



Trend Electronics Limited

**19th Annual Report
2007-2008**

TREND ELECTRONICS LIMITED

(Formerly : Videocon Communications Limited)

BOARD OF DIRECTORS

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

AUDITORS

KHANDELWAL JAIN & CO.

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

KADAM & CO.

Chartered Accountants
Ahmednagar College Road, Kothi,
Near Badve Petrol Pump,
Ahmednagar - 414 001

BANKERS

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

COMPANY SECRETARY

Gayathri R. Girish

REGISTERED OFFICE & MANUFACTURING FACILITY

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

Contents	Page No.	Contents	Page No.
Notice	1	Schedules.....	15
Directors' Report.....	2	Notes to Accounts	17
Coporate Governance	3	Balance Sheet Abstract & Company's General Business Profile	20
Management Discussion & Analysis Report.....	9	Statement pursuant to Section 212 of the Companies Act, 1956	20
Auditors' Report.....	11	Consolidated Financial Statements	21
Balance Sheet	12	Financial Statement(s) of Subsidiary Company.....	25
Profit and Loss Account.....	13		
Cash Flow Statement	14		

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of **TREND ELECTRONICS LIMITED** (formerly: Videocon Communications Limited) ("the Company") will be held on Monday, 30th March, 2009 at the Registered office of the Company at 20 KM Stone, Aurangabad Beed Road, Village Bhalgaon, Aurangabad 431 210 (Maharashtra) at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS:

- Adoption of audited Annual Accounts, Reports of the Directors and Auditors**
To receive, consider and adopt the Audited Balance Sheet as at 30th September, 2008, the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
- Declaration of Dividend**
To declare a dividend on Equity Shares.
- Re-appointment of Mr. Pradipkumar N. Dhoot, Director retiring by rotation**
To appoint a director in the place of Mr. Pradipkumar N. Dhoot, who retires by rotation and, being eligible, offers himself for re-appointment.
- Re-appointment of Mr. Subhash S. Nabar, Director retiring by rotation**
To appoint a director in the place of Mr. Subhash S. Nabar, who retires by rotation and, being eligible, offers himself for re-appointment.
- Appointment of Statutory Auditors**
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 and M/s Kadam & Co., Chartered Accountants, Ahmednagar 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 Director or the Audit Committee of the Board of Directors."

SPECIAL BUSINESS:

- Appointment of Mr. Subhash S. Dayama as Director**
To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT in accordance with the provisions of Section 255, 256, 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Subhash S Dayama, in respect of whom the Company has received a notice, in writing, from a Member proposing his candidature, be and is hereby appointed as a director of the Company liable to retire by rotation, under the provisions of the Articles of Association of the Company."

By Order of the Board of Directors of
TREND ELECTRONICS LIMITED

Gayathri R. Girish
Company Secretary

Mumbai
26th February, 2009

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

NOTES:

- 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 HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- An explanatory statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the Annual General Meeting is annexed hereto.
- Corporate Members intending to send their authorized representatives to attend the 19th 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.
- Members/Proxies/Representatives should bring the enclosed Attendance Slip, duly filled in, along with their copy of Annual Report to the Meeting.
- 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.
- Members holding shares in physical form in multiple folios in identical names or joint accounts 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 to consolidate their holdings into a single folio.
- The Register of Members and Share Transfer Books shall be closed from 17th March, 2009 to 30th March, 2009 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the 19th Annual General Meeting.

- The Dividend as recommended by the Board of Directors, if declared at the 19th Annual General Meeting, will be paid on or around 10th April, 2009:
 - to those Members who hold shares in physical form and whose names appear on the Company's Register of Members on 17th March, 2009; and
 - 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, 2009 as per the particulars of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividends for the financial year 2000-2001 to the Investor Education and Protection Fund established by the Central Government. Dividend for the financial year ended 2001-2002 and thereafter, which remain unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund (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.
- The shares of the Company are tradeable compulsorily 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.
- In terms of the Articles of Association of the Company, Mr. Pradipkumar N Dhoot, Mr. Rajesh Rathi and Mr. Subhash S Nabar are liable to retire by rotation. Out of the retiring directors, Mr. Pradipkumar N Dhoot and Mr. Subhash S Nabar offer themselves for re-appointment. Mr. Rajesh Rathi shall cease to be director at the ensuing Annual General Meeting.
Further, the Company has received a notice, in writing, from a member alongwith a deposit of Rs. 500/- (Rupees: Five Hundred only) proposing the candidature of Mr. Subhash S Dayama for the office of the Board of Directors of the Company under the provisions of Section 257 of the Companies Act, 1956. The appointment of Mr. Subhash S Dayama may be considered as an appointment to fill the vacancy that would arise upon cessation of Mr. Rajesh Rathi at the ensuing Annual General Meeting, since not offered himself for re-appointment.
A brief profile of Directors seeking appointment / re-appointment forms part of Corporate Governance Report.
- 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 PM upto the date of the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 6:

The Company has received a notice in writing from a member along with a deposit of Rs. 500/- (Rupees Five Hundred Only) proposing the candidature of Mr. Subhash S Dayama for the office of the Board of Directors of the Company under the provisions of Section 257 of the Act.

Mr. Subhash S. Dayama carries with him vast experience in the field of finance and capital market. Keeping in view his rich expertise, it will be in the interest of the Company that Mr. Subhash S Dayama be appointed as a director, liable to retire by rotation, in accordance with the provisions of the Articles of Association of the Company.

A brief resume of Mr. Subhash S. Dayama, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is appended to the Notice.

The appointment of Mr. Subhash S. Dayama may also be considered as an appointment to fill the vacancy that would arise upon cessation of Mr. Rajesh Rathi at the ensuing Annual General Meeting, since not offered himself for re-appointment.

Save and except Mr. Subhash S. Dayama none of the other directors of the Company is, in any way, concerned or interested in the Resolution set out at Item No.6 of the notice. The Board recommends the Resolution set out at Item No.6 of the notice for your approval.

By Order of the Board of Directors of
TREND ELECTRONICS LIMITED

Gayathri R. Girish
Company Secretary

Mumbai
26th February, 2009

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

DIRECTORS' REPORT

Your Directors have great pleasure in presenting the Nineteenth Annual Report of your Company together with the Audited Accounts for the year ended 30th September, 2008.

FINANCIAL RESULTS

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

Particulars	(Rs. in Million)	
	Year ended 30.09.2008	Year ended 30.09.2007
Net Sales	7,781.69	8,317.49
Other Income	37.95	30.11
Total Income	7,819.64	8,347.60
Profit before Interest, Tax and Depreciation	293.88	332.24
Interest & Finance Charges	134.66	132.37
Depreciation	123.25	123.68
Profit before Impairment Loss and Taxation	35.97	76.19
Impairment Loss	Nil	27.68
Profit before Tax	35.97	48.51
Provision for Taxation	11.63	31.20
Profit after Tax	24.34	17.31

OPERATIONS REVIEW

The year 2007 - 08 witnessed a decline of about 6.44% in net sales at Rs. 7,781.69 Million (previous year Rs. 8,317.49 Million). Your Company has recorded a Profit after tax of Rs. 24.34 Million during the year as compared to Profit after tax of Rs. 17.31 Million in the previous year.

APPROPRIATIONS

a) Dividend:

Your directors have pleasure in recommending a dividend of Re. 0.50 (Paise Fifty Only) per equity share of Rs. 10/- each for the financial year ended 30th September, 2008, subject to the approval of the shareholders at the Nineteenth Annual General Meeting. The dividend has been recommended in accordance with the Company's policy of balancing dividend pay-out with the requirement of deployment of internal accruals for its annual growth plans.

The equity dividend, if declared as above, would involve an outflow of Rs. 3.75 Million towards dividend and Rs. 0.64 Million towards dividend tax. The dividend is free of tax in the hands of the shareholders.

b) Transfer to Reserves:

Your Directors propose to transfer an amount of Rs. 5.00 Million to the General Reserve. An amount of Rs. 134.61 is proposed to be retained in the Profit and Loss Account.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a sum of Rs. 0.19 Million in respect of unpaid/unclaimed dividend for 2000-2001 to Investor Education and Protection Fund, since the amount was due and payable and remained unclaimed and unpaid for a period of seven years, in terms of Section 205A(5) of the Companies Act, 1956.

FIXED DEPOSIT

Your Company has never accepted any fixed deposits within the meaning of Section 58A of the Companies Act, 1956.

CORPORATE GOVERNANCE

A separate statement on Corporate Governance together with 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 forms part of this Annual Report.

PERSONNEL

There are no employees drawing remuneration exceeding the monetary ceiling prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2007-08 Foreign Exchange Earnings was Rs. Nil and Foreign Exchange outgo was Rs. 1,292.92 Million as against Rs. 0.9 Million and Rs. 835.68 Million, respectively for the previous year.

CONSERVATION OF ENERGY

The Company continues to give emphasis on conservation of energy, optimum use of energy, power and other power sources. The Company has formed a team of expert engineers engaged in the production activity. The team emphasizes on studying the possibilities of use of various methods of optimum use of energy.

The team submits its report to the top management at regular intervals giving its findings on the productivity, periodical comparative figures of consumption of energy, steps taken by the team during the period, its advantages and results, problems faced and the recommendations of the team on the steps to be taken in reducing the consumption of energy.

As a part of continuous efforts, following steps are taken by the Company:

- Optimum utilization of available resources;
- Proper and timely maintenance of all the machinery & equipment;
- Use of latest technology in production which helps in enhancement of productivity levels;
- Imparting Training to the personnel engaged in the production activity for optimum utilization of resources and conservation of energy;
- Time and motion study of production activity;

- Inspection of machinery by the team of experts at regular intervals;
- Display of charts at the premises, plant, office showing the means for conservation of energy; and
- Training of personnel engaged in the production activity for optimal use of resources and conservation of energy.

RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

The Company being a predominant player in the Consumer Electronics and Home Appliances sector gives utmost importance to Research & Development (R & D). The main focus of R & D activity is on:

- Design and development of new models of Televisions in the 29", 21", 20" and 14" segment and new models of Audio/Video Systems/VCD players/DVD/DVB/MPEG 4 players/MP3 players/Music Systems/Home Theatre System;
- Launching of innovative products, development and customisation to meet the perceived needs of consumers;
- Increasing productivity;
- Improvement in quality of products;
- Design Technologically upgraded products in line with the new trends;
- Incorporation of dedicated efficient utilities and optimizing of parameters;
- Providing technical support services for solving problems related to the operations; and
- Provide data for optimizing the process units.

Benefits derived from Research And Development Activities:

Your Company is deriving best results out of the Research and Development activities. Consumer satisfaction and growth are the ultimate goal of the R & D activities. The Company is continuously initiating efforts to shunt outdated technology and replace the same with the best-in class offers of the times. Your Company continues to adapt the latest advances in technology and upgrade its manufacturing base.

Apart from these, the other benefits derived as a result of R & D activities are:

- Increase in the productivity;
- Providing consumers products having better features, better quality and improved reliability;
- Consumer satisfaction by development of the products best suited to the needs of the Indian consumers; and
- Launching products which with more features that are suitable to all income groups.

During the year under review, the Company has incurred an amount of Rs.0.52 Million towards Research & Development Activities, which amounts to 0.01% of the turnover of the Company.

Future Plan of action:

The Company is proposing to achieve development in the following areas through Research & Development:

- Launching of new Brands;
- Introduce new features;
- Usage of latest advancement in technology;
- Emphasis on upgrading the technical base to cater to consumer preferences; and
- Explore various means to reduce consumption and optimal utilization of energy.

INFORMATION TECHNOLOGY

Information Technology is the backbone of any industry in today's environment. The Company has taken it as a tool to improve the productivity, efficiency and reliability. As such the MySAP, the customized ERP programme has already been implemented at the manufacturing facility of the Company.

HEALTH, SAFETY AND ENVIRONMENT

Your Company attaches utmost importance to safety standards at all installations of the Company. Necessary steps are regularly undertaken to ensure the safety of employees and equipment. Your Company recognizes its role in health and safety, as well as its responsibility towards environment and society. Your Company accords high priority to health education and awareness. Your Company has always appreciated its social responsibility as a part of Corporate Governance philosophy.

HUMAN RESOURCES MANAGEMENT

The Management believes that the success of any Organisation mainly depends on how efficiently the management makes use of its human resource in the growth and development of the Organisation. Your Company continues to focus on training its employees on a continuing basis, both on the job and through training programs conducted by internal and external experts to face the emerging challenges in the day-to-day activities.

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

INDUSTRIAL RELATIONS

Relations with the staff members and the workmen continued to be cordial and satisfactory during the year under consideration.

BOARD OF DIRECTORS

In terms of the provisions of the Articles of Association, Mr. Pradipkumar N Dhoot, Mr. Rajesh Rathi and Mr. Subhash S Nabar are liable to retire by rotation. Out of the retiring directors, Mr. Pradipkumar N Dhoot and Mr. Subhash S Nabar offer themselves for re-appointment. Mr. Rajesh Rathi shall cease to be director at the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with a deposit of Rs. 500/- (Rupees Five Hundred Only) proposing the candidature of Mr. Subhash S Dayama for the office of the Board of Directors of the Company under the provisions of Section 257 of the Companies Act, 1956. The appointment of Mr. Subhash S. Dayama may also be considered as an appointment to

fill the vacancy that would arise upon cessation of Mr. Rajesh Rathi at the ensuing Annual General Meeting. The Board recommends their appointment /re-appointment(s).

The Brief profiles of directors being re-appointed at the ensuing Annual General Meeting forms part of the Corporate Governance Report.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) read with Section 292A of the Companies Act, 1956, we, the Directors of TREND ELECTRONICS LIMITED, state in respect of Financial Year 2007-08 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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;
- the Directors have prepared the annual accounts on a going concern basis;
- the Board has constituted an Audit Committee comprising of Three Independent Directors;
- the Audit Committee has also been delegated with authority for investigation and access for full information and external professional advice for discharge of the functions delegated to it by the Board;
- the Board agrees that the recommendations of the Audit Committee on any matter relating to financial and management including the audit report would be binding on the Board; and
- based on the above, the Internal Audit System and the Audit Committee, the Board opines that the Company has internal control system commensurate with the size of the Company and the nature of its business.

SUBSIDIARY COMPANIES

In terms of Section 212 of the Companies Act, 1956, the Annual Report and Accounts together with the statement showing the extent of the Company's interest in the Subsidiary Company, viz., Videocon VCR Securities Limited has been attached to the Balance Sheet.

CONSOLIDATED FINANCIAL STATEMENTS

As per the provisions of Clause 32 of the Listing Agreement, your Directors present the consolidated financial statements, duly incorporating the financials of the Company's subsidiary

viz., Videocon VCR Securities Limited. The Consolidated financial results have been prepared in line with the requirements of Accounting Standard 21 "Consolidated Financial Statements".

CASH FLOW STATEMENT

As per the requirements of Clause 32 of the Listing Agreement with the Stock Exchange and in accordance with the Accounting Standard on Cash Flow Statement (AS-3) issued by the Institute of Chartered Accountants of India, the Cash Flow Statement is attached to the Balance Sheet and Profit & 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 19th Annual General Meeting and offer themselves for re-appointment. M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai and M/s. Kadam & Co., Chartered Accountants, Ahmednagar, have confirmed their eligibility and willingness to accept office, if appointed. The Company has also received certificates from these Auditors to the effect that their reappointment, if made, would be within prescribed limits under Section 224(1B) of the Companies Act, 1956.

