of **TREND ELECTRONICS LIMITED** (the "Company") will be held on Tuesday, 30th March, 2010 at the Registered office of the Company at 20 K.M. Stone, Aurangabad-Beed Road, Village Bhalgaon, Aurangabad - 431 210 (Maharashtra) at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended on 30th September, 2009, the Audited Balance Sheet as at that date together with the Report of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a director in the place of Mr. Bhopinder K. Chopra who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Mr. Anirudha V. Dhoot in the place of Mr. Venugopal N. Dhoot, who retires by rotation and having not offered himself for re-appointment.
5. To resolve that the vacancy caused by the retirement of Mr. S. Padmanabhan be not filled up at this Annual General Meeting and at any adjournment thereon.
6. To appoint M/s Khandelwal Jain & Co., Chartered Accountants, Mumbai and M/s Kadam & Co., Chartered Accountants, Ahmednagar as Joint Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai (Firm Registration No. 105049W) and M/s. Kadam & Co., Chartered Accountants, Ahmednagar (Firm Registration No. 104524W), be and are hereby appointed as Joint Auditors of the Company to hold office until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

By Order of the Board of Directors of

TREND ELECTRONICS LIMITED

Kanchan A. Kakade
Company Secretary

Place: Mumbai

Date: 19th February, 2010

Registered Office:

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF SELF 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 ANNUAL GENERAL MEETING.**

2. Corporate Members intending to send their authorized representatives to attend the Twentieth Annual General Meeting are requested to send a certified copy of their Board Resolution authorizing their representative to attend and vote at the said Annual General Meeting.
3. Members/Proxies/Representatives should bring the enclosed Attendance Slip, duly filled in, along with their copy of Annual Report to the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members holding shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to apply for consolidation to the Company's Registrar and Transfer Agent, M/s. MCS Limited, alongwith the relevant share certificates for the purpose of consolidation of their holdings into a single folio.
6. The Register of Members and Share Transfer Books shall remain closed from Wednesday, 17th March, 2010 to Tuesday, 30th March, 2010 (both days inclusive) for the purpose of Annual General Meeting and determining the names of the members entitled to receive dividend on equity shares, if declared at the Twentieth Annual General Meeting.
7. The dividend as recommended by the Board of Directors, if declared at the Twentieth Annual General Meeting, will be paid on or around 10th April, 2010:
 - (i) to those Members who hold shares in physical form and whose names appear on the Company's Register of Members on 17th March, 2010; and
 - (ii) in respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as at the close of business hours on 16th March, 2010 as per the particulars of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
8. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividend for the financial year 2000-2001 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Dividends for the financial year ended 2001-2002 and thereafter which remain unclaimed for a period of seven years will be transferred to IEPF. Members who have not encashed dividend warrant(s) for the aforesaid years are requested to contact the Company's Registrar and Transfer Agent, M/s. MCS Limited, for seeking issue of duplicate warrant(s). Members are requested to note that no claims shall lie against the Company or IEPF in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims.
9. The shares of the Company are compulsorily tradable in electronic form and your Company has established connectivity with both the depositories i.e., NSDL and CDSL. In view of the enormous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of the Company's shares on either of the depositories, as aforesaid.
10. Members holding shares in electronic form are requested to intimate the change in address, if any, to the Depository Participant and the members holding shares in physical form are requested to intimate the Company's Registrar and Transfer Agent, M/s. MCS Limited, quoting their folio number.

TREND ELECTRONICS LIMITED

11. In terms of Articles of Association of the Company, Mr. Venugopal N. Dhoot, Mr. S. Padmanabhan and Mr. Bhopinder K. Chopra, Directors, are liable to retire by rotation at the ensuing Annual General Meeting. Of the retiring directors, Mr. Bhopinder K. Chopra has offered himself for re-appointment. Mr. Venugopal N. Dhoot and Mr. S. Padmanabhan, having conveyed their unwillingness to offer themselves for re-appointment, shall cease to be the Directors of the Company at the ensuing Annual General Meeting. The Board has recommended appointment of Mr. Anirudha V. Dhoot in the place of Mr. Venugopal N. Dhoot at the ensuing Annual General Meeting. Further, the vacancy that would arise upon retirement of Mr. S. Padmanabhan at the ensuing Annual General Meeting, shall not be filled.
12. In terms of the requirements of Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited, brief profiles of Mr. Bhopinder K. Chopra and Mr. Anirudha V. Dhoot, Directors seeking appointment/re-appointment, form part of the Notice.
13. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered office of the Company on all working days between 12.00 Noon to 3.00 p.m. upto the date of the Annual General Meeting.

By Order of the Board of Directors of
TREND ELECTRONICS LIMITED

Kanchan A. Kakade
Company Secretary

Place: Mumbai
Date: 19th February, 2010

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

BRIEF DETAILS OF DIRECTORS PROPOSED TO BE RE-APPOINTED/APPOINTED:

The brief details of directors seeking re-appointment/appointment at the Twentieth Annual General Meeting are as under:

MR. BHOPINDER KUMAR CHOPRA:

Date of Birth	13th November, 1934
Education Qualification	B.Sc. (Hons), PGD (DLL Se) in Electrical Communication Engineering from IIS, Bangalore
Date of Appointment on the Board	8th December, 2005
Category of Director	Non-Executive, Independent
Area of Expertise/ Senior Position Held/ Work Experience	Mr. Chopra has vast and rich experience in the areas of manufacturing, marketing and finance. He has held senior positions in Phillips India.
Names of other Directorships in Public Limited Company	India Floor Care & Appliances Limited
Names of Committees in which a Chairman	India Floor Care & Appliances Limited
Names of Committees in which a Member	Nil
Number of shares held in the Company	Nil

MR. ANIRUDHA V. DHOOT:

Date of Birth	31st March, 1978
Education Qualification	M.B.A.
Date of Appointment on the Board	N.A.
Category of Director	Non-Executive, Promoter
Area of Expertise/ Senior Position Held/ Work Experience	Mr. Anirudha V. Dhoot has a vast experience in the field of consumer electronics and home appliances. He is a member of Indian Merchant Chamber, All India Association of Industries & Indo Japanese Association.
Names of other Directorships in Public Limited Company	Millennium Appliances India Limited Techno Electronics Limited PE Electronics Limited Hyundai Electronics India Limited Applicomp (India) Limited Dhoot Entertainment & Gaming Solutions Limited International Mobile Towers Limited Sky Appliances Limited Uttaranchal Appliances Limited Universal Digital Connect Limited Infodart Technologies India Limited Planet 'M' Online Limited Plug-in Sales Limited
Names of Committees in which a Chairman	Techno Electronics Limited (Audit Committee)
Names of Committees in which a Member	Millennium Appliances India Limited (Audit Committee) Sky Appliances Limited (Audit Committee)
Number of shares held in the Company	Nil

DIRECTORS' REPORT

Your Directors have great pleasure in presenting the Twentieth Annual Report of your Company together with the Audited Accounts and Auditors' Report for the year ended on 30th September, 2009.

FINANCIAL RESULTS

The working of your Company for the year under review resulted in:

Particulars	(Rs. in Million)	
	Year ended 30th September, 2009	Year ended 30th September, 2008
Net Sales	8,271.80	7,781.69
Other Income	14.02	37.95
Total Income	8,285.82	7,819.64
Profit before Interest, Tax and Depreciation	278.31	293.88
Interest and Finance Charges	107.64	134.66
Depreciation	115.69	123.25
Profit before Tax	54.98	35.97
Provision for Taxation	18.81	11.63
Profit after Tax	36.17	24.34

During the year, the Company focused on the production of various new products like Integrated Digital TVs with built in DTH facility, Set Top Boxes and other electronic products with built in DTH facility. Turnover of the Company during the year increased to Rs. 8,271.80 million as against Rs. 7,781.69 million for the previous year ended 30th September, 2008 and the profit after tax also increased to Rs. 36.17 million as against Rs. 24.34 million for the last year.

APPROPRIATIONS

Dividend:

Your Directors are pleased to recommend a dividend of Re. 1/- (Rupee One Only) per equity share of Rs. 10/- each i.e. 10% for the financial year ended on 30th September, 2009. The dividend has been recommended in accordance with the Company's policy of balancing dividend pay-out and the requirement of deployment of internal accruals for its annual growth plans.

The equity dividend, if approved by the members, would entail an outflow of Rs. 7.50 million towards dividend and Rs. 1.28 million towards dividend tax. The dividend is free of tax in the hands of the shareholders.

Transfer to Reserves:

Your Directors propose to transfer an amount of Rs. 4.00 million to the General Reserve. An amount of Rs. 161.73 million is proposed to be retained in the Profit and Loss Account.

FIXED DEPOSIT

Your Company has not accepted any fixed deposits within the meaning of Section 58A of the Companies Act, 1956.

CORPORATE GOVERNANCE

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

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

PERSONNEL

As required by Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, a statement of information relating to employees has been given in the Annexure to the Directors' Report and forms a part thereof.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange Earnings and Outgo for the year under review was as under:

Description	(Rs. in Million)	
	Year ended 30th September, 2009	30th September, 2008
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	1,156.38	1,292.92

CONSERVATION OF ENERGY

Energy Conservation is the need of the hour. Energy management and energy conservation continued to be main agenda of your Company during the year under review.

Your Company believes that efficient use of energy is a simple way to conserve it. As such, your Company continues to take conscious efforts to minimize energy consumption. During the year, the efforts of your Company maneuvered to innovation and improvement so as to further reduce energy consumption.

As a part of continuous efforts, following steps were taken by the Company towards conservation of energy during the year under review:

- Consistent maintenance of Unity Power Factor through daily monitoring as the Company gets an incentive of 7% of energy charges for maintaining Unity Power Factor.
- Use of electronics chokes and such other innovative technologies in shop floor.
- Timely maintenance and up-gradation of machinery and equipments.
- On-the-job and off-the-job training to employees at all levels.
- Modification of lighting arrangement in shop floor.
- Display of awareness boards at relevant locations/areas.
- Use of timers for exhaust fans to reduce unnecessary running hours.
- Identification of switches for easy switch-off of the electrical equipments.

Several measures have been taken up for saving energy and reducing wastage. Your Company is mulling over the proposal of conducting energy audit in the coming years.

Though the measures have resulted in rational use of energy, the beneficial impact of the same on the cost cannot be quantified.

RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

The Company gives utmost importance to Research and Development. With an in-house team of experts, the Company has carried out Research and Development in the following areas:

- Reduction in manufacturing cost.
- Development of products with innovative ideas for improved marketability.
- Increasing the batching capacity.

TREND ELECTRONICS LIMITED

- Process optimization and Improvement in operating efficiencies.
- Improvement in the quality of products.
- Process standardization for consistent quality.

BENEFITS DERIVED FROM RESEARCH AND DEVELOPMENT:

1. The Company is engaged in the manufacture of IDTV, CTVs, Set Top Boxes and PCB Assemblies for LCD TV etc. These modern day gadgets use Surface Mount Technology for the components they use for assembly of the PCB. Your Company has employed this state-of-the-art manufacturing setup for Surface Mount Technology. This novel technology has broadened the horizons of your Company's knowledge base in manufacturing technique.
2. The Company has successfully implemented Conditional Access System for encryption of Set Top Box security system. With the implementation, the production and test process of Set Top Boxes has become IT-enabled and is hooked directly with the CAS Server at the Head-end facility.
3. High degree of consumer satisfaction and raised standards of quality.

