



**TREND ELECTRONICS LIMITED**

# TREND ELECTRONICS LIMITED

**BOARD OF DIRECTORS** : Pradipkumar N. Dhoot  
Anirudha V. Dhoot  
Subhash S. Nabar  
Bhopinder K. Chopra  
Subhash S. Dayama  
Vivek D. Dharm

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**AUDITORS** : KHANDELWAL JAIN & CO.  
Chartered Accountants  
12-B, Baldota Bhavan,  
117, Maharshi Karve Road,  
Opp. Churchgate Railway Station,  
Mumbai - 400 020

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

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**BANKERS** : State Bank of Hyderabad  
Central Bank of India  
Punjab National Bank  
ING Vysya Bank Limited  
Indian Bank  
Canara Bank

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**COMPANY SECRETARY** : Kanchan A. Kakade

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**REGISTERED OFFICE & MANUFACTURING FACILITY** : 20 K.M. Stone,  
Aurangabad – Beed Road,  
Village: Bhalgaon,  
Aurangabad - 431 210  
(Maharashtra)

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## NOTICE

**NOTICE** is hereby given that the Twenty First Annual General Meeting of the Members of **TREND ELECTRONICS LIMITED** (the "Company") will be held on Wednesday, 29th June, 2011, at the Registered Office of the Company at 20 K.M. Stone, Aurangabad-Beed Road, Village: Bhalgaon, Aurangabad - 431 210 (Maharashtra) at 4.00 p.m. to transact the following business:

**ORDINARY BUSINESS:**

- To receive, consider and adopt the Audited Profit and Loss Account for the period ended on 31st December, 2010 and the Audited Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
- To declare dividend on Equity Shares.
- To appoint a director in place of Mr. Vivek D. Dharm, who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint a director in place of Mr. Subhash S. Dayama, who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint Auditors 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** M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai, (Firm Registration No. 105049W) and M/s. Kadam & Co., Chartered Accountants, Ahmednagar, (Firm Registration No. 104524W) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

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

**KANCHAN A. KAKADE**  
Company Secretary

Place : Mumbai  
Date : 26th May, 2011

**Registered Office:**

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

**NOTES:**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF SELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- Corporate Members intending to send their authorised representative(s) to attend the Meeting are requested to send a certified copy of its Board Resolution authorizing such representative(s) to attend and vote at the Meeting.
- In terms of Articles of Association of the Company, Mr. Vivek D. Dharm and Mr. Subhash S. Dayama are liable to retire by rotation and, being eligible have offered themselves for re-appointment. In terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange, brief profiles of Mr. Vivek D. Dharm and Mr. Subhash S. Dayama, directors retiring by rotation and seeking re-appointment, form part of the Corporate Governance Report.
- 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 names in the same order of names are requested to apply for consolidation to the Company's Registrar and Transfer Agent, M/s. MCS Limited, alongwith the relevant share certificates for the purpose of consolidation of their holdings into a single folio.

- The Register of Members and Share Transfer Books shall be closed from Thursday, 16th June, 2011 to Wednesday, 29th June, 2011, (both days inclusive) for the purpose of the Meeting and determining the names of members eligible for dividend on equity shares, if declared at the Meeting.
- The Dividend, as recommended by the Board of Directors, if declared at the Twenty-First Annual General Meeting, will be paid on or around 4th July, 2011:
  - to those Members who hold shares in physical form and whose names appear on the Company's Register of Members on 16th June, 2011; 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 15th June, 2011, 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 dividend of a sum of ₹ 0.22 Million for the financial year 2002-2003 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Dividends for the financial year 2003-04 and thereafter, which remain unclaimed for the period of seven years will be transferred to the IEPF, as and when due. Members who have not encashed the dividend warrant(s)/instrument(s) for the said years are requested to obtain duplicate warrant(s)/demand drafts by writing to the Company's Registrar and Transfer Agent, M/s MCS Limited. Members are requested to note that upon transfer, no claims shall lie against the Company or the IEPF in respect of any amounts which remained unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims.
- The 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 dematerialisation of the Company's shares on either of the Depositories, as aforesaid.
- Members holding shares in electronic form are requested to intimate the change in address to the Depository Participant and those members holding shares in physical form are requested to intimate the Company's Registrar and Transfer Agent, M/s. MCS Limited, quoting their folio number.
- Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, between 12.00 noon to 3.00 p.m. upto the date of the Annual General Meeting.
- The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17 / 2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Profit and Loss Account, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the Depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.**