The Board recommends their appointment.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the 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. The Directors are also thankful to the shareholders for their continued support to the Company.

For and on Behalf of the Board of Directors

S. PADMANABHAN
DIRECTOR

P. N. DHOOT
DIRECTOR

Place : Mumbai

Date : 26th February, 2009

CORPORATE GOVERNANCE REPORT

In our Company, Corporate Governance philosophy stems from the belief that corporate governance is a key element in improving efficiency. Corporate Governance is a process that aims to meet shareholders aspirations and societal expectations. It is a commitment that is backed by the fundamental belief of maximizing shareholders value, transparency in functioning, values and mutual trust amongst all the constituents of organization. The philosophy on Corporate Governance is driven by the desire towards attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its shareholders, employees, the lenders, the government and the society. The Company believes that all its operations and actions must serve the underlying goals of enhancing overall enterprise value and retain shareholders trust, over a sustained period of time.

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

1. BOARD OF DIRECTORS

As on 30th September, 2008, the strength of the Board is seven, comprising of two Promoter Non – Executive Directors and five Independent Directors. The Company has duly complied with the requirement 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, 2008 is tabulated below:

Category	Directors	No. of Directors
Promoter-Non Executive Directors	Mr. Venugopal N Dhoot Mr. Pradipkumar N Dhoot	2
Independent Directors	Mr. S Padmanabhan Mr. Rajesh Rathi Mr. Subhash S. Nabar Mr. Vivek D. Dharm Mr. Bhopinder K. Chopra	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 hold any office or place of profit in terms of Section 314 of the Companies Act, 1956.

2. BOARD/COMMITTEE PROCEEDINGS

The Board holds periodic meetings every year after giving due advance notice to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company. The Company has defined procedures for meetings of the Board of Directors and Committees thereof so as 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 oversight 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 include:-
 - Quarterly results of the Company;
 - Annual Accounts, Report of the Board of Directors etc;
 - Minutes of the meeting of Audit and other Committees to the Board;
 - Minutes of the Board Meeting, Annual General Meetings of Subsidiary Company 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.;
 - Acquisitions/Amalgamation, if any;
 - Related Party Transactions;
 - Disclosure of Interest by Directors about directorship and committee positions occupied by them 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.
- The Company has laid down code of conduct which binds all the Board members and senior management of the Company. A declaration by the Head of Operations to this effect is appended to this report.

TREND ELECTRONICS LIMITED (Formerly : Videocon Communications Limited)

3. BOARD MEETINGS AND ATTENDANCE

8 (Eight) Board Meetings were held during the year 2007-08 on the following dates:

31st October, 2007, 28th January, 2008, 21st February, 2008, 25th February, 2008, 31st March, 2008, 30th April, 2008, 8th July, 2008 and 31st July, 2008.

Details of number of Board meetings attended by Directors, attendance at last Annual General Meeting, number of other directorship/committee membership held by them during the year 2007-08 are as hereunder:

Sl No.	Directors	Meetings held during the year	No. of Board Meetings Attended	Attendance At the last AGM (held on 31.03.2008)	No. of Other Directorships held	Number of Committee Memberships in Other Companies	
						As Chairman	As Member
1	Mr. Venugopal N. Dhoot	8	5	No	14	1	1
2	Mr. Pradipkumar N. Dhoot	8	5	Yes	13	0	2
3	Mr. S. Padmanabhan	8	6	No	14	1	6
4	Mr. Subhash S. Nabar	8	4	No	5	0	1
5	Mr. B.K. Chopra	8	5	No	1	0	1
6	Mr. Vivek D Dharm	8	7	Yes	13	2	1
7	Mr. Rajesh Rathi	8	0	No			

- Number of Directorships held by Directors excludes Alternate Directorships, if any held, Directorships in Foreign Companies, Section 25 Companies and Private Limited Companies.
- Membership/Chairmanships of only the Audit Committee and Shareholder/Investor Grievance Committee of Public Limited Companies have been considered in terms of Clause 49 of the Listing Agreement.
- None of the directors held directorships in more than 15 Public Limited Companies.
- No Directors has membership of more than 10 committees of Board nor any director is chairman of more than 5 committees of the Board.

4. BRIEF DETAILS OF DIRECTORS PROPOSED TO BE RE-APPOINTED

The brief details of directors retiring by rotation and seeking re-appointment at the 19th Annual General Meeting are as under:

Sr. No.	Particulars	Directors proposed to be re-appointed/appointed		
1	Name of the Director(s)	Mr. Pradipkumar Nandlal Dhoot	Mr. Subhash S. Nabar	Mr. Subhash S. Dayama
2	Date of Birth	March 22, 1960	July 30, 1947	May 5, 1961
3	Educational Qualification	Commerce Graduate	Mechanical Engineering	Commercial Graduate
4	Date of appointment on the Board	June 16, 1991	October 31, 2002	December 8, 2005
5	Category of director	Promoter – Non Executive	Independent Director	Independent Director
6	Area of Expertise/Senior Position Held/Work Experience	Industrialist with more than two decades of experience to his credit. One of the Promoters of Videocon Group.	Vast experience in the fields of finance, accounts, manufacturing, marketing and administration.	Vast experience and knowledge in the fields of Capital Markets and Finance.
7	Names of other directorships in Public Limited Companies (Including Subsidiary of Public Limited Company)	<ul style="list-style-type: none"> • Videocon Industries Limited • Value Industries Limited • Applicom (India) Limited • Millennium Appliances India Limited • Next Retail India Limited • Videocon Semiconductor Limited • Videocon Realty and Infrastructures Limited • Techno Electronics Limited • Videocon India Limited • Infodart Technologies Limited • Videocon International Electronics Limited • Instant Retail India Limited • Datacom Solutions Private Limited 	<ul style="list-style-type: none"> • Daehung India Electronics Limited • Akai Consumer Electronics India Limited • Hyundai Electronics India Limited • India Floor Care & Appliances Limited • Videocon VCR Securities Limited 	<ul style="list-style-type: none"> • Micro Housing Finance Corporation Limited • Videocon Realty And Infrastructures Limited • Shree Dhoot Trading & Agencies Limited • Videocon Power Limited • Pacific Appliances Manufacturing & Trading Limited • Value Industries Limited • Datacom Solutions Private Limited • Videocon VCR Securities Limited • Indian Refrigerator Company Limited • Videocon Infotel Limited
8	Names of other Committees in which Chairman	Nil	Nil	<ul style="list-style-type: none"> • Videocon Power Limited (Audit Committee) • Shree Dhoot Trading and Agencies Limited (Audit Committee) • Videocon Realty And Infrastructures Limited (Audit Committee) • Micro Housing Finance Corporation Limited (Audit Committee) • Value Industries Limited (Audit Committee)
9	Names of other Committees in which Member	<ul style="list-style-type: none"> • Value Industries Limited (Shareholders Grievance Committee) • Millennium Appliances India Limited (Audit Committee) 	<ul style="list-style-type: none"> • India Floor Care & Appliances Limited (Audit Committee) 	Nil

10	Number of Shares Held	10 (Ten)	Nil
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General Functions and Powers of Audit Committee:

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

5. COMMITTEES OF THE BOARD OF DIRECTORS:

The Board has constituted the following three committees:

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

5.1. AUDIT COMMITTEE

The Audit Committee of the Board of Directors comprised of three independent directors. During the year, the Audit Committee of the Board of Directors was reconstituted. As on 30th September, 2008 the composition of the Audit Committee of the Board of Director was as under:

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

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

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

- 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/reappointment 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 judgment 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.
- e) 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;
- f) Discussion with internal auditors any significant findings and follow up there on;
- g) 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;
- h) 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;
- i) Reviewing the Company's financial and risk management policies;
- j) 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;
- k) Financial Statements and Investments made by Subsidiaries;
- l) To review the functioning of Whistle Blower Mechanism, if any; and
- m) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also reviews:

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

The Audit Committee is also vested with the following powers:

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

Meetings and Attendance:

During the financial year under consideration, 5 (five) meetings of the Committee were held on 31st October, 2007, 28th January, 2008, 25th February, 2008, 30th April, 2008 and 31st July, 2008.

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

Members of the Committee	Meetings held during the year	Meetings attended
Mr. Vivek D. Dharm	5	5
Mr. B. K. Chopra	5	5
Mr. S. Padmanabhan	5	4

5.2. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE:

The shareholders/investors' grievance Committee of the Company comprised of two independent directors and one promoter non-executive director. During the year, the shareholder/investors grievance committee was re-constituted. As on 30th September, 2008 the composition of the Shareholder/Investors' grievance committee of the Board of Directors 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

Ms. Gayathri Girish, Company Secretary is the Compliance Officer of the Company.

Scope of Shareholders/Investors' grievance Committee:

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

- a. Transfer/Transmission of shares;
- b. Issue of Duplicate Share Certificates;
- c. Change of Status of holding;
- d. Change of Name;
- 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; and
- j. Monitoring violation of the code of conduct prescribed by SEBI for prevention of insider trading.

Particulars of investor grievances received and redressed during the financial year 2007-08 forms part of this report.

Meetings and Attendance:

During the financial year under consideration, 4 (Four) meetings of the Shareholder/Investors' Grievance Committee were held on 2nd November, 2007, 5th February, 2008, 30th April, 2008 and 31st July, 2008.

The details of the meetings of Shareholder/Investor Grievance Committee attended by the members are as under:-

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

Share Transfer Details:

The details of Shares transferred during the year under review is given below:

		Equity
A	Number of transfers	179
B	Average No of Transfer per month	15
C	Number of Shares Transferred	18,88,109

Demat/Remat of Shares:

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

	Particulars	
A	Number of Demat Transfers approved	614
B	Number of Sub-committee Meetings held	38
C	Number of Shares Dematerialised	19,38,602
D	Percentage of Shares Dematerialised	25.85
E	Number of Rematerialisation requests approved	2
F	Number of Shares Rematerialised	525

Details of complaints received and redressed during the year 2007 - 08:

S. I. No.	Particulars	Received	Redressed	Pending as on 30.09.2008
1.	Non receipt of refund orders	Nil	Nil	Nil
2.	Non receipt of dividend/interest/redemption warrants	23	23	23
3.	Non receipt of share certificates	17	17	17
4.	Others	10	10	Nil
	Total	50	50	NIL

5.3. REMUNERATION COMMITTEE:

During the year 2007-08, the Remuneration Committee of the Company comprised of three independent directors. During the year, the Remuneration Committee of the Board of Directors was reconstituted. As on 30th September, 2008 the composition of the Remuneration Committee of the Board of Directors was as under:

Name of the Member	Category
Mr. B. 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:

- Review 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 Non-executive and Independent Directors are remunerated under a framework of basic and attendance fees for serving on the Board and various Board committees. Fees for non-executive and independent Directors are subject to the approval of Shareholders at general meetings.

Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot, the Promoter Directors of the Company are not entitled to any Directors Sitting Fees.

Details of payments towards sitting fee to Independent directors during the year 2007-08 are as under:

Name of Director	Sitting fee paid (Rs.)
Mr. S Padmanabhan	23,000
Mr. Rajesh Rathi	-
Mr. Subhash S Nabar	10,000
Mr. Vivek D. Dharm	26,500
Mr. B. K. Chopra	18,500
TOTAL	78,000

TREND ELECTRONICS LIMITED (Formerly : Videocon Communications Limited)

Meetings and Attendance:

During the financial year under consideration, 1 (One) meeting of the Committee was held on 24th January, 2008.

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

Members of Remuneration Committee	Meetings held during the year	Meetings attended
Mr. B. K. Chopra	1	1
Mr. Subhash S. Nabar	1	NIL
Mr. S. Padmanabhan	1	1

Stock Options:

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

6. GENERAL BODY MEETINGS:

1. 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 Resolutions Passed
16 th AGM	31.03.2006	20 KM Stone, Aurangabad-Beed Road, Village Bhalgaon, Aurangabad – 431 210 (MS)	4.30 P.M.	NIL
17 th AGM	30.03.2007	20 KM Stone, Aurangabad-Beed Road, Village Bhalgaon, Aurangabad – 431 210 (MS)	4.30 P.M.	TWO
18 th AGM	31.03.2008	20 KM Stone, Aurangabad-Beed Road, Village Bhalgaon, Aurangabad – 431 210 (MS)	3.00 P.M.	NIL

2. Postal Ballot:

During the year under review, the following resolutions were transacted through Postal Ballot:

- To authorize the Board of Directors of the Company to make investments, extend guarantees, provide securities, give inter-corporate loans exceeding the limits specified under Section 372A of the Companies Act, 1956 and to confirm guarantees already extended by the Board.
- To authorize the Board of Directors of the Company to borrow funds upto an amount of Rs. 2,500 Crores, in terms of the provisions of Section 293 (1)(d) of the Companies Act, 1956.
- To authorize the Board of Directors of the Company to sell, lease, mortgage or otherwise dispose off whole or substantially the whole of undertaking of a Company upto an amount of Rs. 2,500 Crores, as specified under sub-clause (a) of sub-section (1) of Section 293 of the Companies, Act, 1956

In terms of the provisions of Rule 5(b) of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, Mr. Sheetal Kumar Dak, Company Secretary in Whole-time Practice, was appointed as Scrutinizer for conducting the Postal Ballot.

The results of the postal ballot were announced by the Company Secretary at the Annual General Meeting of the Company held on 31st March, 2008 at 4.30 P.M. at the registered office of the Company and the said date of declaration of result of Postal Ballot has been taken as date of passing of the resolution.

VOTING PATTERN OF POSTAL BALLOTS IS AS HEREUNDER:

Sr. No.	Particulars	Resolution declared as Passed at the Board Meeting held on 31 st March, 2008		
	Special Resolution in terms of the provisions of Section 372A of the Companies Act, 1956 to authorize the Board of Directors of the Company to make investments, extend guarantees, provide securities, give inter-corporate loans exceeding the limits specified under Section 372A of the Companies Act, 1956 and to confirm the guarantees already extended by the Board for an amount not exceeding USD 110 Million each for securing the financial assistance of USD 100 Million each availed by Tusker Overseas Inc and Taurus Overseas Inc.	Ordinary Resolution in terms of the provisions of Section 293(1)(d) of the Companies Act, 1956 to authorize the Board of Directors of the Company to borrow funds upto an amount of Rs 2,500 Crores	Ordinary Resolution in terms of the provisions of Section 293(1)(a) of the Companies Act, 1956 to authorize the Board of Directors of the Company to sell, lease, mortgage or otherwise dispose off the whole or substantially the whole of undertaking of a Company upto an amount of Rs 2,500 Crores.	

1	Total No. of PBF Received	118	118	118
2	No of Shares	2164220	2164220	2164220
3	% to total equity shares	28.8563	28.8563	28.8563
4	No. of Invalid/ Rejected PBF	11	11	11
5	No of Shares	1179	1179	1179
6	% to Total No. of Shares of PBF Received	0.0545	0.0545	0.0545
7	Total No. of Valid PBF Accepted	107	107	107
8	Total No. of Shares	2163041	2163041	2163041
9	% to Total No. of shares of PBF Received	99.9455	99.9455	99.9455
10	Total No. of PBF in Favour	104	101	100
11	Total No. of Votes Cast in Favour	2162741	2162596	2162496
12	% to Total No. of Shares of valid PBF	99.9861	99.9794	99.9748
13	Total No. of PBF Against	3	6	7
14	Total No. of Votes Cased Against	300	445	545
15	% to Total No. of Shares of valid PBF	0.0139	0.0206	0.0252

7. 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. B-6 of Schedule 14 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.