During the year under review, the Company has incurred an amount of Rs. 0.58 Million towards Research and Development activities representing 0.01% of the turnover.

Your Company is widely recognized as a technology-driven company which strives to upgrade its technology. Accordingly, the Company has executed an integrated strategy for technology development and deployment. The technology function which supports your Company's strategy comprises of four missions viz., Technology development; Development of substantially new products; Productivity improvement and Cost reduction.

In the near future, your Company is proposing focus on development of new technologies which would offer better products to all classes of consumers at an affordable price. The Company seeks to introduce innovative product models, increase its market share, enhance its brand value and reduce power consumption in the coming years.

INFORMATION TECHNOLOGY

Information Technology is the backbone of any industry in today's environment. Your Company firmly believes that an appropriate Information Technology solution gives competitive edge to an Industry.

Your Company has implemented mySAP, ERP whereby all business processes of the Company have been successfully integrated on mySAP. This has not only enabled your Company to adapt the best business practices, but also helped it keep a close control on all aspects of the business, be it manufacturing, sales and distribution or customer communication.

The Company has established a 2Mbps dedicated Leased Line for mySAP connectivity. Apart from the Leased Line, there also exists a 1Mbps Broadband connection as a fallback arrangement.

The Company also has deployed Data Warehousing, CRM & Web Portal and intends to leverage benefits out of the real time data. This would definitely help your Company get closer to the customers.

HEALTH, SAFETY AND ENVIRONMENT

The management of your Company is committed towards health & safety of the employees and believes that poor health and safety lead to illness and accidents. Further, effective health and safety practices pay for themselves. They add to the Company's reputation amongst customers, regulators and employees.

Fathomed by this belief, your Company is committed to provide a healthy atmosphere and safe working conditions to the employees at all levels and accords high priority to health education and awareness. Your Company has constituted a team comprising of employee and management representatives

which studies a plethora of health, safety and environment related issues at manufacturing plants and reports the observations along with requisite corrective measures, if any, to the management for necessary action. Health, safety and environment activities are closely monitored to maintain adequate standards through safety Audits.

During the year, following steps have been taken by the Company to ensure health and safety of its employees:

- Health and medical services are accessible to employees at all levels through well-equipped health centres at all manufacturing facilities. For further treatment, the Company has tied up with reputed hospitals in the city.
- On-the-job and off-the-job training programmes are conducted at regular intervals for creating awareness about health and safety amongst the employees.
- Notice boards and information boards are displayed at respective work stations/work place.
- Timely disposal of waste and scrap materials is ensured.
- Air coolers, air conditioners and exhaust fans have been installed to ensure proper ventilation.
- Adequate natural and artificial lighting is provided at manufacturing plants.
- Hygienic food is provided at subsidized cost to all the employees in the factory.
- Doctors' visits for regular medical check-up of employees are arranged on a weekly basis.
- State-of-the-art transport facility is provided to employees at all levels.
- Fire extinguishers have been installed at identified locations and department in the factory.
- Safety audit are carried out frequently.
- First-Aid boxes are located at several points in the factory.
- Cleanliness is ensured at entire premises of the Company.

Transportation within the Company premises is monitored by speed limitation and proper parking has been allotted for various category of vehicle.

Your Company also takes environment conservation seriously. During the year, the Company continued to focus on tree plantation in the factory campus. The Company has always appreciated its social responsibility as a part of Corporate Governance philosophy.

BOARD OF DIRECTORS

Mr. Subhash S. Dayama was appointed as the Director on the Board of the Company at the 19th Annual General Meeting of the Company. Mr. Rajesh R. Rathi ceased to be a director of the Company on the same date, since not offered himself for re-appointment.

Pursuant to the provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Mr. Venugopal N. Dhoot, Mr. S. Padmanabhan and Mr. Bhopinder K. Chopra are liable to retire by rotation. Of the retiring directors, Mr. Bhopinder K. Chopra has offered himself for re-appointment. However, Mr. Venugopal N. Dhoot and Mr. S. Padmanabhan, having not offered themselves for re-appointment, shall retire at the ensuing Annual General Meeting.

The Board recommends re-appointment of Mr. Bhopinder K. Chopra. Further, the Board also recommends appointment of Mr. Anirudha V. Dhoot in the place of Mr. Venugopal N. Dhoot. The Company has received due notice in compliance of Section 257 of the Companies Act, 1956.

The vacancy that would arise upon cessation of Mr. S. Padmanabhan at the ensuing Annual General Meeting, shall not be filled. The Board places on record its appreciation for the valuable contribution made by Mr. Venugopal N. Dhoot and Mr. S. Padmanabhan.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, we, the Directors of TREND ELECTRONICS LIMITED, state in respect of Financial Year 2008-09 that:

- in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- the Directors have 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; and
- the Directors have prepared the annual accounts on a going concern basis.

SUBSIDIARY COMPANIES

During the year under the review, M/s. Videocon VCR Securities Limited ceased to be a subsidiary of your Company.

CASH FLOW STATEMENT

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

AUDITORS' REPORT

The Auditors' report is unqualified. The notes to the Accounts referred to in the Auditors Report are self explanatory and therefore do not call for any further clarifications under Section 217(3) of the Companies Act, 1956.

AUDITORS

M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai and M/s. Kadam & Co., Chartered Accountants, Ahmednagar, retire as the Statutory Auditors at the conclusion of the Twentieth Annual General Meeting and offer themselves for re-appointment. The said Auditors have confirmed their eligibility and willingness to accept office, if appointed. Certificates have been received from the said Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The Board recommends re-appointment of M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai and M/s. Kadam & Co., Chartered Accountants, Ahmednagar, as Statutory Auditors for the period from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank its customers, shareholders, suppliers, bankers, Financial Institutions, Government Authorities for their consistent support to the Company.

Your Directors wish to place on record their appreciation of the hard work, dedication and commitment of the employees and acknowledge their contribution to the continued growth and prosperity of the Company.

The Directors are also thankful to all the stakeholders for their continued support to the Company.

By Order of the Board of Directors of
TREND ELECTRONICS LIMITED

P. N. DHOOT
Director

S. PADMANABHAN
Director

Place: Mumbai
Date: 19th February, 2010

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

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 2009

Name of Employee	Designation	Remuneration (Rs.)	Qualification	Age (Years)	Experience (Years)	Date of Commencement	Name of Last Employer	Position Held
Mr. Sanjay S. Mehra	Vice President	3,000,090/-	B.Com.	56	32	April 1, 1993	Videocon International Limited	Manager

- Remuneration includes Basic Salary, Ex-Gratia, H. R. A., Marketing Allowance, Special Allowance, C. A., L.T.A., Leave Encashment, Medical Reimbursement, Contribution to Provident Fund
- The Employee is in whole-time employment of the Company and the employment is contractual in nature.
- The Employee is not a relative of any of the Directors of the Company.

Place: Mumbai
Date: 19th February, 2010

CORPORATE GOVERNANCE REPORT

Corporate governance is a commitment backed by the fundamental belief of maximizing shareholders value, transparency in functioning, values and mutual trust amongst all constituents of an organization. It is based on the principles of transparency, accountability, integrity, equity, fairness and commitment to the stakeholders. Your Company believes that sound corporate governance is critical to enhance and retain investor trust. Accordingly, the Company always seeks to ensure that it attains its performances, rules with integrity. Your Company also endeavours to enhance long-term shareholder value.

Your Company, in its commitment to practice sound governance principles, is guided by the following core principles:

- To maintain the highest standards of transparency in all aspects.
- To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.
- To demonstrate the highest levels of personal accountability and to ensure that employees consistently pursue excellence in everything they do.
- To comply with all the laws and regulations as applicable to the Company.
- To conduct the affairs of the Company in an ethical manner.
- To promote the interest of all stakeholders including of customers, shareholders, employees, lenders, vendors, government and the community at large.

COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

The Company is in full compliance with all the requirements of the code of Corporate Governance as outlined in Clause 49 of the Listing Agreement.

BOARD OF DIRECTORS

As on 30th September, 2009, the strength of the Board was seven directors, comprising of two Promoter, Non-Executive Directors and five Independent Directors. The Company has duly complied with the requirements under Clause 49 (A) of the listing agreement with the stock exchange as regards the composition of the Board.

The composition of the Board of Directors on 30th September, 2009 is tabulated below:

Category	Directors	No. of Directors
Promoter, Non-Executive	Mr. Venugopal N. Dhoot Mr. Pradipkumar N. Dhoot	2
Independent	Mr. S. Padmanabhan Mr. Subhash S. Nabar Mr. Vivek D. Dharm Mr. Bhopinder K. Chopra Mr. Subhash S. Dayama	5

- Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot are relatives within the meaning of Section 6(c) of the Companies Act, 1956.
- None of the Directors of the Company holds any office or place of profit in terms of Section 314 of the Companies Act, 1956.
- None of the Directors of the Company has received any loans and advances during the year.

Board/Committee Proceedings:

The Company has defined guidelines for the meetings of the Board of Directors and Committees thereof. The meetings of the Board of Directors are held after

Details of number of Board meetings attended by each Directors during the year, attendance at last Annual General Meeting, number of other directorships/committee memberships held by them as on 30th September, 2009 are as hereunder:

Sr. No.	Directors	No. of Board Meetings Attended	Attendance at the last AGM (held on 30.03.2009)	No. of other Directorships held	Number of Committee Memberships in Other Companies	
					As Chairman	As Member
1.	Mr. Venugopal N. Dhoot	9	Yes	14	1	1
2.	Mr. Pradipkumar N. Dhoot	6	No	14	-	3
3.	Mr. S. Padmanabhan	5	No	12	-	6
4.	Mr. Subhash S. Nabar	4	No	4	-	1
5.	Mr. B.K. Chopra	5	No	1	1	-
6.	Mr. Vivek D Dharm	9	Yes	9	2	2
7.	Mr. Subhash S. Dayama	4	No	14	5	1
8.	Mr. Rajesh R. Rathi#	-	No	3	-	1

Mr. Rajesh R Rathi ceased to be a director of the Company with effect from the date of the Nineteenth Annual General Meeting, since not offered himself for re-appointment.

giving due advance notice to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company. It helps to facilitate decision making in an informed and efficient manner as under:

- Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members for facilitating meaningful, informed and focused decisions. To address specific urgent need, meetings are also being called at shorter notice. The Board is also authorized to pass resolution by circulation for all such matters which are of utmost urgent nature.
- In addition to the functions as performed under the supervision of the management, the Board/Committee reviews, monitors and approves major financial and business strategies and corporate actions. The Board/Committee also reviews the selection, evaluation, development and compensation of senior management. The Board also ensures that processes are in place for maintaining the integrity of the Company and compliance with applicable laws. It also overviews the relationships of the Company with customers, suppliers and stakeholders. The Board also ensures that there is delegation of appropriate authority to the senior executives of the Company for effective management of operations.
- The Board has complete and unqualified access to all information available with the Company. In fact, all items in the agenda are supported by notes on Agenda which are circulated well in advance. The information regularly provided to the Board includes:
 - Quarterly results of the Company;
 - Annual Accounts, Financial Statements etc.;
 - Minutes of the meeting of Audit and other Committees of the Board;
 - Minutes of the Board Meeting, Annual General Meetings of Subsidiary Company, if any and significant transactions, if any;
 - Information on recruitment of Senior Officers and Company Secretary;
 - Major investments, establishment and operations of Joint Venture, Subsidiary, Strategic Alliances, Collaboration etc.;
 - Divestment of Joint Ventures/Subsidiaries;
 - Acquisitions/Amalgamation, if any;
 - Related Party Transactions;
 - Disclosure of Interest by Directors about directorship and committee;
 - Positions occupied by the Directors in other companies; and
 - Other materially relevant information.
- Minutes of the proceedings of the Board/Committee meetings are recorded. Draft minutes are circulated amongst all members for their comments. The minutes of the proceedings of the meetings are entered in the minutes book.
- The guidelines for the Board/Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the actions taken on decisions of the Board and Committees.
- The board periodically reviews the compliance reports to ensure adherence to all applicable provisions of law, rules and guidelines as may be applicable to the Company and takes steps to rectify non-compliances, if any.