**Members who hold share in physical form and desire to receive the documents in electronic mode are requested to provide their details (name, folio no, email id) on the Company's e-mail address viz. secretarial.trend@videconmail.com. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.**

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

**KANCHAN A. KAKADE**  
Company Secretary

Place : Mumbai  
Date : 26th May, 2011

**Registered Office:**

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

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the Twenty First Annual Report of your Company together with the Audited Accounts and Auditors' Report for the period ended on 31st December, 2010.

### FINANCIAL RESULTS

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

(₹ Million)

Particulars	15 months ended 31st Dec., 2010	12 months ended 30th Sept., 2009
Net Sales	18,966.93	8,271.80
Other Income	42.22	3.66
<b>Total Income</b>	<b>19,009.15</b>	<b>8,275.46</b>
Profit before Interest, Depreciation and Taxation	848.31	267.95
Interest and Finance Charges	374.99	97.28
Depreciation and Amortisation	185.53	115.69
<b>Profit before Tax</b>	<b>287.79</b>	<b>54.98</b>
Provision for Taxation	84.68	18.81
<b>Profit after Tax</b>	<b>203.11</b>	<b>36.17</b>

The Financial Year of the Company was extended by a period of three months. Accordingly, the Financial Year under review comprises of a period of fifteen months commencing from 1st October, 2009 and ending on 31st December, 2010. Subsequent Financial Years shall be from 1st January to 31st December.

### OPERATIONS

The Indian consumer electronics industry, defied the otherwise recessionary trend that were prevalent in 2009-10. It was one of the toughest and most challenging years globally. However, your Company has made positive strides, even against this backdrop, in its business and recorded an impressive growth in its sales. The Gross Sales increased to ₹ 19,645.12 Million from ₹ 8,439.78 Million for the previous year. The increase in sales was primarily contributed by satellite LCDs and LEDs, slim and ultra slim TVs, DVDs with USB port, Set top Boxes and other innovative electronics products. The profit after tax of your Company increased to ₹ 203.11 Million as against ₹ 36.17 Million for the previous year.

### APPROPRIATIONS

#### Dividend:

Your directors are pleased to recommend a dividend of ₹ 1/- (Rupee One Only) per equity share for the financial period ended 31st December, 2010, subject to the approval of the shareholders at the Twenty First Annual General Meeting.

The dividend, if approved as above, would involve a payout of ₹ 7.50 Million towards dividend and ₹ 1.25 Million towards dividend distribution tax. The dividend is free of tax in the hands of the shareholders.

#### Transfer to Reserves:

Your Directors propose to transfer an amount of ₹ 20.00 Million to the General Reserve. An amount of ₹ 323.59 Million 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 ₹ 0.22 Million in respect of unpaid/unclaimed dividend for the financial year 2002-2003 to the Investor Education and Protection Fund.

### FIXED DEPOSIT

Your Company has never accepted any fixed deposit within the meaning of Section 58A of the Companies Act, 1956 and as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

### PERSONNEL

The particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time, are as under:

Sr. No.	Name of the Employee	Designation	Remuneration (in ₹)	Qualification	Age (Years)	Experience (Years)	Date of Joining	Name of last Employer	Position in last organisation
1.	Sanjay S. Mehra	Vice President	8,396,844	B.Com	58	33	1.04.1993	Videocoin International Limited	Manager

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

### CONSERVATION OF ENERGY

Your Company is conscious about its responsibility to conserve energy, power and other energy sources wherever possible. Your Company not only lays great emphasis towards a safe and clean environment but also continues to adhere to all regulatory requirements and guidelines. Your Company continues to explore the possibilities of reducing energy consumption in the office premises and manufacturing plant and is an ongoing activity.