8. 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 and Gavkari (Marathi) or Navshakti dailies with wide circulation. The results are posted on our website: www.videoconcommunications.com. The official news releases and the presentations made from time to time to investors and financial analysts at investors' meets are also displayed on the Company's website. The results are not sent individually to the shareholders.

9. GENERAL SHAREHOLDER INFORMATION:

9.1. Annual General Meeting:

Date : 30th March, 2009
 Time : 4.00 p.m.
 Venue : 20 K.M. Stone, Aurangabad – Beed Road, Village Bhalgaon, Aurangabad 431 210 (Maharashtra)

9.2. Financial Calendar for 2008-09:

Particulars	Date
Accounting Period	1 st October, 2008 - 30 th September, 2009
Unaudited financial results	Announcement within a month from the end of each quarter
a. First Quarter result	On or before 31 st January, 2009
b. Second Quarter result	On or before 30 th April, 2009
c. Third Quarter result	On or before 31 st July, 2009
d. Fourth Quarter result	On or before 31 st October, 2009
Annual General Meeting for year ending 30 th September, 2009	On or before 31 st March, 2010

9.3. Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from 17th March, 2009 to 30th March, 2009 (both days inclusive).

9.4. Payment of Dividend:

The Board of Directors of the Company has recommended a final dividend of Re. 0.50 per share (Paaise fifty only) for the financial year ended 30th September, 2008.

The tentative dividend payment date is 10th April, 2009.

9.5. Listing on Stock Exchange:

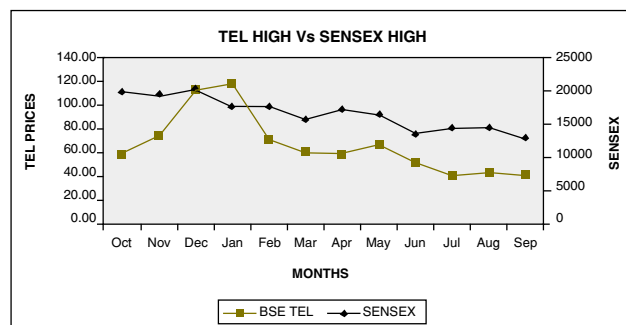
The Equity shares of your Company are listed on:

Bombay Stock Exchange Limited	1 st Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
Scrip Code	517228
The Annual Listing fee for the year 2008-09 i.e., upto 31 st March, 2009 has been paid to the Stock Exchange.	
The shareholders of the Company at their meeting held on 31.03.2004 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 The Delhi Stock Exchange Association Limited. The Company has complied with the necessary formalities for delisting.	

9.6. Market Price Data:

Monthly High and Low prices at BSE during the year 2007-08 are as under:

Month	BSE	
	High Price	Low Price
October, 2007	58.70	50.10
November, 2007	74.45	46.00
December, 2007	112.85	56.00
January, 2008	118.00	62.80
February, 2008	70.95	59.00
March, 2008	60.50	37.55
April, 2008	58.90	42.00
May, 2008	67.00	40.70
June, 2008	51.75	38.00
July, 2008	41.00	31.65
August, 2008	43.45	33.30
September, 2008	41.80	27.10

**9.8. Registrar And Transfer Agents:**

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

9.9. 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 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 Exchanges, submitted within the stipulated time, certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from a Practicing Company Secretary.

10. Distribution of Shareholding:

a) Shareholding pattern as on 30.09.2008 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	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(A)	Share holding of Promoter and Promoter Group					
1	Indian					
(a)	Individuals / Hindu Undivided family	5	150	150	0.00	0.00
(b)	Central Govt./ State Govt.(s)					
(c)	Bodies Corporate	4	3566955	2816955	47.56	47.56
(d)	Financial Institutions./ Banks					
(e)	Any Other (specify)					
	Sub - Total (A) (1)	9	3567105	2817105	47.56	47.56
(2)	Foreign					
(a)	Individuals (Non -Resident Individuals / Foreign Individuals)					
(b)	Bodies Corporate		0	0	0.00	0.00
(c)	Institutions					
(d)	Any Other (specify)					
	Sub - Total (A) (2)	0	0	0	0.00	0.00
	Total Share holding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	9	3567105	2817105	47.56	47.56
(B)	Public Share holding					
(1)	Institutions					
(a)	Mutual Funds / UTI	1	2400	0	0.03	0.03
(b)	Financial Institutions/Banks	9	1600	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
(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	0.00	0.00
(h)	Any Other(specify)	0	0	0	0.00	0.00
	Sub - Total (B) (1)	10	4000	75	0.05	0.05
(2)	Non- Institutions					
(a)	Bodies Corporate	204	211054	178929	2.81	2.81
(b)	Individuals i.Individuals Sahreholders holding nominal share capital up to Rs. 1 Lakh	19493	2186591	1475150	29.15	29.15
	ii Above Rs 1 Lakh	17	1531250	1177974	20.42	20.42
(c)	Any Other(specify)					
	Sub - Total (B) (2)	19714	3928895	2832053	52.39	52.39
	Total Public Share holding B= (B)(1)+(B)(2)	19724	3932895	2832128	52.44	52.44
	TOTAL (A) + (B)	19733	7500000	5649233	100.00	100.00
(C)	Shares held by Custodians and against which Depository Receipt have been issued					
	GRAND TOTAL (A)+(B)+(C)	19733	7500000	5649233	***	100.00

10.1 Distribution of Shareholding as on 30.09.2008 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	19,685	99.76	2,138,448	21,384,480	28.51
5,001 to 10,000	23	0.11	154,292	1,542,920	2.06
10,001 to 20,000	10	0.05	135,892	1,358,920	1.81
20,001 to 30,000	4	0.02	93,494	934,940	1.25
30,001 to 40,000	2	0.01	70,334	703,340	0.94
40,001 to 50,000	0	0	0	0	0
50,001 to 1,00,000	3	0.02	218,548	2,185,480	2.91
1,00,001 and above	6	0.03	4,688,992	46,889,920	62.52
Total	19,733	100.00	7,500,000	75,000,000	100.00

11. 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 30th September, 2008, 5,649,233 equity shares (representing 75.32% of the total number of shares) have been dematerialized.

12. 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, 2008, there is no outstanding instrument which warrant conversion.

13. Plant location:

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

14. Address for Correspondence:

20 KM. 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
Email: 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.

For TREND ELECTRONICS LIMITED

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

We have examined the compliance of conditions of Corporate Governance by Trend Electronics Limited, for the year ended 30th September, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

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

For KHANDELWAL JAIN & CO.,
Chartered Accountants

For KADAM & CO.,
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

U.S. KADAM
Partner
Membership No. 31055

Place: Mumbai
Date: 26th February, 2009

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include economic conditions in which the Company operates, changes in the Government regulations, tax laws, statutes and other incidental factors. 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 the 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.

This report has been affixed as a part of the Annual Report with a view to follow the spirit of the Corporate Governance Code as framed by the Securities and Exchange Board of India.

INDUSTRY STRUCTURE

India was one of the fastest growing markets in the year 2007-08, transferring the Country from a "Developing Economy" to an "Emerging Economy". But the expectation/estimation of crossing the benchmark of 10% GDP for 2007-2008 did not materialize considering the current recessionary phase that the industry is moving through.

ELECTRONICS INDUSTRY:

The Indian Electronics Industry constitutes just 0.7% of the global electronic industry, miniscule by international comparison. However, in the Indian economy, the electronics industry is one of the fast growing sectors, riding on the growth of the economy and the rising income levels of consumers over the last few years. The demand in the Indian market for consumer electronics is growing rapidly and there continues to be inflow of investments augmenting domestic manufacturing.

India is also an exporter of a vast range of electronic components and products for the following segments:

- ✓ Display technologies;
- ✓ Entertainment Electronics;
- ✓ Optical Storage devices;
- ✓ Passive Components;
- ✓ Electromechanical components;
- ✓ Telecom Equipment;
- ✓ Transmission & Signaling Equipment;
- ✓ Semiconductor Designing; and
- ✓ Electronic Manufacturing Services

The demand for electronics is expected to be fuelled by the growth of Telecommunications, IT and Broadband connectivity. India's electronics sector presents several attractive options for growth. The key take-aways for potential investors are:

- ✓ Consumer Electronics, Components and Computer Hardware appear the most attractive segments for investment, in terms of size and growth.
- ✓ Contract Manufacturing is an emerging option for exports out of India.
- ✓ Addressing the India Market would require:
 - a) The right technology and cost;
 - b) Good understanding of local markets and product customization to suit local needs;
 - c) Distribution and reach.

The Government of India has identified electronics and IT hardware manufacturing as one of the thrust areas for development. A special incentive package was announced in 2007-08 to attract investments for semiconductor fabrication and other micro and nanotechnology manufacturing industries in India.

CONSUMER ELECTRONICS:

The consumer electronics industry in India is poised for a strong growth in the years to come.

The consumer electronics industry has witnessed a phenomenal growth over the past few years. This growth can be attributed to the increasing effect of state of the art electronic devices. The consumer electronics industry is ushering in the dawn of Convergence. It is the confluence and merging of hitherto separated markets of digital-based audio, video and information technology.

The consumer electronics segment includes a wide range of products such as DVD, VCD/MP3 players, television sets, microwave ovens, computer accessories and other home and domestic appliances like washing machines, refrigerators, microwave ovens, irons, mixers, vacuum cleaners, heaters, etc.

The Indian consumer electronics industry is driven by the following growth drivers:

- ✓ Growing consumer confidence in the products and their utility;
- ✓ Rising disposable incomes;
- ✓ Easy finance schemes that facilitates purchases;
- ✓ Increased local manufacturing;
- ✓ Wide distribution networks;
- ✓ Increasing Rural aspiration;
- ✓ Trend towards nuclear families creating more households;
- ✓ Shorter product life in consumer homes; and
- ✓ Entry point products are becoming cheaper and more affordable for first time buyers

Our Company primarily focuses on manufacturing of Colour Televisions and DVD/VCDs.

COLOUR TELEVISIONS:

Televisions continue to be the foundation of the consumer electronics industry in India.

Televisions continue to be the mainstay of the consumer electronics industry in India with the transition slowly occurring to newer technologies such as Liquid Crystal Display (LCD) and Plasma Display Panel (PDP). Upgradation of technology coupled with a paradigm transition in the

attitudes and preferences of Indian consumers has resulted in a shift from conventional TVs to Flat TVs and from Flat TVs to Slim and Ultra Slim TVs. With the sharp dip in prices of LCDs and PDPs, there has been a considerable shift in consumer preference from conventional televisions to flat colour televisions.

The Flat Panel Display (FPD) market was characterized with low volume, high pricing and low consumer awareness. Lately, FPD market has witnessed a metamorphosis wherein FPD market is moving towards affordable pricing and desire for enhanced technology and cinematic viewing experience.

The demands for the latest technology high-end television market is witnessed primarily on account of the following:

- Affordable pricing;
- Desire for enhanced technology; and
- Younger demographic consumers

To improve cost competitiveness and to respond to emerging market trends, inter-alia it is considered necessary to:

- Bridge the gap between consumer needs and products sold to them;
- Customisation of products to suit needs of consumers;
- Evolution of business models;
- Technical innovation through R & D coupled with managerial innovation;
- Creation of entrepreneurial spirit within the organization;
- Collaborate and coinnovate in the evolving ecological system; and
- Specialisation in all domains

Despite the fall in revenues during the year 2007 - 2008, the demand for certain key products like Televisions, DVDs, VCDs, Refrigerators shall never die.

Videocon continues to emerge as one of the leading players along with other key players being LG, Samsung, Onida, Sony and Philips.

DVDS/VCDs:

The revolution brought about by Digital technology has enabled the consumer electronics sector to profit from the growing interaction of digital applications such as DVD player/recorder, computer monitor, LCD TVs etc. The computer industry has also benefited by being able to make its way into consumer's living rooms. HDTV's with VGA connections and SD/MMC card slots, personal media players, and Microsoft-based Media Center PCs have pushed the two industries even closer together than before.

The DVD segment 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. There has been an impetus during the last couple of years to source/manufacture DVDs domestically in an effort to be competitive as the volumes start coming in.

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. DVD players can play all formats (such as VCD/Mp3). It is this feature that has helped to drive growth in the DVD segment.

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

Videocon 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 durables industry is increasingly consumption led creating a number of opportunities. There is a strong preference for sophisticated brands and consumers are increasingly driven by quality and design. Consumers no longer look upon consumer durables as item of luxury, but an integral part of their lives.

Customisation to suit demand

Companies are focusing on customization to suit Indian tastes, thereby creating space for themselves. Market research aids in understanding the psyche of Indian consumers. The inputs from this research help in determining product attributes and pricing, so as to satisfy the perceived needs of the consumers. In nutshell, consumer research is a means to identify consumer requirements, which in turn helps the Company in incorporating specific design elements into the products.

Expanded distribution is critical

In order to tap semi-urban and rural demand, it is considered necessary to expand distribution networks in the semi-urban and rural areas. Rural expansion provides opportunity for growth with a positive impact on sales. Rural consumers have not been as brand-conscious as their urban counterparts. Due to the lower prices of unbranded products, rural consumers have been inclined to buy these products, although they often have poor quality. However, with increased awareness among rural consumers, there is an ever rising preference for branded products. This is reflected by the fact that established players have started reporting higher sales in rural areas.

Domestic Manufacturing to expand

Domestic consumption is reaching significant size to trigger manufacturing in the electronics sector in India. Domestic manufacturing to be a key characteristic of this growth in the years to come.

The Government has been focusing increasingly on developing the manufacturing sector by developing infrastructure, rationalizing duties and creating export-promotion zones.

To sum up, the following are the key opportunities available:

- ✓ Significant potential for enhanced penetration in rural areas;
- ✓ Tap Semi Urban demand;

- ✓ Expansion of product portfolio by bringing more products under one basket;
- ✓ Introduction of high end products;
- ✓ Innovating cost effective products to suit the current trend;
- ✓ Attractive finance schemes to drive demand;
- ✓ Media growth to enhance product awareness; and
- ✓ Research & Development to drive innovation and bring about cost effectiveness.

THREATS:

- ✓ Market Recession;
- ✓ Highly Competitive Market;
- ✓ Inflation;
- ✓ Cost Pressures;
- ✓ Rapid transition of technology;
- ✓ Present regulatory burdens;
- ✓ Erosion in Margins on account of time lag between input cost escalation and increase in end product realizations; and
- ✓ Less awareness of new products and technologies.

BUSINESS OUTLOOK:

The Consumer Electronics industry is very dynamic and new products are launched on continual basis. Consumer demand is ever increasing and the consumer electronics segment is fast evolving driven by new technologies, standards and products.

The Company proposes to focus by cashing on its following strengths:

- ✓ Maintaining High Quality Standards;
- ✓ Innovation that allows more efficient appliances and product controls;
- ✓ Market Penetration;
- ✓ Expanded product portfolio;
- ✓ Intelligent use of the embedded systems;
- ✓ Creativity and time-to-market to sustain leadership;
- ✓ Research and Analysis;
- ✓ Futuristic Products;
- ✓ Strong Retailer and Distributor Chain;
- ✓ Energy Saving Techniques; and
- ✓ Quality workforce and efficient manpower.

The outlook for the consumer electronics industry for 2009 appears optimistic vis-a-vis the performance of technology industry during last recessions. However, in view of the global meltdown, sales trend is likely to change as revenue growth may not be attractive, though unit sales would witness an upward movement.