Board Meetings and Attendance:

Ten Board Meetings were held during the year 2008–09 on the following dates: 27th October, 2008, 5th January, 2009, 31st January, 2009, 26th February, 2009, 24th March, 2009, 29th April, 2009, 18th May, 2009, 10th July, 2009, 31st July, 2009 and 25th September, 2009.

- Number of Directorships held by Directors excludes alternate Directorships, Directorships in Foreign Companies, Companies incorporated U/s. 25 of the Companies Act, 1956 and Private Limited Companies.
- Membership/Chairmanships of only the Audit Committee and Shareholders'/Investors' Grievance Committee of Public Limited Companies have been considered in terms of Clause 49 of the Listing Agreement.
- None of the directors hold directorships in more than 15 Public Limited Companies.
- No Director is a member of more than 10 committees of board nor is a chairman of more than 5 committees of the Board.

Brief Details of Directors proposed to be Re-appointed/Appointed:

The brief details of directors retiring by rotation and seeking re-appointment/appointment at the Twentieth Annual General Meeting form part of the Notice.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted the following committees:

- Audit Committee
- Shareholders'/Investors' Grievance Committee
- Remuneration Committee

AUDIT COMMITTEE

The Audit Committee of the Board of Directors comprised of three independent directors. There was no change in the composition of the Committee during the year. The Composition as on 30th September, 2009 was as under:

Name of the Member	Category
Mr. Vivek D. Dharm - Chairman	Independent
Mr. S. Padmanabhan	Independent
Mr. Bhopinder K. Chopra	Independent

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

The terms of reference of the audit committee are in accordance with all the items listed in Clause 49 (II) (D) and (E) of the listing agreement:

General Functions and Powers of Audit Committee:

The terms of reference of the Audit Committee are broadly as under:

- Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment/re-appointment and replacement/removal of statutory auditors, fixation of audit fee and also approval for payment for any other services rendered by the auditors;
- Reviewing with the management, the performance of statutory and internal auditors and the adequacy of internal control systems;
- Reviewing with the management the annual financial statements before submission to the board, focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices;
 - Major accounting entries based on exercise of judgement by management;
 - Observations if any, in draft audit report;
 - Significant changes/amendments, if any, arising out of audit;
 - The going concern assumption;
 - Compliance with accounting standards;
 - Qualification in the draft audit report;
 - Compliance with stock exchange and legal requirements concerning financial statements; and
 - Any related party transactions i.e., transactions of the Company of material nature, with promoters or the management, with the subsidiary company or relatives etc., that may have potential conflict with the interests of Company at large;
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the

department, reporting structure coverage and frequency of internal audit;

- Discussion with internal auditors any significant findings and follow up there on;
- Reviewing the findings, if any, 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;
- Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- Reviewing the Company's financial and risk management policies;
- To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Financial Statements and Investments made by Subsidiaries;
- To review the functioning of Whistle Blower Mechanism, if any; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also reviews:

- Management discussion and analysis of financial conditions and results of operations.
- Internal Audit Reports relating to internal control weaknesses.
- Statement of significant related party transactions, if any.
- Management Letters/Letters of internal control weaknesses issued by the Statutory Auditors.
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.

The Audit Committee is also vested with the following powers:

- To investigate any activity within its terms of reference;
- To seek any information from any employee;
- To obtain external legal and professional advice; and
- To secure attendance of outsiders with relevant expertise if it considers necessary.

Meetings and Attendance:

During the financial year under consideration, 5 (Five) meetings of the Committee were held on the following dates: 27th October, 2008, 31st January, 2009, 26th February, 2009, 29th April, 2009 and 31st July, 2009.

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

Members of the Committee	Meetings attended
Mr. Vivek D. Dharm	5
Mr. S. Padmanabhan	3
Mr. Bhopinder K. Chopra	3

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee of the Board of Directors comprised of two independent directors and one promoter non-executive director. There was no change in the Composition of the Shareholders'/Investors' Grievance Committee during the year. The composition as on 30th September, 2009 was as under:

Name of the Member	Category
Mr. Vivek D. Dharm - Chairman	Independent
Mr. Pradipkumar N. Dhoot	Promoter, Non-Executive
Mr. S. Padmanabhan	Independent

Scope of Shareholders'/Investors' Grievance Committee:

The Committee monitors redressal of Shareholders' and Investors' complaints and also administers the following activities:

- Transfer/Transmission of shares;
- Issue of Duplicate Share Certificates;
- Change of Status of holding;
- Change of Name;

TREND ELECTRONICS LIMITED

- e) Transposition of Shares;
- f) Sub-division of Shares;
- g) Consolidation of Folios;
- h) Shareholders requests for Dematerialisation/Rematerialisation of shares;
- i) Review of shares dematerialized;
- j) Monitoring violation of the code of conduct prescribed by SEBI for prevention of insider trading; and
- k) Issue and allotment of securities.

Particulars of investor grievances received and redressed during the financial year 2008-09 form part of this report. The Company Secretary is the Compliance Officer of the Company.

Meetings and Attendance:

During the financial year under consideration, 4 (Four) meetings of the Shareholders'/Investors' Grievance Committee were held on the following dates: 27th October, 2008, 26th February, 2009, 21st April, 2009 and 3rd August, 2009. The details of the attendance by the members are as under:

Members of the Committee	Meetings attended
Mr. Vivek Dharm	4
Mr. Pradipkumar N. Dhoot	3
Mr. S. Padmanabhan	3

Share Transfer Details:

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

Particulars	Equity
Number of Transfers	40
Average No. of Transfer per month	3
Number of Shares Transferred	3,551

Demat/Remat of Shares:

Details of Shares Dematerialised/Rematerialised during the year under review are given below:

Particulars	Equity
Number of Demat Transfers approved	188
Number of Sub-committee Meetings held	44
Number of Shares Dematerialised	17,455
Percentage of Shares Dematerialised	0.23
Number of Rematerialisation requests approved	0
Number of Shares Rematerialised	0

Details of complaints received and redressed during the year 2008-09:

Particulars	Received	Redressed	Pending as on 30.09.2008
Non-receipt of refund orders	0	0	0
Non-receipt of dividend/ interest/ redemption warrants	40	40	0
Non-receipt of share certificates	33	33	0
Others	70	70	0
Total	143	143	0

Note: Representatives of the Company are in constant touch with MCS Limited, Share Transfer Agents of the Company, to periodically review the outstanding complaints.

REMUNERATION COMMITTEE

The Remuneration Committee of the Board of Directors comprised of three independent directors. There was no change in the composition of the Remuneration Committee during the year. The composition as on 30th September, 2009, was as under:

Name of the Member	Category
Mr. Bhopinder K. Chopra - Chairman	Independent
Mr. Subhash S. Nabar	Independent
Mr. S. Padmanabhan	Independent

Scope of Remuneration Committee:

The following matters are referred to the Remuneration Committee:

- Fixing and reviewing the remuneration of the Chief Executives and other senior officers of the Company;
- Recommend the remuneration including the perquisite package of key management personnel;
- Determining the remuneration policy of the Company;
- Recommend to the Board retirement benefits;
- Reviewing the performance of employees against specific key result areas; and
- To attend to any other responsibility as may be entrusted by the Board.

Directors' Remuneration:

The Independent Directors are paid sitting fees for participating in the Board and various Board committee meetings. Fees for non-executive and independent Directors are subject to the approval of Shareholders at Annual General Meetings. Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot, Promoter Directors, are not drawing any sitting fees.

Details of payments towards sitting fees to Independent Directors during the year 2008-09 are as under:

Name of Director	Sitting fees paid (Rs.)
Mr. S. Padmanabhan	19,500
Mr. Subhash S Nabar	10,000
Mr. Vivek D. Dharm	31,500
Mr. Bhopinder K Chopra	16,500
Mr. S. S. Dayama	10,000
TOTAL	87,500

Meetings and Attendance:

During the financial year under consideration, one meeting of the Committee was held on 29th April, 2009. The details of attendance by the members are as under:

Members	Meetings attended
Mr. Bhopinder K. Chopra	1
Mr. Subhash S. Nabar	-
Mr. S. Padmanabhan	1

Stock Options:

The Company has not issued any stock options during the year.

GENERAL BODY MEETINGS

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

AGM	AGM Date	Location	Time	No. of Special Resolution Passed
17th AGM	30.03.2007	20 K.M. Stone, Aurangabad-Beed Road, Village Bhalgaon, Aurangabad – 431 210 (MS)	4.30 p.m.	Two
18th AGM	31.03.2008	20 K.M. Stone, Aurangabad-Beed Road, Village Bhalgaon, Aurangabad – 431 210 (MS)	3.00 p.m.	NIL
19th AGM	30.03.2009	20 K.M. Stone, Aurangabad-Beed Road, Village Bhalgaon, Aurangabad – 431 210 (MS)	4.00 p.m.	NIL

During the year under review, no resolution was transacted through Postal Ballot. Further, there are no special resolutions proposed to be transacted at the Annual General Meeting.