During the period 2009-10, your Company initiated several energy conservation programs. It implemented innovative measures at its plant to save the environment leading to significant reduction in energy consumption. The Utility Engineering Team under the valuable guidance of expert engineers from the Research and Development Centre of the Company continuously monitors and devise various means to conserve energy and identify methods for the optimum use of energy without affecting productivity.

This is ensured through:

- Adoption of the latest techniques of production;
- Acquiring energy efficient machines and equipments;
- Induction of Energy Checks at the manufacturing unit;
- Maintaining the "Power Factor" of the energy consumed;
- Energy saving "un-plug initiative" which involves power switch off on holidays; and/or when not in use.

- Effective utilisation of natural light on the shop floor;
- Usage of inverter based machines to reduce power consumption;
- Use of Solar Lamp at factory street lights;
- On-the-job training to production team members and making them aware of energy conservation;
- Timely maintenance and up-gradation of machines and equipments;
- Display of Notice Boards and Information Boards at all work stations for information and awareness of the workers and employees;
- Plantation of trees at the manufacturing unit; and
- Encourage communications through e-mails.

The above initiatives have resulted in significant reduction in power consumption. Your Company's endeavor to introduce energy efficient electronic products has met with success.

### RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Your Company remains committed to introducing new products and improving the existing products which meet stringent reliability requirements, have higher levels of performance and lower life cycle costs, in order to meet market needs.

Your Company views its Research & Development (R&D) activities as an integral component of its growth plans. It believes that a vigorous intelligent research initiative not only enables cost reduction through effective process improvement but also value-addition through sustained ability to put innovative and customised products in line with customer requirements.

The Company has a well-equipped R&D Centre at its manufacturing facility. The R&D team consists of skilled dedicated engineers/experts, who facilitate in making state-of-the-art technology products satisfying customer expectations.

At the R&D Centre, products are developed with research in all areas of consumer concern like quality, safety, reliability, performance, aesthetics and ease of operation by implementing the latest technologies. Implementation of new and innovative technological ideas in the products developed has given a young, vibrant and innovative brand image in the consumer market.

The R&D Centre and the Quality Assurance Centre houses some of the best test equipment for performance & reliability testing. These equipments include high band width oscilloscopes/signal analysers & climate chambers.

The operations of R&D team are focused towards delighting the customers with new and attractive features, superior technology, thoughtful design and sleek aesthetics, providing absolute value for money. The R&D team has identified key areas with potential for growth and has developed path breaking prototypes in the space of High Definition and LED Televisions, Set Top Boxes to name a few.

This team has conducted research in the following areas:

- Compilation of the product requirement as perceived by the customer & translate them into the actual product. This involves market research/feedback from the marketing division and actual end-users;
- Design and development of new models of Televisions in the 21" and 14" segment, satellite LCDs & LEDs, slim & ultra slim TVs and new models of DVD players & recorders/Music Systems/Home Theatre Systems;
- Design a Set Top Box with High Definition & 3D capabilities;
- Design of complete multimedia interface DVDs with USB ports;

- Increasing the productivity;
- Improvement in quality of products;
- 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 R&D Activities:

The R&D initiatives taken by the Company have resulted in introducing energy efficient products with superior technology. As stated above, products are designed keeping in view customers requirements. Such in-house efforts facilitate all round savings in costs as well.

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

- Introduction of several digitalized products including satellite LCDs, LEDs, set-top boxes with 3D functionality, DVDs with USB ports. The Company has unveiled its latest range of HD satellite LCDs - a revolutionary breakthrough in LCD technology;
- Launch of new models and other eco-friendly products with more features that are suitable to all income groups;
- Developing new designs and models of electronic products;
- Develop product range that converges the "Entertainment Technology" & "Information Technology", thus creating new entity "Infotainment Technology";
- Increase in the productivity;
- Lower running cost to the consumer due to increased energy efficiency;
- Perceived and experienced quality improvement;
- Higher consumer satisfaction; and
- Raised Standards of quality.