RISKS AND CONCERNS:

There are ample challenges facing the Indian consumer electronics industry as this sector tries to realize its full potential. These include declining margins for many players, inverted duty structure, expansion of distribution reach, awareness about new technologies and products and low affordability level of consumer products among the rural masses.

However, these challenges are being gradually addressed. India is believed to continually grow as an important market for the global consumer electronics industry though the market for consumer electronics products and household appliances are highly competitive and we have experienced pressure on our prices and margins.

Further, with the increase in price wars due to the entry of new players in the market and increase in manufacturing capacity by some original manufacturers, the profitability and margins are likely to be affected. Poor distribution network in semi-urban and rural areas continues to remain a source of concern.

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

The emergence of organized retail is another looming threat or area of concern. Macro economic risks like economic recession, political or social upheavals, natural disasters could adversely affect the industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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:

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

The Company believes in having adequate and effective internal control systems to ensure that the assets and interest of the Company and its stakeholders is protected. 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."

Gross Sales has decreased from Rs. 8,673.96 Million in the year 2007 to Rs. 8,023.61 Million in the year 2008.

FINANCIAL PERFORMANCE:

Fixed Assets

The Gross Block of the Company as on 30th September, 2008 was Rs. 2,713.96 Million and Net Block was Rs. 1,262.56 Million. During the year, there were net increase in gross block of fixed assets to the extent of Rs. 11.96 Million.

Gross Sales

During the year under review, the Company achieved a gross sales of Rs. 8,023.61 Million as against Rs. 8,673.96 Million during the previous year ended on 30th September, 2007, thereby recording a decline of 7.50% in gross sales as compared to previous year.

Other Income

Other Income for the year was Rs. 37.95 Million as against Rs. 30.11 Million during the previous year ended on 30th September, 2007, representing an increase of 26.04% as compared to previous year. The increase is mainly on account of increase in interest and investment income. Other income comprises of interest income, investment income, dividend income and miscellaneous income.

Expenditure

Cost of Goods Consumed/Sold

During the year, Cost of Goods Consumed/sold stood at Rs. 7,236.90 Million as against Rs. 7,720.30 Million during the previous year, representing a decrease of 6.26% as compared to previous year ended on 30th September, 2007. The decline is on account of reduction in sales of the Company.

Salaries, Wages and Employees Benefits

During the year under review, the Salary and Wages were Rs. 78.02 Million as against Rs. 80.22 Million during the previous year ended on 30th September, 2007 representing a decrease of 2.74 % as compared to the previous year.

Manufacturing and Other Expenses

During the year under review, the Manufacturing and Other Expenses were Rs. 210.84 Million as against Rs. 214.84 Million during the previous year, representing a decrease of 1.86 % as compared to previous year ended on 30th September, 2007. The decrease is on account of decline in sales of the Company.

Interest and Finance Charges

Interest and Finance Charges were to the tune of Rs. 134.66 Million as against Rs. 132.37 Million during the previous year ended, representing an increase of 1.73% as compared to previous year ended on 30th September, 2007. The increase is on account of increase in interest rates.

Depreciation

Depreciation was Rs. 123.25 Million as against Rs. 123.68 Million during the previous year, representing decrease of 0.35 % as compared to previous year ended on 30th September, 2007.

Profit Before Tax & Exceptional Items

As a result of the foregoing, the profit before exceptional items and taxation was Rs. 35.97 Million as against Rs. 76.19 Million during the previous year, representing a decrease of 40.22 Million as compared to previous year ended on 30th September, 2007.

Exceptional Items

There are no exceptional items during the year as compared to previous year Rs. 27.68 Million provided as impairment loss.

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. 4.13 Million for Current Tax, Rs. 6.92 Million for Deferred Tax and Rs. 0.58 Million for Fringe Benefit Tax, as against Rs. 5.41 Million for Current Tax, Rs. 25.06 Million for Deferred Tax and Rs. 0.73 Million for Fringe Benefit Tax for the previous year ended 30th September, 2007.

Net Profit (Profit after tax)

Net Profit of the Company increased to Rs. 24.34 Million from Rs. 17.31 Million for the previous year ended 30th September, 2007 representing an increase of 40.61% in Net Profit.

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

The Company is committed to create a healthy workplace for everybody in the organization. The Company lays significant emphasis in nurturing the all-round development of Human Resources with special emphasis on training its employees to equip themselves to face the challenges in the competitive business environment and achieve the desired goals. The Company has developed a HRD plan with the parameters to achieve excellent results. In line with this objective, the performance evaluation processes are being redefined to provide dynamic interventions in assessing and developing the individual targets and synchronizing these targets to the Company's objectives and mission.

Steps have also been taken to create a sense of belongingness in the minds of the employees, which in turn gives maximum contribution per employee, thereby gearing them to face the challenges in the competitive business environment.

The Company is poised to take on the challenges with its work force of around 400 employees in the business environment and march towards achieving its mission with success.

AUDITORS' REPORT

To
The Members of

TREND ELECTRONICS LIMITED (Formerly : Videocon Communication Limited)

1. We have audited the attached Balance Sheet of **TREND ELECTRONICS LIMITED** (Formerly known as **VIDEOCON COMMUNICATIONS LTD**) as at 30th September 2008, Profit and Loss Account and the Cash Flow Statement of the Company annexed thereto for the year ended on that date. 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 the Cash Flow Statement dealt with by this 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 as on 30th September, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th September, 2008 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 with the significant accounting policies and the 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, 2008;
 - (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 of the Company for the year ended on that date.

For KHANDELWAL JAIN & CO.

Chartered Accountants

SHIVRATAN AGARWAL

Partner

Membership No.: 104180

Place : Mumbai

Date : 26th February, 2009

For KADAM & CO.

Chartered Accountants

U.S. KADAM

Partner

Membership No.: 31055

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** (Formerly known as **VIDEOCON COMMUNICATIONS LIMITED**) on the accounts for the year ended 30th September, 2008.

- (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 explanation 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 not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Sub-clauses (b), (c), (d), (f) and (g) of Clause (iii) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control systems.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five 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 thereunder.
- (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 determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protector 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, 2008 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 explanation given to us the particulars of dues of Sales tax, Income-tax, Customs Duty, Wealth-tax, Service tax, Excise duty, Cess which have not been deposited on account of disputes, are given below.

Nature of the Statute	Nature of the Dues	Rupees in Million	Forum where dispute is pending
1. Customs Act	Custom Duty Demand	3.30	Asst. Commissioner
2. Central Excise Act	Excise Duty Demand	1.52 2.44	CESTAT Tribunal Commissioner – Appeal
3. Service Tax Act	Service Tax Demand	5.49	Commissioner
4. Sales Tax Act	Sales Tax Demands	8.04 0.22 33.45	Asst. Commissioner – Appeal Tribunal First Appeal

- (x) There are no accumulated losses of the Company as on 30th September, 2008. 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, bank 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 are 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.

For KHANDELWAL JAIN & CO.

Chartered Accountants

SHIVRATAN AGARWAL

Partner

Membership No.: 104180

Place : Mumbai

Date : 26th February, 2009

For KADAM & CO.

Chartered Accountants

U.S. KADAM

Partner

Membership No.: 31055

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2007-2008

		2007-2008 (Rupees in Million)	2006-2007 (Rupees in Million)
I CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAX		35.97	48.51
Add :			
i. Depreciation		123.25	123.68
ii. Interest		134.66	132.36
iii. Impairment Loss		-	27.68
iv. Diminution in Value of Investments		4.33	-
	(A)	<u>298.21</u>	<u>332.23</u>
Less :			
i. Interest Received		8.83	5.29
ii. Profit on Sale of Investment		18.83	-
iii. Profit on Sale of Fixed Assets		0.74	-
iv. Dividend Received		8.90	8.90
	(B)	<u>37.30</u>	<u>14.19</u>
CASH GENERATED FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	(A - B) (C)	<u>260.91</u>	<u>318.06</u>
Less :			
ADJUSTMENTS FOR WORKING CAPITAL CHANGES			
i. Increase/(Decrease) in Inventories		(115.52)	86.18
ii. Increase/(Decrease) Sundry Debtors		95.33	11.38
iii. Increase/(Decrease) in Other Current Assets, Loans & Advances		173.13	21.92
iv. Decrease/(Increase) in Trade & Other Payables		(400.33)	(121.47)
	(D)	<u>(247.39)</u>	<u>(1.99)</u>
NET CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	(C-D) (E)	<u>508.30</u>	<u>320.05</u>
Less : Income Tax and FBT Paid/(Refund Received) (Net)	(F)	<u>5.79</u>	<u>10.78</u>
NET CASH FROM OPERATING ACTIVITIES	(E-F) (G)	<u>502.51</u>	<u>309.27</u>
II. CASH FLOW FROM INVESTING ACTIVITIES			
i. Interest Received		8.56	3.52
ii. Sale/deduction of Fixed Assets		4.11	-
iii. Dividend Received		8.90	8.90
iv. Decrease in Investments		-	1.77
	(H)	<u>21.57</u>	<u>14.19</u>
Less:			
i. Purchase of Fixed Assets		16.00	39.70
ii. Increase in Investments		99.26	-
	(I)	<u>115.26</u>	<u>39.70</u>
NET CASH FROM INVESTING ACTIVITIES	(H-I) (J)	<u>(93.69)</u>	<u>(25.52)</u>
III. CASH FLOW FROM FINANCING ACTIVITIES			
i. Increase/(Decrease) in Working Capital Limits		11.37	14.17
ii. Increase/(Decrease) in Secured Term Loans		(151.88)	(153.36)
iii. Increase/(Decrease) in Unsecured Loans (Net)		(120.74)	32.52
	(K)	<u>(261.25)</u>	<u>(106.67)</u>
Less :			
i. Interest Paid		132.30	142.00
ii. Dividend Paid		3.95	3.57
iii. Corporate Tax on Dividend paid		0.64	0.53
	(L)	<u>136.89</u>	<u>146.10</u>
NET CASH FROM FINANCING ACTIVITIES	(K-L) (M)	<u>(398.14)</u>	<u>(252.77)</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	(G+J+M)	<u>10.68</u>	<u>30.99</u>
OPENING BALANCE OF CASH & CASH EQUIVALENTS		93.88	62.90
CLOSING BALANCE OF CASH & CASH EQUIVALENTS		104.56	93.88

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

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

GAYATHRI R. GIRISH
Company Secretary

 Place : Mumbai
Date : 26th February, 2009

SCHEDULES TO BALANCE SHEET

	As at 30th September 2008 (Rupees in Million)	As at 30th September 2007 (Rupees in Million)		As at 30th September 2008 (Rupees in Million)	As at 30th September 2007 (Rupees in Million)
SCHEDULE 1 : SHARE CAPITAL			SCHEDULE 3 : SECURED LOANS		
Authorised :			Term Loans From Financial Institution	94.50	247.86
10,000,000 (Previous year 10,000,000) Equity Shares of Rs. 10 each	100.00	100.00	Working Capital Loans from Banks	545.03	533.66
5,000,000 (Previous year 5,000,000) Redeemable Preference Shares of Rs.100 each	500.00	500.00	Vehicle Loan From Banks	1.48	-
			TOTAL	641.01	781.52
	600.00	600.00			
Issued, Subscribed & Paid up:			Installments of loans from Banks and financial Institution falling due within one year Rs.95.04 million (Previous year Rs.153.37 million)		
Equity Share Capital			NOTES :-		
7,500,000 (Previous year 7,500,000) Equity Shares of Rs. 10 each fully paid up	75.00	75.00	A. Term Loans From Financial Institution		
			Term Loans From Financial Institution is secured by first mortgage and charge on immovable and movable properties of the Company, both present and future on pari-passu basis, subject to prior charge in favour of the Bankers on specified movables for securing borrowings for working capital requirements.		
TOTAL	75.00	75.00	B. 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 and guaranteed by Mr. V. N. Dhoot and Mr. P. N. Dhoot.		
			C. Vehicle Loans from Banks :-		
			Vehicle Loans from Banks are secured by way of hypothecation of Vehicles acquired out of the said loan.		
SCHEDULE 2 - RESERVES & SURPLUS			SCHEDULE 4 : UNSECURED LOANS		
Capital Subsidy			Foreign Currency Floating Rate Notes (due in January 2014.)	344.25	284.30
As per last Balance Sheet	3.00	3.00	Short Term Loan From Banks	-	452.54
(A)	3.00	3.00	Sales Tax Deferral	844.11	822.26
Capital Redemption Reserve			From Others	250.00	-
As per last Balance Sheet	500.00	500.00	TOTAL	1,438.36	1,559.10
(B)	500.00	500.00			
General Reserve					
As per Last Balance Sheet	112.62	102.62			
Less : On Account of transitional Provision under Accounting Standard 15	2.77	-			
Add : Transferred from Profit and Loss Account	5.00	10.00			
(C)	114.85	112.62			
Profit & Loss Account					
As per Account annexed	134.61	119.94			
(D)	134.61	119.94			
TOTAL (A to D)	752.46	735.56			

SCHEDULE 5 - FIXED ASSETS

(Rupees in Million)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 30.09.2007	Additions	Deduction	As at 30.09.2008	Upto 30.09.2007	For the Year	Impairment	Deduction	Upto 30.09.2008	As at 30.09.2008	As at 30.09.2007
Freehold Land	3.24	-	-	3.24	-	-	-	-	-	3.24	3.24
Building	243.40	-	-	243.40	83.37	6.30	-	-	89.67	153.73	160.03
Plant & Machinery	2,280.50	157.91	3.44	2,434.97	1,224.78	114.15	-	0.09	1,338.84	1,096.13	1,055.72
Electrical Installation	6.27	0.08	-	6.35	4.80	0.34	-	-	5.14	1.21	1.47
Computers	4.69	-	-	4.69	4.61	-	-	-	4.61	0.08	0.08
Furniture & Fixtures	5.82	0.54	-	6.36	4.94	0.39	-	-	5.33	1.03	0.88
Office Equipments	3.51	0.19	-	3.70	1.98	0.20	-	-	2.19	1.51	1.53
Vehicles	1.31	1.70	0.60	2.41	1.09	0.10	-	0.58	0.61	1.80	0.22
Intangible Assets											
Computer Software	8.84	-	-	8.84	3.24	1.77	-	-	5.01	3.83	5.60
TOTAL	2,557.58	160.42	4.04	2,713.96	1,328.81	123.25	-	0.67	1,451.40	1,262.56	1,228.77
Capital Work - in - Progress	144.42	-	-	-	-	-	-	-	-	-	144.42
TOTAL	2,702.00	160.42	4.04	2,713.96	1,328.81	123.25	-	0.67	1,451.40	1,262.56	1,373.19
As at 30th September, 2007	2,417.16	140.42	-	2,557.58	1,177.45	123.68	27.68	-	1,328.81	1,228.77	-
Capital Work - in - Progress	245.14	-	-	144.42	-	-	-	-	-	144.42	-
Total as at 30th September, 2007	2,662.30	140.42	-	2,702.00	1,177.45	123.68	27.68	-	1,328.81	1,373.19	-

TREND ELECTRONICS LIMITED (Formerly : Videocon Communications Limited)