DISCLOSURES

Materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.	There are no transactions, which may have potential conflicts with the interests of company at large. Transactions with related parties are disclosed in Note No. 6 of Schedule 14B to the Accounts in the Annual Report.
Non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	Nil
Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee.	The Company has implemented Whistle Blower Policy and no personnel have been denied access to the Audit Committee.
Details of Compliance with mandatory requirements and adoption of the non mandatory requirements of this clause	The Company has complied with mandatory requirements and adopted the following non mandatory requirements: -The Company has constituted a remuneration committee -Whistle Blower Policy

MEANS OF COMMUNICATION

The Company regularly intimates its un-audited as well as audited financial results to the Stock Exchange, as soon as these are taken on record/approved. These financial results are published in Hindu Business Line or The Financial Express and Gavkari (Marathi) or Navshakti, dailies with wide circulation. The results of the Company are also available on the website of the SEBI at <http://sebidifir.nic.in>. The official news releases and the presentations made from time to time to investors and financial analysts at investors' meets, if any, are also displayed on the Company's website. The results are not sent individually to the shareholders.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

Date	30th March, 2010
Time	4.00 p.m.
Venue	20 K.M. Stone, Aurangabad - Beed Road, Village Bhalgaon, Aurangabad - 431 210 (Maharashtra)

Financial Calendar for 2009-10:

Particulars	Date
Accounting Period	1st October, 2009 - 30th September, 2010
Unaudited financial results	Announcement within a month from the end of each quarter
First Quarter result	On or before 31st January, 2010
Second Quarter result	On or before 30th April, 2010
Third Quarter result	On or before 31st July, 2010
Fourth Quarter result	On or before 31st October, 2010
Annual General Meeting for year ending 30th September, 2010	On or before 31st March, 2011

Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from 17th March, 2010 to 30th March, 2010 (both days inclusive).

Payment of Dividend:

The Board of Directors of the Company has recommended a final dividend of Re. 1.00 per share for the financial year ended 30th September, 2009.

The tentative dividend payment date is 10th April, 2010.

Listing on Stock Exchange:

The Equity shares of your Company are listed on:

Bombay Stock Exchange Limited
1st Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Scrip Code: 517228

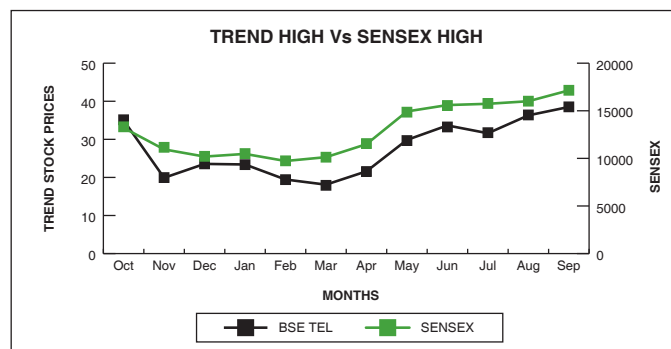
The Annual Listing fee for the year 2009-10 i.e. upto 31st March, 2010 has been paid to the Stock Exchange.

The shareholders of the Company at their meeting held on 31st March, 2004 have accorded approval for delisting of equity shares from The Madras Stock Exchange Limited, The Stock Exchange Ahmedabad, Bangalore Stock Exchange Limited, The Calcutta Stock Exchange Association Limited, Pune Stock Exchange Limited and Delhi Stock Exchange Limited. The Company has complied with the necessary formalities for delisting. However, the confirmations from the said Stock Exchange(s) are awaited.

Market Price Data:

Monthly High and Low prices at the Bombay Stock Exchange during the year 2008-09 are as under:

Month	BSE	
	High Price	Low Price
October, 2008	35.00	15.20
November, 2008	19.90	10.45
December, 2008	23.55	11.20
January, 2009	23.40	13.10
February, 2009	19.45	12.70
March, 2009	18.10	13.90
April, 2009	21.60	15.75
May, 2009	29.85	18.70
June, 2009	33.65	25.95
July, 2009	31.60	22.35
August, 2009	36.30	26.25
September, 2009	38.50	32.00



Registrar and Transfer Agent:

M/s. MCS Limited

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

Masjid (East)

Mumbai 400 009.

Tel.: (022) 23726253/55

Fax: (022) 23726252

Share Transfer System:

Entire share transfer activities are carried out by M/s. MCS Limited, Registrar and Transfer Agents of the Company. Applications for transfer of shares held in physical form are received at the office of the Registrar and Share Transfer Agents

TREND ELECTRONICS LIMITED

of the Company. Share transfers are approved by Sub-Committee of the Board and all valid transfers are processed within 15 days from the date of receipt.

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

Distribution of Shareholding:

Shareholding pattern as on 30.09.2009 is as below:

Category code	Category of Shareholder	Number of Shareholder	Total Number of Shares	Number of Shares in Demat Form	Total shareholding as a Percentage of total Number of Shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B)	Number of Shares	As a percentage to total no. of shares
(A)	Share holding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals / Hindu Undivided family	5	150	150	0.00	0.00	0	0.00
(b)	Central Govt./ State Govt.(s)							
(c)	Bodies Corporate	4	3,566,955	2,816,955	47.56	47.56	0	0.00
(d)	Financial Institutions/ Banks							
(e)	Any Other (specify)							
	Sub - Total (A) (1)	9	3,567,105	2,817,105	47.56	47.56	0	0.00
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub - Total (A) (2)	0	0	0	0.00	0.00	0	0.00
	Total Share holding of Promoter and Promoter Group (A) = (A) (1)+(A)(2)	9	3,567,105	2,817,105	47.56	47.56	0	0.00
(B)	Public Share holding						N.A.	N.A.
(1)	Institutions						N.A.	N.A.
(a)	Mutual Funds / UTI	1	2,400	0	0.03	0.03		
(b)	Financial Institutions/ Banks	9	1,600	75	0.02	0.02		
(c)	Central Govt./ State Govt.(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		

Category code	Category of Shareholder	Number of Shareholder	Total Number of Shares	Number of Shares in Demat Form	Total shareholding as a Percentage of total Number of Shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B)	Number of Shares	As a percentage to total no. of shares
(e)	Insurance Companies	0	0	0	0.00	0.00		
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00		
(g)	Foreign Venture Capital Investors	0	0	0				
(h)	Any Other (specify)	0	0	0				
	Sub - Total (B) (1)	10	4,000	75	0.05	0.05	N.A.	N.A.
(2)	Non-Institutions							
(a)	Bodies Corporate	207	322,272	290,147	4.30	4.30		
(b)	Individuals i) Individuals Shareholders holding nominal share capital up to Rs. 1 Lakh	19,186	2,121,010	1,129,698	28.28	28.28		
	ii) Above Rs. 1 Lakh	19	1,485,613	1,429,513	19.81	19.81		
(c)	Any Other (specify)							
	Sub - Total (B) (2)	19,412	3,928,895	2,849,358	52.39	52.39		
	Total Public Share holding B= (B)(1)+(B)(2)	19,422	3,932,895	2,849,433	52.44	52.44	N.A.	N.A.
	TOTAL (A) + (B)	19,431	7,500,000	5,666,538	100.00	100.00		
(C)	Shares held by Custodians and against which Depository Receipt have been issued	0	0	0	N.A.	0.00	N.A.	N.A.
	GRAND TOTAL (A)+(B)+(C)	19,431	7,500,000	5,666,538	N.A.	100.00		

Distribution of Shareholding as on 30.09.2009 is as given below:

Share Holding of Nominal Value of Rupees	Number of Shareholders	% to Total	No. of Shares	Amount (in Rs.)	% to Total
Up to 5,000	19,380	99.74	2,076,551	20,765,510	27.69
5,001 to 10,000	22	0.11	151,338	1,513,380	2.02
10,001 to 20,000	14	0.07	202,178	2,021,780	2.70
20,001 to 30,000	3	0.02	70,335	703,350	0.94
30,001 to 40,000	2	0.01	61,928	619,280	0.82
40,001 to 50,000	1	0.01	59,832	598,320	0.80
50,001 to 1,00,000	3	0.01	220,135	2,201,350	2.93
1,00,001 and above	6	0.03	4,657,703	46,577,030	62.10
Total	19,431	100.00	7,500,000	75,000,000	100.00

Dematerialisation of Shares and liquidity:

The Securities and Exchange Board of India (SEBI), through a notification has made it mandatory that any delivery in the Company's shares against stock exchange trades shall be in demat form. As on 30.09.2009, 5,666,538 equity shares (representing 75.55% of the total number of shares) have been dematerialized.

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 30th September, 2009, there are no outstanding instruments which warrant conversion.

Plant Location:

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

Address for Correspondence:

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

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

MCS Limited
Kashiram Jamnadas Building
Office No. 21/22, Ground Floor,
5, P. D'mello Road (Ghadiyal Godi),
Masjid (East), Mumbai - 400 009
Tel.: 022 23726253/55 • Fax: 022 23726252
E-mail ID: secretarial_trend@videoconmail.com

COMPLIANCE CERTIFICATE OF THE AUDITORS:

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

DECLARATION

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

HEAD-OPERATIONS

COMPANY SECRETARY

CEO/CFO CERTIFICATION

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

- a) We have reviewed the Financial Statement and the Cash Flow Statement for the year and to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls, evaluate the effectiveness, disclosing the deficiencies to the Auditors and the Audit Committee and take steps or proposed to take steps to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - Significant changes in Internal Control processes during the year;
 - Significant changes in Accounting Policies; and
 - Instances of significant fraud of which we have become aware.

HEAD-OPERATIONS

CHIEF FINANCIAL OFFICER

COMPLIANCE CERTIFICATE OF THE AUDITORS

To,
The Members,
Trend Electronics Limited

We have examined the compliance of conditions of Corporate Governance by Trend Electronics Limited, for the year ended 30th September, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with, in all material respect, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the stock exchange.

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

For KHANDELWAL JAIN & CO.,

Chartered Accountants

SHIVRATAN AGARWAL

Partner

Membership No. 104180

Place: Mumbai

Date: 19th February, 2010

For KADAM & CO.,

Chartered Accountants

U.S. KADAM

Partner

Membership No. 31055

The Management Discussion and Analysis Report has been prepared in adherence to the spirit enunciated in the Code of Corporate Governance approved by the Securities and Exchange Board of India and in compliance with the provisions of the Listing Agreement. Statements made in this report may be forward looking, based on certain assumptions and expectations of future events. Actual results may differ materially from those expressed or implied.

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 undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this report consequent to new information, future events or otherwise.

The Management presents herein the Industry overview, opportunities and threats in the Consumer Electronics Industry and the Company's outlook for the future.

INDUSTRY STRUCTURE

CONSUMER ELECTRONICS INDUSTRY:

The Consumer Electronics Industry has registered a strong growth over the past few years. The demand in the Indian market for consumer electronics is growing rapidly and there continues to be an inflow of investments augmenting domestic manufacturing.

Consumer Electronics Industry broadly comprises of Brown Goods, White Goods and Small Domestic Appliances. Colour Televisions, LCD, TVs, PDPs, CD and DVD Players are categorized as Brown Goods. Airconditioners, Refrigerators, Washing Machine, Dish Washers, Drying Cabinets, Microwave Ovens, Washing Machines, Freezers etc., are categorized as White Goods and Iron, Vacuum Cleaners, Water Purifiers are Small Domestic Appliances.

The key growth drivers of the industry in India are:

- Higher disposable incomes and buying power of people;
- Easy finance schemes that facilitate purchases;
- Increasing Rural aspiration;
- Penetration levels in all categories are extremely low at present;
- Attractive consumer finance deals available easily;
- Trend towards nuclear families creating more households;
- Shorter product life cycle in consumer homes; and
- Entry point products are becoming cheaper and more affordable for first time buyers.

Your Company primarily focuses on manufacturing Colour Televisions, Set Top Boxes, PCB Assemblies and DVD/VCDs.