#### Future Plan of action:

In near future, the Company plans to focus on launching innovative products in LCD and LED segments, which are emerging technology products gaining popularity in the Indian market.

Your Company is proposing to concentrate on all areas mentioned earlier, hereinbefore and to focus efforts on new technologies which could offer better products in the domestic market. The Company also has the following plans through R&D:

- Launch of 3D LED TVs and various models of LCDs;
- Launch of IPTV/Triple Play Gadgets;
- Launch of other digitalized electronic products;
- Increasing television market in other countries;
- Enhancing brand value;
- Enlarge the market share; and
- Reducing electricity consumption.

During the period under review, the Company has incurred an amount of ₹ 12.85 Million towards R&D activities representing 0.07% of turnover.

## TREND ELECTRONICS LIMITED

### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under review no foreign exchange earnings were made. The foreign exchange outgo, however, amounted to ₹ 2,989.99 Million as against ₹ 1,156.30 Million for the previous year.

### INFORMATION TECHNOLOGY

The management believes that information technology can be extensively used in all spheres of its activities to improve productivity and efficiency levels. The Company has already implemented mySAP, a customized ERP module, at all its branches and manufacturing facilities.

mySAP solutions have enabled your Company to leverage the benefits of integration in business operations, optimization of enterprise resources, standardized business processes thereby enabling standard operating practices with well established controls. This has enabled the Company to adopt the best and standardized business processes across the functions. It has also benefited the management at all levels with business information which is on-line and reliable to control the business operations in a well-informed manner.

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

Your Company has successfully developed & deployed a "Data Pairing" Software, required for the creation & encryption of the data files of the Set Top Boxes. The same has been successfully integrated with SAP.

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

### HEALTH, SAFETY AND ENVIRONMENT

Your Company is committed for creating, improving and assessing the occupational health and safety awareness with view to create safe and comfortable environment.

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

- Training of workers to inculcate safety consciousness;
- Carrying out Safety Checks/Mock Drills;
- Installation of fire extinguishers at identified locations in the factory;
- Regular meetings of Safety Teams in which various analysis are made meticulously with a view to reduce the injury rate; and
- A close interaction with employees at all levels to prevent accidents to the maximum extent possible.

Your Company accords high priority to health education and awareness. The Company has taken following steps to ensure good health of its employees:

- Health/Medical check-up camps;
- Hepatitis B & C screening tests;
- Supply of hygienic food at subsidized cost;

- Free distribution of medicines;
- Provision of first-aid boxes at the several points in the factory;
- AIDS Awareness Program;
- Support to a few institutions engaged in social service; and
- Arrange Blood Donation Camps every year.

The Company has taken various initiatives to achieve greater heights in environment conservation. It has adopted new policies for greener surroundings at its manufacturing location. The Company has recently installed & commissioned an Efficient Treatment Plant.

As a good corporate citizen, the Company has continued its efforts and carried several welfare programs under Corporate Social Responsibility.

### HUMAN RESOURCES MANAGEMENT

Human Resources continue to be a focus area for your Company. Several initiatives were taken to facilitate the performance and developmental requirements of employees.

Your Company follows best HR practices and has won runners' award for the HR practices in the local region for the 2nd time in row.

Your Company continues to focus on the training requirements of its employees on a continuing basis, both on the job and through training programs conducted by internal and external experts. Your Company continuously gives emphasis on use of the advanced technology in the 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.