SCHEDULE 6 INVESTMENTS

Face Value		As at 30th September 2008		As at 30th September 2007	
		Nos	(Rupees in Million)	Nos	(Rupees in Million)
LONG TERM INVESTMENTS					
QUOTED IN SHARES - TRADE					
10	Videocon Industries Limited	2,541,666	75.00	2,541,666	75.00
10	lol Netcom Ltd.	98,000	7.15	NIL	-
UNQUOTED					
IN SHARES - OTHERS					
10	Holzmann Videocon Engineers Limited	340,600	-	340,600	-
1 USD	Tusker Overseas Inc.	190	0.01	190	-
1 USD	Videocon (Cayman) Limited	579,500	28.65	9,500	4.36
1 USD	Trend Limited	76,000	3.49	76,000	3.49
1 USD	Taurus Overseas Inc.	190	0.01	NIL	-
50 USD	PT Videocon Indonesia	475	0.94	NIL	-
1 EURO	Digital Display Devices S. p. A.	36,000	1.96	36,000	1.96
1 USD	Mars Overseas Limited	190,000	7.65	190,000	7.65
1 USD	Jupiter Corporation Inc.	190	0.01	NIL	-
1 USD	Sapphire Overseas Inc.	1,901,900	80.66	NIL	-
100 EURO	VCIL Netherlands B.V.	34	0.13	NIL	-
100	Plugin Sales Ltd.	1,900	0.19	NIL	-
IN SHARES - SUBSIDIARY					
10	Videocon VCR Securities Limited	100,000	1.00	100,000	1.00
IN PREFERENCE SHARES					
100	Plugin Sales Ltd.	3,800	0.38	NIL	-
TOTAL			207.23		93.46
Aggregate Book Value of Quoted Investments			82.15		75.00
Aggregate Market Value of Quoted Investments			506.09		945.88
Aggregate Book Value of Unquoted Investments			125.08		18.46

Details of Investments acquired and sold during the year:

Particulars	Quantity	Cost (Rupees in Million)
Pioneer Embroideries Ltd.	40,000	6.05
Gold Stone Technologies Ltd.	600,000	103.93
Karuturi Global Ltd.	2,500,000	47.37
Facts Securities	225,000	56.22
Shree Ashtavinayak Cine Vision Ltd.	300,000	109.50

SCHEDULE 7

CURRENT ASSETS, LOANS AND ADVANCES

A. Inventories

(As taken, valued and certified by the Management)

	As at 30th September 2008 (Rupees in Million)	As at 30th September 2007 (Rupees in Million)
Raw Materials including Consumables, Stores & Spares	999.12	1,021.20
Work in Process	178.41	200.21
Finished Goods	41.37	107.60
Material in Transit and in Bonded Warehouse	67.64	73.05
(A)	1,286.54	1,402.06
B. Sundry Debtors (Unsecured, considered good)		
Outstanding for a period exceeding six months	0.47	0.42
Others	1,443.49	1,348.21
(B)	1,443.96	1,348.63

C. Cash & Bank Balances

	As at 30th September 2008 (Rupees in Million)	As at 30th September 2007 (Rupees in Million)
Cash on hand	0.13	0.30
Balances with Scheduled Banks		
In Current Accounts	4.30	5.12
In Dividend Warrant Accounts (Per Contra)	1.25	1.45
In Fixed Deposits	98.88	87.01
(C)	104.56	93.88

D. Other Current Assets

Interest Accrued	3.50	3.23
Insurance Claim Receivable	2.62	2.65
(D)	6.12	5.88

E. Loans & Advances (Unsecured, considered good)

Advances recoverable in Cash or in kind or for value to be received	204.42	48.28
Balance with Central Excise / Customs Department	69.41	51.20
Sundry Deposits	0.21	1.40
(E)	274.04	100.88

TOTAL (A to E) **3,115.22** **2,951.33**

SCHEDULE 8 CURRENT LIABILITIES AND PROVISIONS

	As at 30th September 2008 (Rupees in Million)	As at 30th September 2007 (Rupees in Million)
A. Current Liabilities		
Sundry Creditors *		
Due to Micro, Small and Medium Enterprises	-	-
Due to others	1,455.76	1,031.77
Bank Overdraft as per Books	0.11	0.49
Other Liabilities**	33.97	54.20
Unclaimed Dividend (Per Contra)	1.25	1.45
Interest Accrued but not due	12.13	9.77
(A)	<u>1,503.22</u>	<u>1,097.68</u>
* Includes acceptances Rs.464.25 million (Previous Year Rs. 394.81 million)		
** Includes Rs.0.85 million due to Subsidiary Company (Previous Year Rs. 0.85 million) Maximum outstanding during the year Rs. 0.85 million.		
B. Provisions		
Provision for Taxation (Net of Advance Tax)	1.16	2.09
Provision for Fringe Benefit Tax (Net)	0.19	0.06
Proposed Dividend - Equity	3.75	3.75
Provision for Corporate Tax on Proposed Dividend	0.64	0.64
Provision for Warranty & Maintenance	10.12	11.81
Provision for Gratuity	3.53	-
Provision for Leave Encashment	1.16	3.28
(B)	<u>20.55</u>	<u>21.63</u>
TOTAL (A + B)	<u>1,523.77</u>	<u>1,119.31</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the Year Ended on 30th September 2008 (Rupees in Million)	For the Year Ended on 30th September 2007 (Rupees in Million)
SCHEDULE 9 OTHER INCOME		
Interest Received (TDS Rs.2.00 Million, Previous year Rs. 1.37 Million)	8.83	5.29
Dividend Received	8.90	8.90
Profit on Sale of Fixed Assets	0.74	-
Profit on Sale of Investments	18.83	-
Miscellaneous Income	0.65	15.92
(TDS Rs.Nil, Previous year Rs.0.70 Million)		
TOTAL	<u>37.95</u>	<u>30.11</u>
SCHEDULE 10 COST OF GOODS CONSUMED/SOLD		
A. Material and Components Consumed		
Opening Stock	1,021.20	977.16
Add : Purchases	7,126.80	7,786.18
	<u>8,148.00</u>	<u>8,763.34</u>
Less : Closing Stock	999.12	1,021.20
(A)	<u>7,148.88</u>	<u>7,742.14</u>
B. (Increase) / Decrease in Stock Closing Stock		
Finished Goods	41.37	107.60
Work in Process	178.41	200.21
	<u>219.78</u>	<u>307.81</u>
Opening Stock		
Finished Goods	107.60	91.12
Work in Process	200.21	194.85
	<u>307.81</u>	<u>285.97</u>
(B)	<u>88.03</u>	<u>(21.84)</u>
TOTAL (A+B)	<u>7,236.91</u>	<u>7,720.30</u>

SCHEDULE 11 SALARY, WAGES & EMPLOYEES' BENEFITS

	For the Year Ended on 30th September 2008 (Rupees in Million)	For the Year Ended on 30th September 2007 (Rupees in Million)
Salary, Wages & Other Benefits	73.51	71.64
Contribution to Provident Fund & Other Funds	3.06	4.39
Staff Welfare	1.45	4.19
TOTAL	<u>78.02</u>	<u>80.22</u>

SCHEDULE 12
MANUFACTURING & OTHER EXPENSES

	For the Year Ended on 30th September 2008 (Rupees in Million)	For the Year Ended on 30th September 2007 (Rupees in Million)
Power, Fuel & Water	6.58	8.81
Repairs to Plant & Machinery	1.67	5.79
Repairs to Building	1.20	0.22
Repairs to Others	0.11	0.07
Carriage & Cartage	41.97	62.94
Rent, Rates & Taxes	1.57	39.37
Insurance	2.25	1.15
Bank Charges	21.07	18.46
Auditors' Remuneration	0.65	0.61
Directors' Sitting Fees	0.08	0.01
Diminution in value of Investments	4.33	-
Exchange Rate Fluctuation	87.43	-
Warranty & Maintenance Expenses	23.09	50.83
Miscellaneous Expenses	18.84	26.58
TOTAL	<u>210.84</u>	<u>214.84</u>

SCHEDULE 13
INTEREST & FINANCE CHARGES

	For the Year Ended on 30th September 2008 (Rupees in Million)	For the Year Ended on 30th September 2007 (Rupees in Million)
On Term Loans	25.11	45.30
Others	109.55	87.07
TOTAL	<u>134.66</u>	<u>132.37</u>

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 issued by the Institute of Chartered Accountants of India, as referred to in Section 211(3C) of the Companies Act, 1956.

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.

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/VAT.

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% & 39.50% respectively 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.

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 Investments 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 an 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/ fixed assets.

10) Revenue Recognition

- Revenue is recognised on transfer of significant risk and reward in respect of ownership.
- 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.
- Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.

11) Foreign Currency Transactions

- Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Current Assets & 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 end of the year is recognised as income or expense, as the case may be, for the year.
- 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 are 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.

	As at 30th September 2008 (Rupees in Million)	As at 30th September 2007 (Rupees in Million)
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B) NOTES TO ACCOUNTS

1. Contingent Liabilities not provided for in respect of

a. Letters of Guarantees including Bank Guarantees	2.06	-
b. Letters of Credit issued by the Bank	126.07	146.52
c. Custom Duty Demand under dispute	3.31	3.31
d. Excise Duty Demand under dispute	3.97	4.90
e. Service Tax Demand under dispute	5.50	5.50
f. Sales Tax Demand [Amount paid under protest Rs.2.04 million (Previous year Rs.0.19 million)]	43.76	3.13

2. 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. 9,464.00 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.

3. The Company has made a provision of Rs 4.13 million towards Income Tax (Previous year Rs. 5.41 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.

4. The Company is primarily engaged in manufacturing of Electrical & Electronic Appliances and there is no other reportable segment as defined in Accounting Standard 17 on "Segment Reporting".

	As at 30th September 2008 (Rupees in Million)	As at 30th September 2007 (Rupees in Million)
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5. The break up of deferred tax assets/ liabilities is as under :

A. Deferred Tax Liabilities

i. Related to Depreciation on Fixed Assets	157.33	150.22
	157.33	150.22

B. Deferred Tax Assets

i. Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961.	0.28	1.57
ii. Diminution in value of investments charged in Profit & Loss Account	2.63	1.16
	2.91	2.73

Net Deferred Tax Liability

	154.41	147.49
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(Deferred Tax Assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.)

6. Related Party Disclosures

a) List of Related Parties

i) Subsidiary Company :

Videocon VCR Securities Ltd.

ii) Key Management Personnel

Mr. A.A. Bhide (Head - Operations)

b) Transactions/outstanding Balances with Related Parties :

The Company has entered into transactions with certain related parties as listed below. The Board considers such transactions to be in normal course of business.

Nature of Transaction	Subsidiary Company	Key Management Personnel
	(Rupees in Million)	
Remuneration		
Mr.A.A.Bhide		0.90 (0.51)
Outstanding as at 30.09.2008		
Payables	0.85 (0.85)	-
Investments	1.00 (1.00)	-
	Year ended	Year ended
	30th September	30th September
	2008	2007
	(Rupees in Million)	(Rupees in Million)
7. Earnings Per Share :		
a) Net Profit for the year after tax adjustment for earlier years	24.06	17.31
b) Weighted Average no.of equity Shares	7,500,000	7,500,000
c) Basic and Diluted Earnings per share of Rs.10 each.	Rs.3.21	Rs.2.31
8. Auditors' Remuneration		
a. Audit fees	0.43	0.39
b. Tax Audit fees	0.05	0.05
c. Other services	0.13	0.12
d. Out-of Pocket Expenses	0.05	0.05
TOTAL	0.66	0.61

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

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

11. In the opinion of the Board, the value of 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.

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:

	As at	As at
	30th September 2008 (Rupees in Million)	30th September 2007 (Rupees in Million)
a) Amount at the beginning of the year.	11.81	11.60
b) Additional provision made during the year	9.90	11.81
c) Amount used	11.59	11.60
d) Unused amount reversed during the year	-	-
e) Amount at the end of the year	10.12	11.81

13. The Financial Institutions have a right to convert at their option the whole outstanding amount of term loans or a part not exceeding 20% of loan, whichever is lower, into fully paid up equity shares of the Company at par on default in payments/repayment of 3 consecutive installments of principle and / or interest thereon or on mismanagement of the affairs of the Company.

14. Employee Benefits

a) During the year the Company has adopted the revised Accounting Standard 15 (AS-15) "Employee Benefits" as issued by Institute of Chartered Accountants of India Pursuant to the adoption the difference between the transitional Liability and the liability that would have been recognised at the same date as per pre-revised AS-15 is adjusted against the opening balance of General Reserve.

b) Disclosure

i) Defined Contribution Plans :

Amount of Rs. 3.06 million (Previous year Rs.4.39 million) is recognised as an expense and shown under the head "Salary, wages and Employee Benefits (Schedule 11) in the Profit and Loss Account.

ii) Defined Benefit Plans :

(Rupees in Million)

	30th September 2008	
	Funded Gratuity	Non Funded Leave Encashment
a) The amounts recognised in the Balance Sheet as at 30th September 2008		
1 Present Value of Defined Benefit Obligation	7.28	1.16
2 Fair value of plan assets	3.75	NIL
3 Funded Status – Surplus/(Deficit)	(3.53)	(1.16)
4 Net Assets/(Liability) 30th September 2008	(3.53)	(1.16)
b) The amounts recognised in Profit and Loss for the year ended 30th September 2008		
1 Current Service Cost	0.59	0.40
2 Interest Cost	0.50	0.26
3 Actuarial (gain)/ Losses	0.78	(2.07)
4 Actual Return on Plan Assets	0.27	NIL
5 Total expenses	1.59	(1.40)
c) The changes in obligations during the year ended on 30th September 2008		
1 Present value of Defined Benefit Obligation at the beginning of the year	6.21	3.28
2 Current Service Cost	0.59	0.40
3 Interest Cost	0.50	0.26
4 Actuarial (Gain)/ Losses	0.78	(2.07)
5 Benefit Payments	0.80	0.71
6 Present value of Defined Benefit Obligation at the end of the year	7.28	1.16
d) The changes in Plan Assets during the year ended on 30th September 2008		
1 Plan Assets at the beginning of the year	3.44	NIL
2 Contribution by Employer	0.83	NIL
3 Actual Benefit paid	0.80	NIL
4 Plan Assets at the end of the year	3.75	NIL
5 Actual return on Plan Assets	0.27	NIL

Actuarial assumptions :

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

The above information is certified by actuary. This being the first year of implementation of revised AS - 15, previous year's figures have not been given.

	As on	As on
	30.09.2008	30.09.2007
15. 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.	NIL	NIL
b) Interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
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.	NIL	NIL
d) The amount of interest due and payable for the period of delay in making payment.	NIL	NIL
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL
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 & Medium Enterprises Development Act 2006.	NIL	NIL

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 parties identified from the available information.