COLOUR TELEVISIONS:

Colour Televisions (CTV) is one of the dominant products in the Consumer Electronics segment. With technological upgradation, there has been a shift from conventional TVs to Flat TVs and from Flat TVs to Slim and Ultra Slim TVs. The markets are changing rapidly from the conventional CRT technology to flat panel display televisions.

With the technology changing day by day, the new trend in television industry is Flat Panel Display (FPD). Undergoing metamorphosis, FPD market is turning from low volume, high pricing and low consumer awareness to affordable pricing and desire for enhanced technology and cinematic viewing experience. It comprises of Liquid Crystal Display (LCD) TV and Plasma (PDP) TV. The high-end products, particularly LCD TVs continue on their growth path.

The LCD TV segment in India is poised for significant growth in the coming years. The Indian market is witnessing a consistent growth in LCD TV sales. This growth has been spurred by a major drop in prices by leading brands coupled with widespread acceptance in worldwide markets. The consumer today does not prefer bulky and heavy CRT TVs with lower resolutions. High Density, space efficient sets are in vogue.

The Company believes that Integrated Digital TV's with built in DTH facilities is the future of the industry.

DVDs/VCDs:

The DVD segment has continued to capture the attention of major players during the year. It has witnessed an upsurge which has resulted in the creation of

increased capacities of DVD players in the country with the national level players increasingly preferring to source these products locally rather than to import them.

The major factor for the increase in sales of DVDs has been the sharp decline in the prices, thereby bridging the gap between DVDs and VCDs. The VCD consumer has been upgrading to this category with the price gap between VCDs and DVDs narrowing.

With DVD players and discs becoming more affordable for the consumer, the segment seems all set to replicate the kind of growth it had on the global front in the Indian market.

The Company has created a niche in the DVD market by focusing on reducing the price while maintaining the quality standards, making it affordable to the common man. The objective is to make the product second to none in the Domestic as well as the International Market.

OPPORTUNITIES

The Consumer Electronics Industry is increasingly becoming consumption-led creating a number of opportunities for the growth in this Industry. Consumers no longer look upon consumer durables as an item of luxury, but as an integral part of their lives. There is a huge demand for sophisticated brands with the consumers preferring innovative, high grade products.

Rapid growth in population and commissioning of modern retail formats, too, are encouraging manufacturers to introduce modern technology-based, feature-rich products. Significant opportunities available in the Industry are:

- Significant potential for enhanced penetration in rural areas;
- Attractive finance schemes being offered for purchase of luxury products;
- Growth of Media leading to enhanced product awareness;
- Diversifying the product portfolio by bringing more products under one basket; and
- Launching high-end, cost effective products which would take care of the changed consumer preferences.
- Huge opportunities in manufacture of Integrated Digital TV's with built in DTH facility.

THREATS

- Shift in the Customers' Focus;
- Increased Interest Outflow;
- Highly Competitive Market;
- Inflation;
- Cost Pressures;
- Rapid transition of technology;
- Recession;
- Erosion in Margins on account of time-lag between input cost escalation and increase in end product realizations; and
- Lack of awareness about new products and technologies.

BUSINESS OUTLOOK

The Consumer Electronics Industry is very dynamic and new products are being launched on a continual basis. Consumer demand is ever-increasing. The Industry, driven by new technologies, standards and products, is fast evolving.

Your Company proposes to cash on its following strengths:

- Best and Most sophisticated technology to suit Indian needs;
- Maintaining High Quality Standards;
- Market Penetration;
- Research and Analysis;
- Futuristic Products;
- Energy Saving Techniques; and
- Quality workforce and efficient manpower

The outlook for the Consumer Electronics Industry for 2010 appears to be positive in view of global signs of recovery.

RISKS AND CONCERNS

The market for consumer electronics products and household appliances is highly competitive and your Company has experienced pressure on its prices and margins.

Further, increase in manufacturing capacity by some manufacturers and the price wars prevalent in the Industry owing to the entry of new players in the market might affect the profitability of the Company.

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

Emergence of organized retail is another looming threat. Macro economic risks like economic recession, political/social upheaval and natural disasters could also adversely affect the industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal control and Audit is an important tool in the hands of the management to ensure that systems and procedures laid down by the Company are implemented in right earnest.

The Company has in place adequate systems of internal control and documented procedures covering all financial and operating functions. The internal control system of the Company provides for:

- Ensuring compliance with applicable statutes, policies, procedures, listing requirements, management guidelines and circulars;
- Adherence to applicable accounting standards and policies;
- Adequacy of accounting records for preparation of financial statements and other financial information;
- Safeguarding of assets/resources;
- Execution of transactions in accordance with management's authorization, accurate recording, cross verification and prompt recording;
- Information technology system which would include controls for facilitating the above.

Internal checks and controls are exercised by strictly adhering to the various procedures laid at the time of delegation of authorities and other procedures. The Audit Committee of the Board of Directors periodically reviews the internal control systems for its adequacy and effectiveness. All organizational activities are subject to internal controls.

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

SALES:

During the year under review, the Company achieved a gross sales of Rs. 8,439.78 million as against Rs. 8,023.61 million during the previous year ended on 30th September, 2008, thereby recording an increase of 5.19% in gross sales as compared to previous year.

OTHER INCOME:

Other Income for the year was Rs.14.02 million as against Rs. 37.95 million during the previous ended on 30th September, 2008, representing a decrease of 63.06% as compared to previous year. The decrease is mainly on account of decrease in Dividend and Investment Income. Other income comprises of interest, dividend and miscellaneous income.

EXPENDITURE:

COST OF GOODS CONSUMED/SOLD:

Cost of Goods Consumed stood at Rs. 7,734.87 million as against Rs. 7,236.90 million during the previous year, representing an increase of 6.88% as compared to previous year ended on 30th September, 2008. The increase is on account of increase in turnover of the Company.

SALARIES, WAGES AND EMPLOYEES' BENEFITS:

During the year under review, the Salaries, Wages and Employees' Benefits were Rs. 68.45 million as against Rs. 78.02 million during the previous year ended on 30th September, 2008 representing a reduction of 12.27% as compared to the previous year.

MANUFACTURING AND OTHER EXPENSES:

During the year under review, the Manufacturing and Other Expenses were Rs. 204.19 million as against Rs. 210.84 million during the previous year, representing a decrease of 3.15% as compared to previous year ended on 30th September, 2008.

INTEREST AND FINANCE CHARGES:

Interest and Finance Charges were to the tune of Rs. 107.64 million as against Rs. 134.66 million during the previous year ended, representing a decrease of 20.07% as compared to previous year ended on 30th September, 2008.

DEPRECIATION:

Depreciation was Rs. 115.69 million as against Rs. 123.25 million during the previous year, representing a decrease of 6.13% as compared to previous year ended on 30th September, 2008.

PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS:

As a result of the foregoing, the profit before exceptional items and taxation was Rs. 54.98 million as against Rs. 35.97 million during the previous year, representing an increase of 52.85% as compared to previous year ended on 30th September, 2008.

PROVISION FOR TAXATION:

Provision for Taxation includes Provision for Current Tax, Deferred Tax and Fringe Benefit Tax. During the year under review, the Company has provided Rs. 8.92 million for Current Tax, Rs. 9.68 million for Deferred Tax and Rs. 0.21 million for Fringe Benefit Tax, as against Rs. 4.13 million for Current Tax, Rs. 6.92 million for Deferred Tax and Rs. 0.58 million for Fringe Benefit Tax for the previous year ended 30th September, 2008.

NET PROFIT:

Net Profit (profit after tax) of the Company is increased to Rs. 36.17 million from Rs. 24.34 million for the previous year ended 30th September, 2008 representing an increase of 48.60% in Net Profit.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company is determined to improve lifestyle of its human asset to create a workplace where every person can explore his potentials to the fullest. Ample initiatives have been taken by the Company to create a sense of belongingness amongst employees as the same acts as a catalyst in boosting the morale of employees leading to increased contribution per employee.

The Company gears them to face challenges in the competitive business environment and helps them attain desired goals through various Human Resource Activities, some of them being:

- Various awards are declared at regular intervals viz. Best Suggestion Award, Target Achievement Award.
- Regular feedback from Shop Floor staff.
- Scholarship Policy for Employees' children.

The industrial relations remained cordial during the year. Some of the steps taken by your Company to maintain harmonious industrial relations are as under:

- Grievance handling policy and procedures have been chalked out and implemented.
- Rules and regulations have been framed to ensure discipline.
- Proper system of reward is in practice.
- Decisions on major issues and disputes are being settled by mutual discussion i.e. by collective bargaining.

The Company, with its work force of over 800 employees, is poised to take in its stride, all the challenges in the business environment and march towards achieving its mission with success.

To
The Members of

TREND ELECTRONICS LIMITED

1. We have audited the attached Balance Sheet of **TREND ELECTRONICS LIMITED** as at 30th September, 2009, Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of the audit, we give in the Annexure hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in above paragraph, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
- e) According to the information and explanations given to us and on the basis of written representations received from the directors of the Company and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th September, 2009 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 30th September, 2009;
 - (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180
Firm Registration No. 105049W

Place : Mumbai
Date : 19th February, 2010

For KADAM & CO.
Chartered Accountants

U.S. KADAM
Partner
Membership No. 31055
Firm Registration No. 104524W

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph 3 of the Auditors' Report of even date to the Members of **TREND ELECTRONICS LIMITED** on the accounts for the year ended 30th September, 2009.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
 - (b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
 - (c) During the year the Company has not disposed off any substantial/major part of fixed assets.
- (ii) (a) As per the information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory. As per information and explanations given to us, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) As per the information and explanation given to us, the Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) As the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, Sub-clauses (b),(c),(d),(f) and (g) of Clause (iii) of paragraph 4 of the Order are not applicable.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control systems.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs, in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) The Central Government has prescribed maintenance of the cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the Company's product. We have broadly reviewed the books of accounts and records maintained by the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Custom-duty, Excise-duty, Cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 30th September, 2009 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company examined by us and information and explanations given to us, the particulars of dues of Sales-tax, Income-tax, Custom-duty, Wealth-tax, Service-tax, Excise-duty, Cess which have not been deposited on account of disputes, are given below.
- (x) There are no accumulated losses of the Company as on 30th September, 2009. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, banks or debenture holders.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a Chit fund Company or nidhi/mutual benefit fund/society. Therefore, the Clause (xiii) of the Order is not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investments and that timely entries have generally been made therein. All shares, debentures and other securities have been held by the Company in its own name except to the extent of the exemption granted under Section 49 of the Companies Act, 1956.
- (xv) According to the information and explanations given to us, the terms and conditions of guarantees given by the Company for the loans taken by others from banks or financial institutions are, prima-facie, not prejudicial to the interest of the Company.
- (xvi) According to the information and explanations given to us no term loans were raised during the year.
- (xvii) According to the information and explanation given to us and on the basis of overall examination of the Balance Sheet of the Company, we report that, the Company has not used funds raised on short term basis for long term investments.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issues during the year covered by our report.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Nature of the Statute	Nature of the Dues	Rupees in Million	Forum where dispute is pending
1. Customs Act	Custom Duty Penalty Custom Duty	0.75 3.31	CESTAT. Dy. Commissioner
2. Central Excise Act	Excise Duty	9.16 0.29	CESTAT High Court, Aurangabad
3. Service Tax	Service Tax	5.50 0.10	Commissioner Dy. Commissioner
4. Sales Tax Act	Sales Tax	0.22 34.73 0.42	Tribunal Dy. Commissioner Asst. Commissioner