### BOARD OF DIRECTORS

Mr. Anirudha V. Dhoot was appointed as the Director on the Board of the Company at the Twentieth Annual General Meeting in place of Mr. Venugopal N. Dhoot, who retired by rotation and not offered himself for re-appointment. Mr. S. Padmanabhan ceased to be a Director on the same date, since not offered himself for re-appointment. The Board places on record its sincere appreciation for the valuable guidance received from Mr. Venugopal N. Dhoot and Mr. S. Padmanabhan, during their tenure as Directors of the Company.

Pursuant to the provisions of the Companies Act, 1956 and in terms of Articles of Association of the Company, Mr. Vivek D. Dharm and Mr. Subhash S. Dayama are liable to retire by rotation and have offered themselves for re-appointment. The Board recommends re-appointment of Mr. Vivek D. Dharm and Mr. Subhash S. Dayama as the Directors of the Company.

Pursuant to the provisions of Clause 49 of the Listing Agreement, a brief profile of the Directors proposed to be re-appointed forms part of the Corporate Governance Report.

### CASH FLOW STATEMENT

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

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### AUDITORS' REPORT

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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.

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### AUDITORS

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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 Twenty-First 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 the said Auditors to the effect that their re-appointment, if made, would be within prescribed limits under Section 224(1B) of the Companies Act, 1956.

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

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### AUDIT COMMITTEE

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The Company has constituted the Audit Committee, pursuant to the provisions of Section 292A of the Companies Act, 1956 and provisions of the Listing Agreement. The Composition, scope and powers of Audit Committee together with details of the meetings held during the period under review forms part of Corporate Governance Report.

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### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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### CORPORATE GOVERNANCE

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

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### DIRECTORS' RESPONSIBILITY STATEMENT

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In terms of Section 217(2AA) of the Companies Act, 1956, we, the directors of TREND ELECTRONICS LIMITED, state in respect of financial period 2009-10 that:

- a. in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. 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 period and of the profit of the Company for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the directors have prepared the annual accounts on 'going concern' basis.

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### ACKNOWLEDGEMENT

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Your Directors record their sincere appreciation for the encouragement, assistance, co-operation and consistent support received from Members, Government Authorities, Banks, Financial Institutions, Customers and Business Partners. We also thank them for the trust they reposed in the Management and wish to thank all employees for their commitment and contributions.

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

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

**P. N. DHOOT**  
Director

**S. S. DAYAMA**  
Director

Place : Mumbai  
Date : 26th May, 2011

As required under Clause 49 of the Listing Agreement with the Stock Exchange, the Corporate Governance Report forms part of the Annual Report.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance refers to the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholders value and discharge of social responsibility. It is an integral part of the Company's Management and business philosophy. The Company believes that sound corporate governance is necessary to enhance and retain stakeholders' trust. Even in a tough competitive business environment, the Company subscribes fully to the principles and spirit of good Corporate Governance and embeds the principles of independence, integrity, accountability and transparency into the value system driving the Company.

The Board of Directors exercise their fiduciary responsibilities towards all stakeholders by ensuring transparency and independence in the decision making process. The Whistle Blower Policy of the Company provides a mechanism for the employees to approach the Chairman of Board/Audit Committee and disclose information that may evidence unethical or improper activity concerning the Company.

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

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

The Company believes that all its actions must serve the underlying goal of enhancing overall shareholders' value on a sustained basis.

### BOARD OF DIRECTORS

As on 31st December, 2010, the strength of the Board is six, comprising of two Promoter Non-Executive Directors and four Independent Directors. The Company has duly complied with the requirements under Clause 49 of the Listing Agreement with the stock exchange as regards to the composition of the Board.

The Board consists of eminent persons with considerable professional experience and expertise in business and industry. The composition of the Board of Directors as on 31st December, 2010, is tabulated below:

Category	Directors	No. of Directors	% to the Total
Promoter - Non-Executive Directors	Mr. Pradipkumar N. Dhoot Mr. Anirudha V. Dhoot	2	33.33%
Independent Directors	Mr. Subhash S. Nabar Mr. Vivek D. Dharm Mr. Bhopinder K. Chopra Mr. Subhash S. Dayama	4	66.67%
	TOTAL	6	100%

- None of the Directors of the Company hold any office or place of profit in terms of Section 314 of the Companies Act, 1956.
- None of the Directors of the Company received any loans and advances during the period.