TREND ELECTRONICS LIMITED (Formerly : Videocon Communications Limited)

	30th September 2008		30th September 2007	
	Nos	Rupees in Million	Nos	Rupees in Million
16. Additional Information pursuant to the provisions of paragraphs 3,4c,4d of part II of Schedule VI of the Companies Act,1956.				
QUANTITATIVE INFORMATION :				
A. Details of Production, Purchase, Stock & Turnover : (As certified by the Management)				
I Production (Includes goods manufactured through Others) Electrical & Electronic Appliances	2,048,630		2,186,291	
II Opening Stock Electrical & Electronic Appliances	25,490	107.60	22,101	91.12
III Sales Electrical & Electronic Appliances	2,059,324	8,023.61	2,182,902	8,673.96
IV Closing Stock Electrical & Electronic Appliances	14,796	41.37	25,490	107.60
B. Raw Materials including Stores & Spares Consumed :				
a. Printed Circuit Board	1,782,347	1,307.14	1,857,756	1,469.77
b. Plastic, Wooden & Pressed Parts	1,782,347	4,105.29	1,857,756	4,500.12
c. Active and Passive Components & Others	*	1,642.72	*	1,661.52
d. Stores & Spares/Packing Material	*	93.73	*	110.73
		7,148.88		7,742.14
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 diverse in size and numbers.				
C. Value of Imported & Indigenous Raw Materials Consumed				
	Percentage	Rupees in Million	Percentage	Rupees in Million
a. Imported	10.65	761.41	10.18	788.14
b. Indigenous	89.35	6,387.47	89.82	6,954.00
		7,148.88		7,742.14
D. C.I.F. value of Imports, Expenditure & Earnings in Foreign Exchange.				
a. C.I.F. Value of Imports				
Raw materials		1,256.22		731.79
Capital Goods		8.76		74.57
b. Expenditure incurred in Foreign Currency (on payment basis)				
Dividend 952 Shareholders holding 2,043,811 Shares (Previous year 991 Shareholders holding 2,050,720 Shares)		1.02		1.03
Interest & Bank Charges		26.92		28.07
Others		-		0.22
c. Earnings in Foreign Currency (on receipt basis)				
Miscellaneous Income		-		0.90

17. 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	1262564
State Code	11	Investments	207231
Balance Sheet Date	30.09.2008	Net Current Assets	1591442
III. CAPITAL RAISED DURING THE YEAR (Amounts Rs. in Thousands)		Accumulated Losses	NIL
Public Issue	NIL	Misc. Expenditure	NIL
Right Issue	NIL	IV. PERFORMANCE OF COMPANY (Amounts Rs. in Thousands)	
Bonus Issue	NIL	Turnover (Including other income)	7819640
Private Placement	NIL	Total Expenditure	7783675
III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS		Profit Before Tax	35965
(Amounts Rs. in Thousands)		Profit After Taxes	24340
Total Liabilities	3061237	Earnings per Share in Rs.	3.21
Total Assets	3061237	Dividend Rate %	5
Sources of Funds		V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY	
Paid-up Capital	75000	(As per monetary terms)	
Reserves & Surplus	752459	a. Item Code No. (ITC Code)	8521.00
Deferred Tax Liability (Net)	154415	Product Description : -	VCD/DVD
Secured Loans	641005	b. Item Code No. (ITC Code)	8528.00
Unsecured Loans	1438358	Product Description : -	COLOUR TV

As per our report of even date

For KHANDELWAL JAIN & CO.

Chartered Accountants

SHIVRATAN AGARWAL

Partner

Membership No. 104180

Place : Mumbai

Date : 26th February 2009

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

GAYATHRI R. GIRISH

Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

1 Name of the Subsidiary	VIDEOCON VCR SECURITIES LIMITED
2 Financial Period of the Subsidiary ended on	30th September, 2008
3 Holding Company's Interest	
No of Equity Shares of Rs 10/- each	100,000
Extent of interest of holding company at the end of financial year of Subsidiary Companies	100%
4 The net aggregate amount of the Subsidiary Companies Profit / (Loss) so far it concerns the member of the Holding Company	
a Not dealt with in the Holding Company's accounts:	
i For the current financial year ended	(Rs. 15,253/-)
ii For the previous financial years of the Subsidiary Companies since they became the Holding Company's subsidiaries	(Rs. 163,210/-)
b Dealt with in Holding Company's account :	
i For the current financial year ended	NIL
ii For the previous financial years of the Subsidiary Companies since they became the Holding Company's subsidiaries	NIL

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
TREND ELECTRONICS LIMITED

We have examined the attached consolidated Balance Sheet of **TREND ELECTRONICS LIMITED** (Formerly known as "VIDEOCON COMMUNICATIONS LIMITED") (the Company) and its subsidiary as at 30th September 2008, Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by them on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not jointly audit the financial statements of Subsidiary whose financial statements reflect total assets of Rs.0.82million as at 30th September 2008 and total revenues of Rs. NIL and net cash outflow of Rs. NIL for the year ended on that date. These financial statements have been audited singly by M/s Kadam & Co.

We report that the consolidated financial statements have been prepared by the Company in

accordance with the requirements of the Accounting Standard (AS) 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiary included in Consolidated Financial Statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of the Company and its subsidiary, we are of the opinion that the attached consolidated financial statements read with the significant accounting policies and notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at 30th September 2008;
- in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiary for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiary for the year ended on that date.

For KHANDELWAL JAIN & CO.
Chartered Accountants

For KADAM & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. : 104180

U.S.KADAM
Partner
Membership No. : 31055

Place : Mumbai
Date : 26th February, 2009

CONSOLIDATED BALANCE SHEET as at 30th September, 2008

Particulars	Schedule	As at 30th September 2008 (Rupees in Million)	As at 30th September 2007 (Rupees in Million)
I. SOURCES OF FUNDS :			
1. Shareholders' Funds			
a. Share Capital - Equity	1	75.00	75.00
b. Reserves & Surplus	2	712.28	695.40
2. Deferred Tax Liability (Net)		154.41	147.49
3. Loan Funds			
a. Secured Loans	3	641.01	781.52
b. Unsecured Loans	4	1,438.36	1,559.10
TOTAL		3,021.06	3,258.51
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block		2,713.96	2,702.00
b. Less : Depreciation / Impairment		1,451.40	1,328.81
c. Net Block		1,262.56	1,373.19
2. Investments	6	166.23	52.47
3. Current Assets, Loans & Advances			
a. Inventories		1,286.54	1,402.06
b. Sundry Debtors		1,443.96	1,348.64
c. Cash and Bank Balances		104.56	93.88
d. Other Current Assets		6.12	5.88
e. Loans and Advances		274.04	100.88
		3,115.22	2,951.34
Less : Current Liabilities & Provisions			
a. Current Liabilities	8	1,502.40	1,096.86
b. Provisions		20.55	21.63
		1,522.95	1,118.49
Net Current Assets		1,592.27	1,832.85
TOTAL		3,021.06	3,258.51
Significant Accounting Policies and Notes to Accounts	14		

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

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

GAYATHRI R. GIRISH
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended on 30th September, 2008

Particulars	Schedule	For the Year ended on 30th September 2008 (Rupees in Million)	For the Year ended on 30th September 2007 (Rupees in Million)
I. INCOME			
Sales / Income from Operations		8,023.61	8,673.96
Less : Excise Duty		241.92	356.47
Net Sales		7,781.69	8,317.49
Other Income		37.95	30.11
TOTAL	9	7,819.64	8,347.60
II. EXPENDITURE			
Cost of Goods Consumed/Sold	10	7,236.90	7,720.30
Salaries, Wages & Employees' Benefits	11	78.02	80.22
Manufacturing and Other Expenses	12	210.86	214.85
Interest & Finance Charges	13	134.66	132.37
Depreciation		123.25	123.68
TOTAL		7,783.69	8,271.42
Profit before Impairment Loss and Tax		35.95	76.18
Impairment Loss		-	27.68
III. PROFIT BEFORE TAX		35.95	48.50
Less : Provision for Taxation			
Current Tax		4.13	5.41
Deferred Tax		6.92	25.06
Fringe Benefit Tax		0.58	0.73
IV. PROFIT FOR THE YEAR		24.32	17.30
Add \Less) : Provision for Income Tax for earlier years (paid)/W/Back		(0.28)	0.00
Add : Balance brought forward		119.79	116.86
V. BALANCE AVAILABLE FOR APPROPRIATION		143.83	134.17
VI. APPROPRIATIONS			
i. Proposed Dividend - Equity		3.75	3.75
ii. Corporate Tax on Proposed Dividend		0.64	0.63
iii. Transfer to General Reserve		5.00	10.00
iv. Balance Carried to Balance Sheet		134.44	119.79
TOTAL		143.83	134.17
Basic & Diluted Earnings per Share (Nominal value Rs.10) (Refer Note B-6 of Schedule 14)		Rs.3.21	Rs.2.31
Significant Accounting Policies and Notes to Accounts	14		

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

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

GAYATHRI R. GIRISH
Company Secretary

Place : Mumbai
Date : 26th February 2009

Place : Mumbai
Date : 26th February 2009

TREND ELECTRONICS LIMITED (Formerly : Videocon Communications Limited)

CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2007-08

	2007-2008 (Rupees in Million)	2006-2007 (Rupees in Million)
I. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	35.95	48.50
Add :		
i. Depreciation	123.25	123.68
ii. Interest	134.66	132.37
iii. Impairment Loss	-	27.68
iv. Diminution in Value of Investments	4.33	-
(A)	298.19	332.23
Less :		
i. Interest Received	8.83	5.29
ii. Profit on Sale of Investment	18.83	-
iii. Profit on Sale of Fixed Assets	0.74	-
iv. Dividend Received	8.90	8.90
(B)	37.30	14.19
CASH GENERATED FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES (A - B)	(C) 260.89	318.04
Less :		
ADJUSTMENTS FOR WORKING CAPITAL CHANGES		
i. Increase/(Decrease) in Inventories	(115.52)	86.18
ii. Increase/(Decrease) Sundry Debtors	95.32	11.38
iii. Increase/(Decrease) in Other Current Assets, Loans & Advances	173.13	21.92
iv. Decrease/(Increase) in Trade & Other Payables	(400.34)	(121.47)
(D)	(247.42)	(1.99)
NET CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES (C-D)	(E) 508.31	320.03
Less : Income Tax and FBT Paid/(Refund Received) (Net)	(F) 5.79	10.77
NET CASH FROM OPERATING ACTIVITIES (E-F)	(G) 502.52	309.26
II. CASH FLOW FROM INVESTING ACTIVITIES		
i. Interest Received	8.56	3.52
ii. Sale/deduction of Fixed Assets	4.12	-
iii. Dividend Received	8.90	8.90
iv. Decrease in Investment	-	1.77
(H)	21.58	14.19
Less:		
i. Purchase of Fixed Assets	16.01	39.70
ii. Increase in Investments	99.26	-
(I)	115.27	39.70
NET CASH FROM INVESTING ACTIVITIES (H-I)	(J) (93.69)	(25.52)
III. CASH FLOW FROM FINANCING ACTIVITIES		
i. Increase/(Decrease) in Working Capital Limits	11.37	14.17
ii. Increase/(Decrease) in Secured Term Loans	(151.88)	(153.36)
iii. Increase/(Decrease) in Unsecured Loans (Net)	(120.74)	32.52
(K)	(261.25)	(106.67)
Less :		
i. Interest Paid	132.30	142.00
ii. Dividend Paid	3.95	3.57
iii. Corporate Tax on Dividend paid	0.63	0.53
(L)	136.88	146.10
NET CASH FROM FINANCING ACTIVITIES (K-L)	(M) (398.13)	(252.77)
NET CHANGE IN CASH & CASH EQUIVALENTS (G+J+M)	10.68	30.98
OPENING BALANCE OF CASH & CASH EQUIVALENTS	93.88	62.91
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	104.56	93.88

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

For KADAM & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

U.S.KADAM
Partner
Membership No. 31055

For and on behalf of the board

P. N. DHOOT
Director

S. PADMANABHAN
Director

GAYATHRI R. GIRISH
Company Secretary

Place : Mumbai
Date : 26th February 2009

SCHEDULES TO BALANCE SHEET

	As at 30th September 2008 (Rupees in Million)	As at 30th September 2007 (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 & 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	72.62	62.62
Less : On Account of transitional Provision under Accounting Standard 15	2.77	-
Add : Transferred from Profit and Loss Account	5.00	10.00
(C)	74.85	72.62
Profit & Loss Account		
As per Account annexed	134.43	119.78
(D)	134.43	119.78
TOTAL (A to D)	712.28	695.40
SCHEDULE 3 SECURED LOANS		
Term Loans From Financial Institution	94.50	247.86
Working Capital Loans from Banks	545.03	533.66
Vehicle Loan From Banks	1.48	-
TOTAL	641.01	781.52
Installments of loans from Banks and financial Institution falling due within one year Rs.95.04 million (Previous year Rs.153.37 million)		
NOTES :-		
A. Term Loans From Financial Institution		
Term Loans From Financial Institution is secured by first mortgage and charge on immovable and movable properties of the Company, both present and future on pari-passu basis, subject to prior charge in favour of the Bankers on specified movables for securing borrowings for working capital requirements.		
B. 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 and guaranteed by Mr. V. N. Dhoot and Mr. P. N. Dhoot.		
C. 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 September 2008 (Rupees in Million)	As at 30th September 2007 (Rupees in Million)
SCHEDULE 4 UNSECURED LOANS		
Foreign Currency Floating Rate Notes (due in January 2014)	344.25	284.30
Short Term Loan From Banks	-	452.54
Sales Tax Deferral	844.11	822.26
From others	250.00	-
TOTAL	1,438.36	1,559.10

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				NET BLOCK		
	As at 30.09.2007	Additions	Deduction	As at 30.09.2008	Upto 30.09.2007	For the Year	Impairment	Deduction	Upto 30.09.2008	As at 30.09.2008	As at 30.09.2007
Freehold Land	3.24	-	-	3.24	-	-	-	-	-	3.24	3.24
Building	243.40	-	-	243.40	83.37	6.30	-	-	89.67	153.73	160.03
Plant & Machinery	2,280.50	157.91	3.44	2,434.97	1,224.78	114.15	-	0.09	1,338.84	1,096.13	1,055.72
Electrical Installation	6.27	0.08	-	6.35	4.80	0.34	-	-	5.14	1.21	1.47
Computers	4.69	-	-	4.69	4.61	-	-	-	4.61	0.08	0.08
Furniture & Fixtures	5.82	0.54	-	6.36	4.94	0.39	-	-	5.33	1.03	0.88
Office Equipment's	3.51	0.19	-	3.70	1.99	0.20	-	-	2.19	1.51	1.52
Vehicles	1.31	1.70	0.60	2.41	1.09	0.10	-	0.58	0.61	1.80	0.22
Intangible Assets											
Computer Software	8.84	-	-	8.84	3.24	1.77	-	-	5.01	3.83	5.60
TOTAL	2,557.58	160.42	4.04	2,713.96	1,328.82	123.25	-	0.67	1,451.40	1,262.56	1,228.76
Capital Work - in - Progress	144.42	-	-	-	-	-	-	-	-	-	144.42
TOTAL	2,702.00	160.42	4.04	2,713.96	1,328.82	123.25	-	0.67	1,451.40	1,262.56	1,373.18
As at 30th September, 2007	2,417.16	140.42	-	2,557.58	1,177.45	123.68	27.68	-	1,328.81	1,228.77	-
Capital Work - in - Progress	245.14	-	-	144.42	-	-	-	-	-	144.42	-
Total as at 30th September, 2007	2,662.30	140.42	-	2,702.00	1,177.45	123.68	27.68	-	1,328.81	1,373.19	-