For KHANDELWAL JAIN & CO.
Chartered Accountants

For KADAM & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180
Firm Registration No. 105049W

U. S. KADAM
Partner
Membership No. 31055
Firm Registration No. 104524W

Place : Mumbai
Date : 19th February, 2010

BALANCE SHEET AS AT 30TH SEPTEMBER, 2009

Particulars	Schedule	As at 30th Sept., 2009 (Rupees in Million)	As at 30th Sept., 2008 (Rupees in Million)
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital - Equity	1	75.00	75.00
b) Reserves & Surplus	2	783.58	752.46
2. Deferred Tax Liability (Net)			
		164.09	154.41
3. Loan Funds			
a) Secured Loans	3	821.73	641.01
b) Unsecured Loans	4	1,699.76	1,438.36
	TOTAL	<u>3,544.16</u>	<u>3,061.24</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block		2,724.24	2,713.96
b) Less : Depreciation, Impairment and Amortisation		<u>1,567.09</u>	<u>1,451.40</u>
c) Net Block		1,157.15	1,262.56
2. Investments			
	6	207.12	207.23
3. Current Assets, Loans and Advances			
a) Inventories	7	1,641.75	1,286.54
b) Sundry Debtors		1,451.56	1,443.96
c) Cash and Bank Balances		224.19	104.56
d) Other Current Assets		6.95	6.12
e) Loans and Advances		<u>247.66</u>	<u>274.04</u>
		<u>3,572.11</u>	<u>3,115.22</u>
Less : Current Liabilities and Provisions			
a) Current Liabilities	8	1,354.18	1,503.22
b) Provisions		<u>38.04</u>	<u>20.55</u>
		<u>1,392.22</u>	<u>1,523.77</u>
Net Current Assets		2,179.89	1,591.45
	TOTAL	<u>3,544.16</u>	<u>3,061.24</u>
Significant Accounting Policies and Notes to Accounts	14		

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHVRATAN AGARWAL
Partner
Membership No.104180

Place : Mumbai
Date : 19th February, 2010

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

For and on behalf of the Board

P. N. DHOOT
Director

S. PADMANABHAN
Director

KANCHAN A. KAKADE
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 30TH SEPTEMBER, 2009

Particulars	Schedule	For the Year ended on 30th Sept., 2009 (Rupees in Million)	For the Year ended on 30th Sept., 2008 (Rupees in Million)
I. INCOME			
Sales/Income from Operations		8,439.78	8,023.61
Less: Excise Duty		167.98	241.92
Net Sales		8,271.80	7,781.69
Other Income	9	14.02	37.95
TOTAL		8,285.82	7,819.64
II. EXPENDITURE			
Cost of Goods Consumed/Sold	10	7,734.87	7,236.90
Salaries, Wages and Employees' Benefits	11	68.45	78.02
Manufacturing and Other Expenses	12	204.19	210.84
Interest and Finance Charges	13	107.64	134.66
Depreciation		115.69	123.25
TOTAL		8,230.84	7,783.67
III. PROFIT BEFORE TAX			
		54.98	35.97
Less: Provision for Taxation			
Current Tax		8.92	4.13
Deferred Tax		9.68	6.92
Fringe Benefit Tax		0.21	0.58
IV. PROFIT FOR THE YEAR			
		36.17	24.34
Add: Provision for Income Tax for earlier years W/Back/(Paid)		3.73	(0.28)
Add: Balance brought forward		134.61	119.94
V. BALANCE AVAILABLE FOR APPROPRIATION			
		174.51	144.00
VI. APPROPRIATIONS			
i. Proposed Dividend - Equity		7.50	3.75
ii. Corporate Tax on Proposed Dividend		1.28	0.64
iii. Transfer to General Reserve		4.00	5.00
iv. Balance carried to Balance Sheet		161.73	134.61
TOTAL		174.51	144.00
Basic and Diluted Earnings per Share (Nominal value Rs.10/-) (Refer Note B-7 of Schedule-14)		Rs. 5.32	Rs. 3.21
Significant Accounting Policies and Notes to Accounts	14		

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHVRATAN AGARWAL
Partner
Membership No.104180

Place : Mumbai
Date : 19th February, 2010

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

For and on behalf of the Board

P. N. DHOOT
Director

S. PADMANABHAN
Director

KANCHAN A. KAKADE
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER, 2009

	Year ended on 30th Sept., 2009 (Rupees in Million)	Year ended on 30th Sept., 2008 (Rupees in Million)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	54.98	35.97
a) Depreciation	115.69	123.25
b) Interest and Finance Charges	107.64	134.66
c) Diminution in value of Investments	4.04	4.33
d) Interest Received	(10.36)	(8.83)
e) Profit on Sale of Investments	-	(18.83)
f) Profit on Sale of Fixed Assets	-	(0.74)
g) Dividend Received	(2.54)	(8.90)
Cash flow from Operating Activities before Working Capital Changes	269.45	260.91
Adjustments:		
a) Inventories	(355.21)	115.52
b) Sundry Debtors	(7.60)	(95.33)
c) Other Current Assets, Loans and Advances	28.22	(173.13)
d) Trade & Other Payables	(137.60)	400.33
Cash flow from Operating Activities	(202.74)	508.30
Less: Income Tax and FBT Paid/(Refund Received) (Net)	1.56	5.79
Net Cash flow from Operating Activities (A)	(204.30)	502.51
B. CASH FLOW FROM INVESTING ACTIVITIES		
a) Interest Received	7.69	8.56
b) Proceeds from Sale of Fixed Assets	-	4.11
c) Dividend Received	2.54	8.90
d) (Purchase) of Fixed Assets	(10.28)	(16.00)
e) (Purchase)/Sale of Investments (Net)	(3.93)	(99.26)
Net Cash flow from Investing Activities (B)	(3.98)	(93.69)
C. CASH FLOW FROM FINANCING ACTIVITIES		
a) Increase/(Decrease) in Working Capital Loans	275.77	11.37
b) Increase/(Decrease) in Secured Term Loans	(95.05)	(151.88)
c) Increase/(Decrease) in Unsecured Loans	261.40	(120.74)
d) Interest and Finance Charges Paid	(110.00)	(132.30)
e) Payment of Dividend	(3.57)	(3.95)
f) Corporate Tax on Dividend	(0.64)	(0.64)
Net Cash flow from Financing Activities (C)	327.91	(398.14)
Net Change in Cash and Cash Equivalents (A + B + C)	119.63	10.68
Opening Balance of Cash and Cash Equivalents	104.56	93.88
Closing Balance of Cash and Cash Equivalents	224.19	104.56

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No.104180

Place : Mumbai
Date : 19th February, 2010

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

For and on behalf of the Board

P. N. DHOOT
Director

S. PADMANABHAN
Director

KANCHAN A. KAKADE
Company Secretary

SCHEDULES TO BALANCE SHEET

	As at 30th Sept., 2009 (Rupees in Million)	As at 30th Sept., 2008 (Rupees in Million)
SCHEDULE 1 - SHARE CAPITAL		
Authorised:		
10,000,000 (Previous year 10,000,000) Equity Shares of Rs. 10/- each	100.00	100.00
5,000,000 (Previous year 5,000,000) Redeemable Preference Shares of Rs. 100/- each	500.00	500.00
	600.00	600.00
Issued, Subscribed and Paid-up:		
Equity Share Capital		
7,500,000 (Previous year 7,500,000) Equity Shares of Rs. 10/- each fully paid-up	75.00	75.00
TOTAL	75.00	75.00
SCHEDULE 2 - RESERVES & SURPLUS		
Capital Subsidy		
As per last Balance Sheet	3.00	3.00
(A)	3.00	3.00
Capital Redemption Reserve		
As per last Balance Sheet	500.00	500.00
(B)	500.00	500.00
General Reserve		
As per last Balance Sheet	114.85	112.62
Less: On Account of transitional Provision under Accounting Standard 15	-	2.77
Add: Transferred from Profit and Loss Account	4.00	5.00
(C)	118.85	114.85
Profit and Loss Account		
As per Account annexed	161.73	134.61
(D)	161.73	134.61
TOTAL (A to D)	783.58	752.46

	As at 30th Sept., 2009 (Rupees in Million)	As at 30th Sept., 2008 (Rupees in Million)
SCHEDULE 3 - SECURED LOANS		
A. Term Loans From Financial Institution	-	94.50
B. Working Capital Loans from Banks	820.80	545.03
C. Vehicle Loans From Banks	0.93	1.48
TOTAL	821.73	641.01

Notes:

- a) Working Capital Loans from Banks: 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 and personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.
- b) Vehicle Loans from Banks: Vehicle Loans from Banks are secured by way of hypothecation of vehicles acquired out of the said loan.

	As at 30th Sept., 2009 (Rupees in Million)	As at 30th Sept., 2008 (Rupees in Million)
SCHEDULE 4 - UNSECURED LOANS		
A. Foreign Currency Floating Rate Notes	355.65	344.25
B. Sales Tax Deferral	844.11	844.11
C. From Others	500.00	250.00
TOTAL	1,699.76	1,438.36

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. First such installment is due on 1st May, 2010.

SCHEDULE 5 - FIXED ASSETS

(Rupees in Million)

Particulars	GROSS BLOCK				DEPRECIATION, AMORTISATION AND IMPAIRMENT				NET BLOCK	
	As at 30.09.2008	Additions During year	Deduction During year	As at 30.09.2009	Upto 30.09.2008	For the Year	Deduction/ Adjustments	Upto 30.09.2009	As at 30.09.2009	As at 30.09.2008
Freehold Land	3.24	-	-	3.24	-	-	-	-	3.24	3.24
Building	243.40	-	-	243.40	89.67	6.30	-	95.97	147.43	153.73
Plant & Machinery	2,434.97	9.84	-	2,444.81	1,338.84	106.44	-	1,445.28	999.53	1,096.13
Electrical Installation	6.35	-	-	6.35	5.14	0.34	-	5.48	0.87	1.21
Computers	4.69	0.40	-	5.09	4.61	0.05	-	4.66	0.43	0.08
Furniture & Fixtures	6.36	0.04	-	6.40	5.33	0.41	-	5.74	0.66	1.03
Office Equipments	3.70	-	-	3.70	2.19	0.20	-	2.39	1.31	1.51
Vehicles	2.41	-	-	2.41	0.61	0.18	-	0.79	1.62	1.80
<u>Intangible Assets</u>										
Computer Software	8.84	-	-	8.84	5.01	1.77	-	6.78	2.06	3.83
TOTAL	2,713.96	10.28	-	2,724.24	1,451.40	115.69	-	1,567.09	1,157.15	1,262.56
As at 30th September, 2008	2,557.58	160.42	4.04	2,713.96	1,328.81	123.25	0.67	1,451.40	1,262.56	-
Capital Work-in-Progress	144.42	-	-	-	-	-	-	-	-	-
Total as at 30th September, 2008	2,702.00	160.42	4.04	2,713.96	1,328.81	123.25	0.67	1,451.40	1,262.56	-

SCHEDULES TO BALANCE SHEET (Continued)

SCHEDULE 6 - INVESTMENTS

	Face Value	As at 30th September, 2009		As at 30th September, 2008	
		Nos.	(Rupees in Million)	Nos.	(Rupees in Million)
LONG TERM INVESTMENTS					
QUOTED					
IN SHARES - TRADE					
Videcon Industries Limited	10	2,541,666	75.00	2,541,666	75.00
lol Netcom Ltd.	10	98,000	3.12	98,000	7.15
UNQUOTED					
IN SHARES - OTHERS					
Holzmann Videcon Engineers Limited	10	340,600	-	340,600	-
Tusker Overseas Inc.	1 USD	190	0.01	190	0.01
Videocon (Cayman) Limited	1 USD	579,500	28.65	579,500	28.65
Videocon (Mauritius) Infrastructure Ventures Ltd.	1 USD	100,700	4.91	-	-
Trend Limited	1 USD	76,000	3.49	76,000	3.49
Taurus Overseas Inc.	1 USD	190	0.01	190	0.01
Quadrant Corporation Inc.	1 USD	190	0.01	-	-
P.T. Videocon Indonesia	50 USD	475	0.94	475	0.94
Digital Display Devices SpA.	1 EURO	36,000	1.96	36,000	1.96
Mars Overseas Limited	1 USD	190,000	7.65	190,000	7.65
Juiptor Corporation Inc.	1 USD	190	0.01	190	0.01
Saphire Overseas Inc.	1 USD	1,901,900	80.66	1,901,900	80.66
VCIL Netherlands B.V.	1 EURO	34	0.13	34	0.13
Plugin Sales Limited	100	1,900	0.19	1,900	0.19
IN SHARES - SUBSIDIARY					
Videocon VCR Securities Limited	10	-	-	100,000	1.00
IN PREFERENCE SHARES					
Plugin Sales Limited	100	3,800	0.38	3,800	0.38
TOTAL INVESTMENTS					
Aggregate Book Value of Quoted Investments			207.12		207.23
Aggregate Market Value of Quoted Investments			78.12		82.15
Aggregate Book Value of Unquoted Investments			642.48		506.09
			129.00		125.08

	As at 30th Sept., 2009 (Rupees in Million)	As at 30th Sept., 2008 (Rupees in Million)
SCHEDULE 7 - CURRENT ASSETS, LOANS AND ADVANCES		
A. Inventories		
(As taken, valued and certified by the Management)		
Raw Materials including Consumables, Stores and Spares	1,282.86	999.12
Work in Process	152.96	178.41
Finished Goods	111.22	41.37
Material in Transit and in Bonded Warehouse	94.71	67.64
(A)	1,641.75	1,286.54
B. Sundry Debtors (Unsecured, considered good)		
Outstanding for a period exceeding six months	0.58	0.47
Others	1,450.98	1,443.49
(B)	1,451.56	1,443.96
C. Cash and Bank Balances		
Cash on hand	0.26	0.13
Balances with Scheduled Banks		
In Current Accounts	112.96	4.30
In Dividend Warrant Accounts (Per Contra)	1.43	1.25
In Fixed Deposits	109.54	98.88
(C)	224.19	104.56
D. Other Current Assets		
Interest Accrued	6.17	3.50
Insurance Claim Receivable	0.78	2.62
(D)	6.95	6.12
E. Loans & Advances (Unsecured, considered good)		
Advances recoverable in Cash or in kind or for value to be received	160.41	204.42
Balance with Central Excise/ Customs Department	84.43	69.41
Sundry Deposits	2.82	0.21
(E)	247.66	274.04
TOTAL (A to E)	3,572.11	3,115.22

	As at 30th Sept., 2009 (Rupees in Million)	As at 30th Sept., 2008 (Rupees in Million)
SCHEDULE 8 - CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors *		
Due to Micro, Small and Medium Enterprises	-	-
Due to others	1,281.92	1,455.76
Bank Overdraft as per Books	-	0.11
Other Liabilities	61.06	33.97
Unclaimed Dividend (Per Contra)	1.43	1.25
Interest Accrued but not due	9.77	12.13
(A)	1,354.18	1,503.22
* Includes Acceptances of Rs. 582.72 million (Previous year Rs. 464.25 million)		
B. Provisions		
Provision for Income Tax (Net of Advance Tax)	5.19	1.16
Provision for Fringe Benefit Tax (Net)	-	0.19
Proposed Dividend - Equity	7.50	3.75
Provision for Corporate Tax on Proposed Dividend	1.28	0.64
Provision for Warranty and Maintenance Expenses	16.77	10.12
Provision for Gratuity	5.36	3.53
Provision for Leave Encashment	1.94	1.16
(B)	38.04	20.55
TOTAL (A + B)	1,392.22	1,523.77

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	Year ended on 30th Sept., 2009 (Rupees in Million)	Year ended on 30th Sept., 2008 (Rupees in Million)
SCHEDULE 9 - OTHER INCOME		
Interest Received (TDS Rs. 2.68 million, Previous year Rs. 2.00 million)	10.36	8.83
Dividend Received	2.54	8.90
Profit on Sale of Fixed Assets	-	0.74
Profit on Sale of Investments	-	18.83
Miscellaneous Income	1.12	0.65
TOTAL	14.02	37.95
SCHEDULE 10 - COST OF GOODS CONSUMED/SOLD		
A. Material and Components Consumed		
Opening Stock	999.12	1,021.20
Add : Purchases	8,063.01	7,126.79
	9,062.13	8,147.99
Less : Closing Stock	1,282.86	999.12
(A)	7,779.27	7,148.87
B. (Increase)/Decrease in Stock Closing Stock		
Finished Goods	111.22	41.37
Work in Process	152.96	178.41
	264.18	219.78
Opening Stock		
Finished Goods	41.37	107.60
Work in Process	178.41	200.21
	219.78	307.81
(B)	(44.40)	88.03
TOTAL (A+B)	7,734.87	7,236.90
SCHEDULE 11 - SALARY, WAGES AND EMPLOYEES' BENEFITS		
Salary, Wages and Other Benefits	63.52	73.51
Contribution to Provident Fund and Other Funds	3.88	3.06
Staff Welfare	1.05	1.45
TOTAL	68.45	78.02
SCHEDULE 12 - MANUFACTURING AND OTHER EXPENSES		
Power, Fuel & Water	6.11	6.58
Repairs to Plant & Machinery	3.13	1.67
Repairs to Building	0.03	1.20
Repairs to Others	1.12	0.11
Carriage and Cartage	44.31	41.97
Rent, Rates & Taxes	4.72	1.57
Insurance	2.31	2.25
Bank Charges	26.40	21.07
Auditors' Remuneration	0.69	0.65
Directors' Sitting Fees	0.09	0.08
Diminution in value of Investments	4.04	4.33
Exchange Rate Fluctuation	69.22	87.43
Warranty and Maintenance Expenses	23.35	23.09
Miscellaneous Expenses	18.67	18.84
TOTAL	204.19	210.84
SCHEDULE 13 - INTEREST AND FINANCE CHARGES		
On Term Loans	6.56	25.11
On Others	101.08	109.55
TOTAL	107.64	134.66

SCHEDULE 14 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

b) Use of Estimates

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

2. Fixed Assets

a) Fixed Assets are stated at actual cost, less accumulated depreciation / amortisation and impairment loss, if any. The actual cost is inclusive of freight, installation cost, duties, taxes, financing cost and other incidental expenses but net of Cenvat/Value Added Tax.

b) Capital Work-in-Progress is carried at cost, comprising of direct cost, attributable interest and related incidental expenditure. The advances given for acquiring fixed assets are shown under Capital Work-in-Progress.

3. Depreciation

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

Intangibles: Intangible Assets are amortised over a period of five years.

4. Impairment of Assets

The Fixed Assets or a group of assets (Cash generating units) are reviewed for impairment at each Balance Sheet date. In case of any such indication, the recoverable amount of these assets 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.

5. Investments

Quoted Investment are valued at cost or market value whichever is lower. Unquoted Investments are stated at Cost. The decline in the value of the Unquoted Investments, other than temporary, is provided for. Cost is inclusive of brokerage, fees and duties but excludes Securities Transaction Tax.

6. Inventories

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

7. Borrowing Costs

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

8. Excise and Customs Duty

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

9. CENVAT/Value Added Tax

Cenvat/Value Added Tax benefit is accounted for by reducing the purchase cost of the materials/finished assets.

10. Revenue Recognition

a) Revenue is recognised on transfer of significant risk and reward in respect of ownership.

b) Sales/Turnover for the year includes sales value of goods, excise duty, duty drawback and other recoveries such as insurance, transportation and packing charges but excludes sales tax, value added tax and recovery of finance and discounting charges.

c) Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.

11. Foreign Currency Transactions

a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Current Assets and Current Liabilities are translated at the year end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Current Assets and Current Liabilities at the

TREND ELECTRONICS LIMITED

end of the year is recognised as income or expense, as the case may be, for the year.

- b) Foreign Currency liability in respect of loans availed for fixed assets and outstanding on the last day of the financial year are translated at the exchange rate on that day and any loss or gain arising out of such translation is recognised as the case may be, as income or expense for the year.

12. Employee Benefits

a) Short Term Employees Benefits

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

b) Post Employment Benefits

i) Provident Fund

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

ii) Gratuity

The Company provides for gratuity (a defined benefit retirement plan) 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 equivalent to 15 days salary payable for each completed year of service. Vesting occurs on completion of five years of service. Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the balance sheet date and gains/losses are recognized immediately in the profit and loss account.

iii) Leave Encashment

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

13. Taxation

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

14. Research and Development

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

15. Provisions, Contingent Liabilities and Contingent Assets

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are disclosed by way of Notes to Accounts. Disputed demands in respect of Central Excise, Customs, Service Tax, Income Tax and Sales Tax are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as advance, till the final outcome of the matter.

Contingent assets are not recognised in the financial statements.

16. Warranty

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

17. Prior period items

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

18. Other Accounting Policies

These are consistent with the generally accepted accounting policies.

B) NOTES TO ACCOUNTS

(Rupees in Million)

	As at 30th Sept., 2009	As at 30th Sept., 2008
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1. Contingent Liabilities not provided for in respect of:

a) Letters of Guarantees including Bank Guarantees	16.78	2.06
b) Letters of Credit issued by the Bank	440.12	126.07
c) Customs Duty Demand and Penalty under dispute	4.06	3.31
d) Excise Duty Demand under dispute	9.45	3.97
e) Service Tax Demand under dispute	5.60	5.50
f) Sales Tax Demand (Amount paid under protest Rs. 0.75 million, Previous year Rs. 2.04 million)	36.12	43.76

- The Company is a Co-guarantor in respect of borrowings of a Group Company. The aggregate amount of said guarantee, extended alongwith 8 other co-guarantors is Rs. 9,694.00 million (Previous year Rs. 9,464.00 million). The said guarantee is extended on the basis of support in the form of undertaking obtained from certain other group companies to the extent of the amount of the guarantee.
- The Company has made a provision of Rs. 8.92 million towards Income Tax (Previous year Rs. 4.13 million), after taking into consideration, the benefits admissible under the provisions of the Income Tax Act, 1961 and the same is, in the opinion of the Management, adequate.
- The Company is primarily engaged in manufacturing of Electrical and Electronic Appliances and there is no other reportable segment as defined in Accounting Standard 17 on "Segment Reporting".