**SCHEDULE 6
INVESTMENTS**

Face Value	LONG TERM INVESTMENTS QUOTED IN SHARES - TRADE	As at 30th September 2008		As at 30th September 2007	
		Nos	(Rupees in Million)	Nos	(Rupees in Million)
10	Videcon Industries Limited	2,541,666	35.00	2,541,666	35.00
10	lol Netcom Ltd.	98,000	7.15	-	-
	UNQUOTED IN SHARES - OTHERS				
10	Holzmann Videcon Engineers Limited	340,600	-	340,600	-
1 USD	Tusker Overseas Inc.	190	0.01	190	0.01
1 USD	Videcon (Cayman) Limited	579,500	28.65	9,500	4.36
1 USD	Trend Limited	76,000	3.49	76,000	3.49
1 USD	Taurus Overseas Inc	190	0.01	-	-
50 USD	P.T.Videcon Indonesia	475	0.94	-	-
1 EURO	Digital Display Devices S. p. A.	36,000	1.96	36,000	1.96
1 USD	Mars Overseas Ltd	190,000	7.65	190,000	7.65
1 USD	Jupiter Corporation Inc.	190	0.01	-	-
1 USD	Sapphire Overseas Inc.	1,901,900	80.66	-	-
100 EURO	VCIL Netherlands B.V.	34	0.13	-	-
100	Plugin Sales Ltd.	1,900	0.19	-	-
	IN PREFERENCE SHARES				
100	Plugin Sales Ltd.	3,800	0.38	-	-
	TOTAL		166.23		52.47
	Aggregate Book Value of Quoted Investments		42.15		35.00
	Aggregate Market Value of Quoted Investments		506.09		945.88
	Aggregate Book Value of Unquoted Investments		124.08		17.47

Details of Investments acquired and sold during the year:

Particulars	Quantity	Cost (Rupees in Million)
Pioneer Embroideries Ltd.	40,000	6.05
Gold Stone Technologies Ltd.	600,000	103.93
Karuturi Global Ltd.	2,500,000	47.37
Facts Securities	225,000	56.22
Shree Ashtavinayak Cine Vision Ltd.	300,000	109.50

**SCHEDULE 7
CURRENT ASSETS, LOANS AND ADVANCES**

A. Inventories	As at 30th September 2008		As at 30th September 2007	
	(Rupees in Million)	(Rupees in Million)	(Rupees in Million)	(Rupees in Million)
(As taken, valued and certified by the Management)				
Raw Materials including Consumables, Stores & Spares	999.12	1,021.20		
Work in Process	178.41	200.21		
Finished Goods	41.37	107.60		
Material in Transit and in Bonded Warehouse	67.64	73.05		
(A)	1,286.54	1,402.06		

B. Sundry Debtors (Unsecured, considered good)	As at 30th September 2008		As at 30th September 2007	
	(Rupees in Million)	(Rupees in Million)	(Rupees in Million)	(Rupees in Million)
Outstanding for a period exceeding six months	0.47	0.42		
Others	1,443.49	1,348.22		
(B)	1,443.96	1,348.64		
C. Cash & Bank Balances				
Cash on hand	0.13	0.30		
Balances with Scheduled Banks				
In Current Accounts	4.30	5.12		
In Dividend Warrant Accounts (Per Contra)	1.25	1.45		
In Fixed Deposits	98.88	87.01		
(C)	104.56	93.88		
D. Other Current Assets				
Interest Accrued	3.50	3.23		
Insurance Claim Receivable	2.62	2.65		
(D)	6.12	5.88		
E. Loans & Advances (Unsecured, considered good)				
Advances recoverable in Cash or in kind or for value to be received	204.42	48.28		
Balance with Central Excise / Customs Department	69.41	51.20		
Sundry Deposits	0.21	1.40		
(E)	274.04	100.88		
TOTAL (A to E)	3,115.22	2,951.34		

SCHEDULE 8 CURRENT LIABILITIES & PROVISIONS

A. Current Liabilities	As at 30th September 2008		As at 30th September 2007	
	(Rupees in Million)	(Rupees in Million)	(Rupees in Million)	(Rupees in Million)
Sundry Creditors *				
Due to Micro, Small and Medium Enterprises	-	-		
Due to others	1,455.78	1,031.78		
Bank Overdraft as per Books	0.11	0.50		
Other Liabilities	33.13	53.36		
Unclaimed Dividend (Per Contra)	1.25	1.45		
Interest Accrued but not due	12.13	9.77		
(A)	1,502.40	1,096.86		
* Includes acceptances Rs.464.25 million (Previous Year Rs.394.81 million)				
B. Provisions				
Provision for Taxation	1.16	2.09		
Provision for Fringe Benefit Tax	0.19	0.06		
Proposed Dividend - Equity	3.75	3.75		
Provision for Corporate Tax on Proposed Dividend	0.64	0.64		
Provision for Warranty & Maintenance	10.12	11.81		
Provision for Gratuity	3.53	-		
Provision for Leave Encashment	1.16	3.28		
(B)	20.55	21.63		
TOTAL (A + B)	1,522.95	1,118.49		

SCHEDULE 9 OTHER INCOME

	For the year ended 30th September 2008		For the year ended 30th September 2007	
	(Rupees in Million)	(Rupees in Million)	(Rupees in Million)	(Rupees in Million)
Interest Received	8.83	5.29		
(TDS Rs.2.00 Million, Previous year Rs. 1.37 Million)				
Dividend Received	8.90	8.90		
Profit on Sale of Fixed Assets	0.74	-		
Profit on Sale of Investments	18.83	-		
Miscellaneous Income	0.65	15.92		
(TDS Rs.Nil, Previous year Rs.0.70 Million)				
TOTAL	37.95	30.11		

TREND ELECTRONICS LIMITED (Formerly : Videocon Communications Limited)

	For the Year ended on 30th September 2008 (Rupees in Million)	For the Year ended on 30th September 2007 (Rupees in Million)
SCHEDULE 10		
COST OF GOODS CONSUMED/SOLD		
A. Material and Components Consumed		
Opening Stock	1,021.20	977.16
Add : Purchases	7,126.80	7,786.18
	8,147.99	8,763.34
Less : Closing Stock	999.12	1,021.20
(A)	7,148.87	7,742.14
B. (Increase) / Decrease in Stock		
Closing Stock		
Finished Goods	41.37	107.60
Work in Process	178.41	200.21
	219.78	307.81
Opening Stock		
Finished Goods	107.60	91.12
Work in Process	200.21	194.85
	307.80	285.97
	88.03	(21.84)
(B)		
TOTAL (A+B)	7,236.90	7,720.30

	For the Year ended on 30th September 2008 (Rupees in Million)	For the Year ended on 30th September 2007 (Rupees in Million)
SCHEDULE 11		
SALARY, WAGES & EMPLOYEES' BENEFITS		
Salary, Wages & Other Benefits	73.51	71.64
Contribution to Provident Fund & Other Funds	3.06	4.39
Staff Welfare	1.45	4.19
TOTAL	78.02	80.22

	For the Year ended on 30th September 2008 (Rupees in Million)	For the Year ended on 30th September 2007 (Rupees in Million)
SCHEDULE 12		
MANUFACTURING & OTHER EXPENSES		
Power, Fuel & Water	6.58	8.81
Repairs to Plant & Machinery	1.67	5.79
Repairs to Building	1.20	0.22
Repairs to Others	0.11	0.07
Carriage & Cartage	41.97	62.94
Rent, Rates & Taxes	1.57	39.37
Insurance	2.25	1.15
Bank Charges	21.07	18.46
Auditors' Remuneration	0.66	0.61
Directors' Sitting Fees	0.08	0.02
Diminution in value of Investments	4.33	-
Exchange Rate Fluctuation	87.43	-
Warranty & Maintenance Expenses	23.09	50.83
Miscellaneous Expenses	18.85	26.58
TOTAL	210.86	214.85

	For the Year ended on 30th September 2008 (Rupees in Million)	For the Year ended on 30th September 2007 (Rupees in Million)
SCHEDULE 12		
INTEREST & FINANCE CHARGES		
On Term Loans	25.11	45.30
Others	109.55	87.07
TOTAL	134.66	132.37

SCHEDULE 14 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A) SIGNIFICANT ACCOUNTING POLICIES

- Principles of consolidation
The consolidated financial statements relate to Trend Electronics Limited (Formerly Videocon Communications Limited) ("the Company" or "the parent Company") and its majority owned subsidiary company collectively referred to as "the Group". The subsidiary company consolidated in the consolidated financial statement is:

Name of the subsidiary	Country of incorporation	Percentage Holding
Videocon VCR Securities Ltd.	India	100%

- The consolidated financial statements have been prepared in accordance with Accounting Standard 21 Consolidated Financial Statements issued by the Institute of Chartered Accountants of India on the following basis:
 - The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and unrealised profits or losses.
 - The financial statements of the subsidiary used in consolidations are drawn up to the same reporting date as that of the parent Company i.e. 30th September 2008.
 - As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
 - Investments other than in Subsidiary Company have been accounted as per Accounting Standard 13 "Accounting for Investments" issued by the Institute of Chartered Accountants of India.
 - Other significant accounting policies:
- These are set out under "Significant Accounting Policies" as given in the financial statements of Trend Electronics Limited (Formerly Videocon Communications Limited) and its subsidiary.

B) NOTES TO ACCOUNTS

- Contingent Liabilities not provided for in respect of
 - Letters of Guarantees including Bank Guarantees
 - Letters of Credit issued by the Bank
 - Custom Duty Demand under dispute
 - Excise Duty Demand under dispute
 - Service Tax Demand under dispute
 - Sales Tax Demand
(Amount paid under protest Rs.2.04 million
Previous year Rs.0.19 million)
- The Parent Company is a co-guarantor in respect of borrowings of other Companies. The aggregate amount of the said guarantee, extended alongwith 8 other co-guarantors is Rs.9,464.00 million. The said guarantee is extended on the basis of support in the form of undertaking obtained from surtain other group companies to the extent of the amount of the Guarantee.
- The group is primarily engaged in manufacturing of Electrical & Electronic Appliances and there is no other reportable segment as defined in Accounting Standard 17 "Segment Reporting".
- The Parent Company has made a provision of Rs.4.13 million towards Income Tax (Previous year Rs.5.41 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.

	As at 30th September 2008 (Rupees in Million)	As at 30th September 2007 (Rupees in Million)
5. The break up of deferred tax assets/liabilities is as under :		
A. Deferred Tax Liabilities		
i. Related to Depreciation on Fixed Assets	157.32	150.22
	157.32	150.22
B. Deferred Tax Assets		
i. Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961.	0.28	1.57
ii. Diminution in value of investments charged in Profit & Loss Account	2.63	1.16
Net Deferred Tax Liability	2.91	2.73
(Deferred Tax Assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.)	154.41	147.49

- | | Year ended 30th September 2008 (Rupees in Million) | Year ended 30th September 2007 (Rupees in Million) |
|-------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| 6. Earnings Per Share : | | |
| a) Net Profit for the year after tax adjustment for earlier years | 24.04 | 17.30 |
| b) Weighted Average no. equity Shares | 7,500,000 | 7,500,000 |
| c) Basic and Diluted Earnings per share of Rs.10/- each. | Rs.3.21 | Rs.2.31 |
- The Financial Institutions have a right to convert at their option the whole outstanding amount of term loans or a part not exceeding 20% of loan, whichever is lower, into fully paid up equity shares of the Company at par on default in payments/repayment of 3 consecutive installments of principle and / or interest thereon or on mismanagement of the affairs of the Company.
 - The outstanding balances of certain Debtors, Creditors, Deposits, Advances and Other Current Assets/Liabilities are subject to confirmation.
 - Related Party Disclosures**
Key Management Personnel
Mr. A.A. Bhide (Head - Operations)
Remuneration Rs.0.90 million (Previous year Rs.0.51 million)
 - As per the amended provisions of Reserve Bank of India Act, 1934 made effective from 9th January, 1997, the Subsidiary Company was required to make an application for registration as NBFC. However, as the Subsidiary Company has not taken up and does not intend to take up any of the activities covered under the NBFC directions, the Subsidiary Company is of the opinion that, the registration guidelines prescribed by the Reserve Bank of India are not applicable.
 - There are no amounts due and outstanding, to be credited to Investor Education and Protection Fund.
 - As requires 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:

	As at 30th September 2008 (Rupees in Million)	As at 30th September 2007 (Rupees in Million)
a) Amount at the beginning of the year.	11.81	11.60
b) Additional provision made during the year	9.90	11.81
c) Amount used	11.59	11.60
d) Unused amount reversed during the year	-	-
e) Amount at the end of the year	10.12	11.81

- In the opinion of the Board, the value of 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.
- Figures of the previous year have been regrouped /reclassified, wherever necessary.

VIDEOCON VCR SECURITIES LIMITED

DIRECTORS' REPORT

To,
The Members,
VIDEOCON VCR SECURITIES LIMITED

The Directors of your Company have great pleasure in presenting the Annual Report together with the Audited Accounts for the financial year ended September 30th, 2008.

FINANCIAL RESULTS

(Amount in Rs.)

Particulars	Year ended 30.09.2008	Year ended 30.09.2007
Income	NIL	NIL
Expenditure	15,253	3,220
Profit/(Loss) before tax	(15,253)	(3,220)
Less: Provision for tax	NIL	NIL
Profit/(Loss) after tax	(15,253)	(3,220)

OPERATIONS REVIEW

The Company has not undertaken any business activities during the year 2007-08. The Directors of the Company however, are continuing to explore better opportunities to undertake some business activity.

DIVIDEND

In view of losses, the Directors do not recommend any dividend for the financial year ended September 30th, 2008.

FIXED DEPOSIT

The Company has not accepted any fixed deposits within the meaning of Section 58A of the Companies Act, 1956. Hence, there is no outstanding amount due as on the Balance Sheet date.

PERSONNEL

There are no employees drawing remuneration exceeding the monetary ceiling prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2007-08, there were neither foreign exchange earnings nor any outgo.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Your Company is not a manufacturing company, hence, the particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

BOARD OF DIRECTORS

During the financial year 2007-08, Mr. S. Padmanabhan resigned from the Board of Directors of the Company. The Board takes this opportunity and places on record its sincere appreciation for the value guidance of Mr. S. Padmanabhan during his tenure as Director of the Company.

In terms of the provisions of Section 260 of the Companies Act, 1956 Mr. Subhash S. Dayama, was appointed as an Additional Director on the Board of Directors of the Company. Mr. Subhash S. Dayama holds office upto the date of ensuing Annual General Meeting.

In terms of the provisions of Section 257 of the Companies Act, 1956, the Company has received a notice in writing alongwith a deposit of Rs. 500/- proposing the candidature of Mr. Subhash S. Dayama for the office of the Board of Directors of the Company.

Mr. Subhash S. Dayama, is having to his credit vast experience in the fields of finance and capital markets. His appointment will be of immense help in the growth and development of the Company.

The Board recommends, the appointment of Mr. Subhash S. Dayama, as Director of the Company, liable to retire by rotation.

In terms of the provisions of Section 255 of the Companies Act, 1956, Mr. Subhash S. Nabar, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting of the Company. Being eligible, he has offered himself for reappointment. The Directors are of the opinion that his reappointment, if made, will be of immense help in the growth and development of the Company. The Board recommends his reappointment on the Board of Directors of the Company.

COMPLIANCE CERTIFICATE

A Compliance Certificate from Mr. Devendra V. Deshpande, Company Secretary in Practice, regarding compliance with the provisions of the Companies Act, 1956, as stipulated under the proviso of Section 383A(1) of Companies Act, 1956 is enclosed and forms part of this report.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, we, the Directors of VIDEOCON VCR SECURITIES LIMITED, state in respect of Financial Year 2007-08 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for 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;
- the directors have prepared the annual accounts on a going concern basis; based on the above and the Internal Audit System, the Board opines that the Company has internal control system commensurate with the size of the Company and the nature of its business.