(Rupees in Million)

	As at 30th Sept., 2009	As at 30th Sept., 2008
5. The major components of deferred tax assets/liabilities are as under:		
a) Deferred Tax Liabilities		
Related to Depreciation on Fixed Assets	182.57	157.32
	182.57	157.32
b) Deferred Tax Assets		
i) Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961.	9.56	0.28
ii) Diminution in value of investments charged in Profit and Loss Account	-	2.63
iii) Others	8.92	-
	18.48	2.91
Net Deferred Tax Liability	164.09	154.41

6. Related Party Disclosures :

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

- List of Related Parties
 - Subsidiary
Videocon VCR Securities Limited (upto 31st March, 2009)
 - Key Management Personnel
Mr. J. B. Bangad - (Head - Operations)
- Transactions/outstanding Balances with Related Parties :
The Company has entered into transactions with related parties as listed below. The Board considers such transactions to be in normal course of business.

(Rupees in Million)

Nature of Transaction	Key Management Personnel	
	Year ended 30th Sept., 2009	Year ended 30th Sept., 2008
Remuneration	1.38	0.90

(Rupees in Million)

	Year ended 30th Sept., 2009	Year ended 30th Sept., 2008
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7. Earnings Per Share :

- Net Profit for the year after tax adjustment for earlier years
- Weighted average no. of Equity Shares
- Basic and Diluted Earnings per Share of Rs. 10 each.

8. Auditors' Remuneration :

a) Audit fees	0.45	0.43
b) Tax Audit fees	0.06	0.05
c) Other services	0.13	0.12
d) Out-of Pocket Expenses	0.05	0.05
TOTAL	0.69	0.65

- The outstanding balances of certain Debtors, Creditors, Deposits, Advances and Other Current Assets/Liabilities are subject to confirmation.

- There are no amounts due and outstanding, to be credited to Investor Education and Protection Fund.

- In the opinion of the Board, the value on realisation of Current Assets, Loans and Advances in the ordinary course of the business would not be less than amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

	(Rupees in Million)		(Rupees in Million)	
	As at 30th Sept., 2009	As at 30th Sept., 2008	As at 30th Sept., 2009	As at 30th Sept., 2008
12. As required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by Institute of Chartered Accountants of India, the disclosure with respect to provision for warranty and maintenance expenses is as follows :				
a) Amount at the beginning of the year	10.12	11.81		
b) Additional provision made during the year	16.47	9.90		
c) Amount used	9.82	11.59		
d) Amount at the end of the year	16.77	10.12		
13. Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 :				
a) Principal amount remaining unpaid to any suppliers as at the end of each accounting year	-	-		
b) Interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-		
			c) The amount of 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 the payment made to the supplier beyond the appointed day	-
			d) The amount of interest due and payable for the period of delay in making payment	-
			e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-
			f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-

Note: The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent of such vendors/parties identified from the available information.

14. Employee Benefits:

i) Defined Contribution Plans:

Amount of Rs. 3.88 million, (Previous year Rs. 3.06 million) is recognised as an expense and shown under the head "Salary, Wages and Employees Benefits" (Schedule-11) in the Profit and Loss Account.

ii) Defined Benefit Plans:

	(Rupees in Million)			
	Gratuity		Leave Encashment	
	30th Sept., 2009	30th Sept., 2008	30th Sept., 2009	30th Sept., 2008
a) The amounts recognised in the Balance Sheet as at the end of the year				
1. Present Value of Defined Benefit Obligation	9.49	7.28	1.94	1.16
2. Fair value of plan assets	4.13	3.75	-	-
3. Funded Status – Surplus/(Deficit)	(5.36)	(3.53)	(1.94)	(1.16)
4. Net Assets/(Liability)	(5.36)	(3.53)	(1.94)	(1.16)
b) The amounts recognised in Profit and Loss for the year				
1. Current Service Cost	0.76	0.59	0.52	0.40
2. Interest Cost	0.60	0.50	0.14	0.26
3. Actuarial (Gain)/Losses	1.27	0.78	0.91	(2.07)
4. Actual Return on Plan Assets	0.18	0.27	-	-
5. Total expenses	2.45	1.60	1.57	(1.41)
c) The changes obligations during the year				
1. Present value of Defined Benefit Obligation at the beginning of the year	7.28	6.21	1.16	3.28
2. Current Service Cost	0.76	0.59	0.52	0.40
3. Interest Cost	0.60	0.50	0.14	0.26
4. Actuarial (Gain)/Losses	1.27	0.78	0.91	(2.07)
5. Benefit Payments	0.42	0.80	0.79	0.71
6. Present value of Defined Benefit Obligation at the end of the year	9.49	7.28	1.94	1.16
d) The changes in Plan Assets during the year				
1. Plan Assets at the beginning of the year	3.75	3.44	-	-
2. Contribution by Employer	0.62	0.84	-	-
3. Actual Benefit paid	0.42	0.80	-	-
4. Plan Assets at the end of the year	4.13	3.75	-	-
5. Actual return on Plan Assets	0.18	0.27	-	-

Actuarial assumptions:

- Discount Rate 8% Per annum
- Mortality L.I.C. (1994-96) Ultimate
- Turnover Rate 1% Per annum
- Future Salary Increase 5% Per annum

The above information is certified by actuary.

	Year ended 30th Sept., 2009		Year ended 30th Sept., 2008	
	Quantity (Nos.)	Rupees in Million	Quantity (Nos.)	Rupees in Million
15. Additional Information pursuant to the provisions of paragraphs 3, 4C, 4D of part II of Schedule VI to the Companies Act, 1956.				
QUANTITATIVE INFORMATION:				
A. Details of Production, Purchase, Stock and Turnover: (As certified by the Management)				
a) Production: (Includes goods manufactured through Others)				
Electrical and Electronic Appliances	2,324,221		2,048,630	
b) Opening Stock: Electrical and Electronic Appliances	14,796	41.37	25,490	107.60
c) Closing Stock: Electrical and Electronic Appliances	45,368	111.22	14,796	41.37
d) Sales: Electrical and Electronic Appliances	2,293,649	8,439.78	2,059,324	8,023.61
B. Raw Materials including Stores and Spares Consumed:				
a) Printed Circuit Board (All types)	1,831,506	1,420.21	1,782,347	1,307.14
b) Plastic, Wooden and Pressed Parts	1,831,506	4,464.38	1,782,347	4,105.29
c) Active and Passive Components & Others	*	1,790.48	*	1,642.71
d) Stores and Spares/Packing Materials	*	104.20	*	93.73
TOTAL		7,779.27		7,148.87

Note: The industrial licensing has been abolished in respect of products of the Company.

* It is not practicable to furnish quantitative information of components consumed in view of considerable number of items, of diverse in size and numbers.

	Year ended 30th Sept., 2009		Year ended 30th Sept., 2008	
	Percentage	Rupees in Million	Percentage	Rupees in Million
C. Value of Imported and Indigenous Raw Materials, Components and Spares Consumed:				
a) Imported	14.91	1,159.51	10.65	761.41
b) Indigenous	85.09	6,619.76	89.35	6,387.46
TOTAL		7,779.27		7,148.87

	Year ended 30th Sept., 2009		Year ended 30th Sept., 2008	
		Rupees in Million		Rupees in Million
D. C.I.F. value of Imports, Expenditure and Earnings in Foreign Exchange:				
a) C.I.F. Value of Imports				
Raw materials		1,124.20		1,256.22
Capital Goods		7.00		8.76
b) Expenditure incurred in Foreign Currency: (on payment basis)				
Dividend 934 Shareholders holding 167,311 Shares (Previous year 952 Shareholders holding 2,043,811 Shares)		0.08		1.02
Interest and Bank Charges		23.59		26.92
Others		1.51		-

16. Figures of the previous year have been regrouped/reclassified, wherever necessary.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS		Application of Funds	
Registration Number	52233	Net Fixed Assets	1157150
State Code	11	Investments	207121
Balance Sheet Date	30-09-2009	Net Current Assets	2179891
		Accumulated Losses	NIL
II. CAPITAL RAISED DURING THE YEAR (Amounts Rs. in Thousands)		Miscellaneous Expenditure	NIL
Public Issue	NIL	IV. PERFORMANCE OF COMPANY (Amounts Rs. in Thousands)	
Right Issue	NIL	Turnover (Including Other Income)	8285823
Bonus Issue	NIL	Total Expenditure	8230847
Private Placement	NIL	Profit Before Tax	54976
		Profit After Taxes	36166
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amounts Rs. in Thousands)		Earnings per Share in Rs.	5.32
Total Liabilities	3544162	Dividend Rate %	10
Total Assets	3544162	V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (As per monetary terms)	
Sources of Funds		a) Item Code No. (ITC Code)	8521.00
Paid-up Capital	75000	Product Description	VCD/DVD
Reserves & Surplus	783577	b) Item Code No. (ITC Code)	8528.00
Deferred Tax Liability (Net)	164096	Product Description	COLOUR TV
Secured Loans	821731	c) Item Code No. (ITC Code)	8528.00
Unsecured Loans	1699758	Product Description	SET TOP BOX

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner

Membership No.104180
Place : Mumbai
Date : 19th February, 2010

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner

Membership No. 31055

For and on behalf of the Board

P. N. DHOOT
Director

S. PADMANABHAN
Director

KANCHAN A. KAKADE
Company Secretary

PROXY FORM

TREND ELECTRONICS LIMITED

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

Regd. Folio No./Client ID No. No. of shares held:.....

I/We.....of

..... in the district of

..... being a member / members of the above

named Company hereby appoint of

..... in the district of or failing him

..... of in the

district of as my/our proxy to vote for me/our behalf at the 20th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 30th day of March, 2010 at 4.00 p.m. at Registered Office of the Company at 20 K.M. Stone, Aurangabad-Beed Road, Village Bhalgaon, Aurangabad - 431 210 (Maharashtra) and at any adjournment thereof.

Signed this day of 2010.

Affix
Rupee 1/-
Revenue
Stamp

NOTE: This form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

TEAR HERE



ATTENDANCE SLIP

TREND ELECTRONICS LIMITED

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

Regd. Folio No./Client ID No. No. of Shares held

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

I hereby record my presence at the 20th ANNUAL GENERAL MEETING of the Company held on Tuesday, 30th day of March, 2010 at 4.00 p.m. at Registered Office of the Company at 20 K.M. Stone, Aurangabad-Beed Road, Village Bhalgaon, Aurangabad - 431 210 (Maharashtra)

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

.....
Member's / Proxy Signature

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.
Please read errata for typesetting matter.

BOOK-POST

If undelivered, please return to:

MSC LIMITED

Unit : Trend Electronics Limited

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