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. Kadam & Co., Chartered Accountants, Ahmednagar, retires as Statutory Auditors at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. M/s. Kadam & Co., Chartered Accountants, Ahmednagar, have confirmed their eligibility and willingness to accept office, if appointed. The Company has also received a certificate from M/s. Kadam & Co., to the effect that their reappointment, if made, would be within prescribed limits under Section 224(1B) of the Companies Act, 1956.

ACKNOWLEDGEMENT

The Directors take this opportunity and place on record its sincere appreciation for the valuable support and co-operation of various government authorities, banks, financial institutions and other statutory authorities for their trust and confidence on the management of the Company.

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

For and on Behalf of the Board of Directors

SUBHASH S. DAYAMA
DIRECTOR

VIVEK D. DHARM
DIRECTOR

Ahmednagar
February 24th, 2009

COMPLIANCE CERTIFICATE

Registration No. of the Company: 11-133952

Nominal Capital : Rs. 10.00 Lakhs

Paid-Up Capital : Rs. 10.00 Lakhs

To,
The Members of
Videocon VCR Securities Limited,
Aurangabad

I have examined the registers, records, books and papers of M/s Videocon VCR Securities Limited ("the Company") as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company, for the financial year ended September 30th, 2008. In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

- The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
- The Company has filed forms with Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as required under the Act, and the rules made there under, as stated in Annexure 'B' to this certificate.
- The Company being a public limited company, no comments are required.
- The Board of Directors met 5 (five) times on October 31st, 2007, February 20th, 2008, April 23rd, 2008, July 29th, 2008 and 29th September, 2008 in respect of which meetings proper notices were given and the proceedings were properly recorded, signed in the Minutes Book maintained for the purpose.
- The Company was not required to close the Register of Members during the financial year.
- The Annual General Meeting for the financial year ended on 30th September, 2007 was held on 31st March, 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
- No extra-ordinary general meeting was held during the financial year.
- The Company has not advanced any loans to its directors or persons or firms or companies referred to in Section 295 of the Act.
- The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
- The Company has made necessary entries in the register maintained under Section 301 of the Act.
- As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain any approval from the Board of Directors, members or Central Government.
- The Company has not issued any duplicate share certificates during the financial year.
- The Company:
 - has not made allotment of securities and transfer/transmission of securities during the financial year.
 - has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - was not required to post any warrants to any members of the Company as no dividend was declared during the financial year.
 - was not required to transfer any amounts to Investor Education and Protection Fund on account of amounts in unpaid or unclaimed dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or

- unpaid for a period of seven years from the date of payment, as there were no such amounts due.
- (v) has duly complied with the requirements of Section 217 of the Act.
- The Board of Directors of the Company is duly constituted. During the year, one Director has resigned from the Board and one Additional Director was appointed. There was no appointment of alternate director and director to fill casual vacancies during the year.
- The Company was not required to appoint managing director/whole-time director/manager as per the provisions of the Act.
- The Company has not appointed any sole-selling agents during the financial year.
- The Company was not required to obtain any approvals of the Regional Director, Central Government, and/or Company Law Board under any of the provisions of the Act.
- The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
- The Company has not issued any shares/debentures/other securities during the financial year.
- The Company has not bought back any shares during the financial year.
- There was no redemption of preference shares or debentures during the financial year, since no debentures or preference shares were issued by the Company.
- There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- The Company has not invited/accepted any deposits falling within the purview of Section 58A during the financial year.
- The Company has not borrowed any amount from Directors, members, public, financial institutions, banks and others during the financial year ended on 30th September, 2008.
- The Company has not made any loans and investments or given guarantees or provided securities to other bodies corporate during the year and accordingly, no entries have been made in the register kept for the purpose.
- The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
- The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
- The Company has not altered the provisions of the Memorandum of Association with respect to the name of the Company during the year under scrutiny.
- The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
- The Company has not altered its articles of association during the financial year.
- There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishments was imposed on the Company during the financial year, for offences under the Act.
- The Company has not received any money as security from its employees during the financial year.
- The provisions of Section 418 of the Companies Act, 1956 are not applicable to the Company.

Signature : Sd/-
Name : DEVENDRA V. DESHPANDE
COMPANY SECRETARY

Place: Ahmednagar
Date : February 24th, 2009

C.P. No. : 6515

VIDEOCON VCR SECURITIES LIMITED

ANNEXURE – A

Registers as maintained by the Company:

1. Register of Members u/s 150
2. Minutes Book of Meeting of Directors u/s 193
3. Minutes Book of proceedings of General Meeting U/s 193
4. Register of Disclosure of Interest u/s 301 (3)
5. Register of Directors, Managing Director, Manager, Company Secretary u/s 303
6. Register of Directors Shareholding u/s 307

ANNEXURE - B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 30.09.2008

Sl No.	Particulars of Documents filed	Filed on	Under Section	Event
1.	DIN-3	19.09.2007	266E	Intimation of DIN of Mr. Vivek D Dharm
2.	DIN-3	12.03.2008	266E	Intimation of DIN of Mr. S. Padmanabhan
3.	DIN-3	20.03.2008	266E	Intimation of DIN of Mr. Pradipkumar N. Dhoot
4.	Form 32	29.03.2008	260	Appointment of Mr. S. Padmanabhan as Additional Director
5.	Form 32	31.03.2008	260	Appointment of Mr. Vivek D Dharm as Additional Director
6.	Form 32	14.04.2008	257	Regularisation of appointment of Mr. Vivek D Dharm as Director
7.	Balance Sheet (Schedule VI)	20.04.2008	220	Balance Sheet and Profit and Loss Account for the year ended 30.09.2007
8.	Annual Return (Schedule V)	20.04.2008	159	Annual Return as at the date of Annual General Meeting held on 31.03.2008
9.	Compliance Certificate	20.04.2008	383A	Compliance Certificate for the financial year ended on 30.09.2007

AUDITORS' REPORT

To
The Members of
VIDEOCON VCR SECURITIES LIMITED

1. We have audited the attached Balance Sheet of **VIDEOCON VCR SECURITIES LIMITED** as at 30th September, 2008, Profit and Loss Account and 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 test basis, evidence supporting the amounts and disclosure 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 above, 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 the 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 explanation given to us and on the basis of written representations received from the directors of the Company as on 30th September, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th September, 2008 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 with the significant accounting policies and the 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 case of the Balance Sheet, of the state of affairs of the Company as at 30th Sep, 2008;
 - (ii) In case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (iii) In the case of the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For KADAM & CO.
Chartered Accountants
U.S.KADAM
Partner
Membership No.: 31055

Place : Ahmednagar
Date : February 24th, 2009

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph 3 of the Auditors' Report of even date to the Members of **VIDEOCON VCR SECURITIES LIMITED** on the accounts for the period ended 30th September, 2008.

- (i) The Company does not have any fixed assets, hence clause (i) of the Order is not applicable to the Company.
- (ii) The Company does not have any inventories, hence clause (ii) of the Order is not applicable to the Company.
- (iii) (a) As per the information and explanation given to us, the Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) As the Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, Sub-clauses (b),(c),(d),(f) and (g) of Clause (iii) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures 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 come across of any continuing failure to correct major weakness in the aforesaid internal control procedure.
- (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 Company has not entered into any contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register required to be maintained under that section.
- (b) Since the Company has not entered into any contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, the Clause (v)(b) of the order is not applicable.
- (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, provision of internal audit system is not applicable to the Company.
- (viii) In our opinion and according to the information and explanation given to us, the cost records under section 209(1)(d) of the Companies Act, 1956 are not prescribed to the Company.
- (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 income-tax, service tax, cess and other statutory dues, wherever applicable.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, cess were in arrears as at 30th September, 2008 for a period of more than six months from the date they became payable.
- (x) There are accumulated losses of Rs.1.78 lacs of the Company as on 30th September, 2008, however they are not more than fifty percent of its net worth. The Company has incurred cash losses during the financial period covered by our audit and the immediately preceding financial year.
- (xi) Based on our examination of the records and the information and explanations given to us, the Company has not taken any loans or issued debentures from/to banks and financial institutions.
- (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) Based on our examination of the records and the information and explanations given to us, the Company does not deal in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has not raised any loans during the period.
- (xvii) On the basis of overall examination of the Balance Sheet of the Company, we observed that, the Company has not used funds raised on short term basis for long term investments.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the period to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the Company has not issued any debentures.
- (xx) The Company has not raised any money by public issues during the period covered by our report.
- (xxi) As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period.

For KADAM & CO.
Chartered Accountants

U.S.KADAM
Partner
Membership No.: 31055

Place : Ahmednagar
Date : February 24th, 2009

VIDEOCON VCR SECURITIES LIMITED

BALANCE SHEET as at 30th September, 2008

Particulars	Schedules	As at 30th September, 2008 (Rupees)	As at 30th September, 2007 (Rupees)
I. SOURCES OF FUNDS :			
Share Capital			
Authorised, Issued, Subscribed & Paid-up 100,000 (Previous year 100,000) Equity Shares of Rs. 10 each fully paid up.		1,000,000	1,000,000
TOTAL		1,000,000	1,000,000
II. APPLICATION OF FUNDS			
Current Assets, Loans & Advances			
Cash & Bank Balances		700	700
Advance to Holding Company		851,266	851,266
		851,966	851,966
Less : Current Liabilities & Provisions			
Current Liabilities		30,429	15,176
		30,429	15,176
Net Current Assets		821,537	836,790
Profit & Loss Account		178,463	163,210
As per Account annexed			
TOTAL		1,000,000	1,000,000
Significant Accounting Policies and Notes to Accounts	1		

As per our report of even date
For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055
Place : Ahmednagar
Date : February 24th, 2009

For and on behalf of the board
S. S. DAYAMA
Director

V. D. DHARM
Director

PROFIT AND LOSS ACCOUNT for the Year ended on 30th September, 2008

Particulars	Schedules	For the Year ended on 30th September 2008 (Rupees)	Previous Year ended on 30th September 2007 (Rupees)
I. INCOME			
Other Income		NIL	NIL
TOTAL		NIL	NIL
II. EXPENDITURE			
ROC Expenses		12,963	-
Audit Fees		2,247	2,247
Preliminary Expenses written off		-	-
Miscellaneous Expenses		43	973
TOTAL		15,253	3,220
III Profit /(Loss) Before Tax		(15,253)	(3,220)
Less : Provision for Taxation			
Current Tax		-	-
IV Profit /(Loss) after Taxation		(15,253)	(3,220)
Add : Balance Brought forward		(163,210)	(159,990)
V Balance transferred to Balance Sheet		(178,463)	(163,210)
Earnings per Share (Nominal Value Rs.10)			
Basic & Diluted		(0.15)	(0.03)
(Refer note B-2 of Schedule 1)			
Significant Accounting Policies and Notes to Accounts	1		

As per our report of even date
For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055
Place : Ahmednagar
Date : February 24th, 2009

For and on behalf of the board
S. S. DAYAMA
Director

V. D. DHARM
Director

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE 1

A. Significant Accounting Policies

Method of Accounting

- The accounts of the Company are prepared under the Historical Cost Convention using the accrual method of accounting unless otherwise stated hereinafter.
- Accounting Policies, not specifically referred to, are consistent with generally accepted accounting principles.

B. Notes to Accounts

- As per the amended provisions of the Reserve Bank of India Act, 1934 made effective from 9th January, 1997, the Company was required to make an application for registration as NBFC. However, as the Company has not taken up and does not intend to take up any of the activities covered under the NBFC Directions, the Company is of the opinion that, the registration guidelines prescribed by the Reserve Bank of India are not applicable.

	Year ended 30.09.2008 (Rupees)	Year ended 30.09.2007 (Rupees)
a) Net Profit / Loss for the year available to equity shareholders.	(15,253)	(3,220)
b) Weighted of Average no. Equity Shares	100,000	100,000
c) Basic and Diluted Earnings per share of Rs.10/- each.	(0.15)	(0.03)

2. Earnings Per Share :

- Net Profit / Loss for the year available to equity shareholders.
 - Weighted of Average no. Equity Shares
 - Basic and Diluted Earnings per share of Rs.10/- each.
- Deferred Tax Asset arising on account of brought forward unabsorbed losses has not been recognised in view of the uncertainty regarding availability of sufficient future taxable income against which such asset can be realised.
 - Additional Information pursuant to the provisions of paragraphs 3, 4c, & 4d of part II of Schedule VI to the Companies Act, 1956 are not applicable during the year.

VIDEOCON VCR SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2007-2008

		2007-2008 (Rupees)	2006-2007 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT / (LOSS) BEFORE TAX		(15,253)	(3,220)
	(A)	(15,253)	(3,220)
Less :			
ADJUSTMENTS FOR WORKING CAPITAL CHANGES			
i. Increase/(Decrease) in Loans & Advances		NIL	(2,098)
ii. Decrease/(Increase) in Trade & Other Payables		(15,253)	(1,122)
	(B)	(15,253)	(3,220)
NET CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES (A-B)	(C)	NIL	NIL
OPENING BALANCE OF CASH & CASH EQUIVALENTS		700	700
CLOSING BALANCE OF CASH & CASH EQUIVALENTS		700	700

As per our report of even date
For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

Place : Ahmednagar
Date : February 24th, 2009

For and on behalf of the board
S. S. DAYAMA
Director

V. D. DHARM
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS			
Registration Number	133952	State Code	11
Balance Sheet Date	30 - 09 - 2008		
	Date Month Year		
II. CAPITAL RAISED DURING THE YEAR (Amounts Rs. in Thousands)			
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (Amounts Rs. in Thousands)			
Total Liabilities	1000	Total Assets	1000
Sources of Funds			
Paid-up Capital	1000	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	NIL	Investment	NIL
Net Current Assets	822		
Accumulated Losses	178	Misc. Expenditure	NIL
IV. PERFORMANCE OF COMPANY (Amounts Rs. in Thousands)			
Gross Turnover	NIL	Total Expenditure	15
Profit Before Tax	-15	Profit After Taxes	-15
Earnings per Share in Rs.	-0.15	Dividend Rate %	NIL
V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (As per monetary terms)			
a. Item Code No. (ITC Code)	NOT APPLICABLE		
Product Description : -	INVESTMENT ACTIVITIES		

As per our report of even date
For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

Place : Ahmednagar
Date : February 24th, 2009

For and on behalf of the board
S. S. DAYAMA
Director

V. D. DHARM
Director

PROXY FORM

TREND ELECTRONICS LIMITED

(Formerly : Videocon Communications Limited)

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

Regd. Folio No./Client ID No.

I/Weof

..... 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 19th ANNUAL GENERAL MEETING of the Company to be held on Monday, 30th March, 2009 at 4.00 P.M. at 20 KM. Stone, Aurangabad - Beed Road, Village Bhalgaon, Aurangabad - 431 210 and at any adjournment thereof.

Signed this day of2009.

Affix
Rupee 1/-
Revenue
Stamp

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

TEAR HERE

ATTENDANCE SLIP

TREND ELECTRONICS LIMITED

(Formerly : Videocon Communications Limited)

Regd. Office : 20 KM. 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 19th ANNUAL GENERAL MEETING of the Company to be held on Monday, 30th March, 2009 at 4.00 P.M. at 20 KM. Stone, Aurangabad - Beed Road, Village Bhalgaon, Aurangabad - 431 210

Member's / Proxy's Name in Block Letters

Member's / Proxy Signature

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

BOOK-POST

If undelivered, please return to :

MCS LIMITED

Unit : **TREND ELECTRONICS LIMITED**

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