### Board/Committee Proceedings

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

- a) The Company Secretary in consultation with the Board of Directors finalizes the agenda of the Board and Committee Meetings, which is distributed to the Board/Committee Members well in advance. All items in the agenda are supported by notes on agenda which are also circulated well in advance. To address specific urgent need, meetings are also being called at shorter notice. The Board is also authorized to pass resolution by circulation for all such matters which are of utmost urgent nature.
- b) The Board has complete and unqualified access to all information available with the Company. The information regularly provided to the Board, inter-alia includes:
  - Annual Operating plans and budgets;
  - Quarterly results of the Company;
  - Annual Accounts, Report of the Board of Directors etc;
  - Minutes of the meetings of Audit and other Committees to the Board;
  - Minutes of the Board Meeting, Annual General Meetings, Extra-Ordinary General Meetings;
  - Information on recruitment of senior officers and Company Secretary;
  - Related Party Transactions;
  - Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies; and
  - Other materially relevant information.
- c) 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.
- d) The guidelines for the Board/Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the actions taken on decisions of the Board and Committees.
- e) The Board periodically reviews the compliance reports to ensure adherence to all applicable provisions of law, rules and guidelines as may be applicable to the Company and takes steps to rectify non-compliances, if any.
- f) The Company has laid down code of conduct which binds all the board members and senior management of the Company. A declaration by the Head Operations and Company Secretary to this effect is appended to this report.

### Board Meetings and Attendance

12 (Twelve) Board Meetings were held during the period 2009-10 on the following dates:

31st October, 2009, 13th November, 2009, 22nd December, 2009, 30th January, 2010, 19th February, 2010, 30th March, 2010, 14th May, 2010, 19th June, 2010, 11th August, 2010, 17th September, 2010, 15th October, 2010 and 13th November, 2010. The gap between any two meetings has been less than four months.

Details of number of Board meetings attended by Directors (including participation through audio conferencing) during the period 2009-10, attendance at the last Annual General Meeting, number of other directorships/committee memberships held by them as on 31st December, 2010, are as under:



Sr. No.	Name	No. of Board Meetings Attended	Attendance at the last AGM (held on 30.03.2010)	No. of Other Directorships held	No. of Company Chairmanships	Number of Committee Memberships in Other Companies	
						As Chairman	As Member
1.	Mr. Pradipkumar N. Dhoot	8	No	14	-	-	5
2.	Mr. Anirudha V. Dhoot	4	No	14	-	2	1
3.	Mr. Subhash S. Nabar	9	No	2	-	-	-
4.	Mr. Bhopinder K. Chopra	7	No	2	-	-	1
5.	Mr. Vivek D. Dharm	9	Yes	13	-	4	1
6.	Mr. Subhash S. Dayama	9	Yes	13	-	5	2
7.	Mr. Venugopal N. Dhoot#	5	No	13	1	2	4
8.	Mr. S. Padmanabhan#	5	No	14	-	-	7

# Mr. Venugopal N. Dhoot and Mr. S. Padmanabhan ceased to be the directors of the Company with effect from the date of the Twentieth Annual General Meeting, since not offered themselves for re-appointment.

**Notes:**

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

**Brief Details of Directors seeking Re-Appointment**

The brief details of Directors retiring by rotation and seeking re-appointment, as required pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in India, as on date of this Report, are as under:

Sr. No.	Particulars	Profile	
1.	Name of the Director	Mr. Vivek D. Dharm	Mr. Subhash S. Dayama
2.	Date of Birth	22nd November, 1964	5th May, 1961
3.	Educational Qualification	B.Com, LL.B.	B.Com
4.	Date of appointment on the Board	8th December, 2005	30th March, 2009
5.	Category of the Director	Independent	Independent
6.	Area of Expertise/ Senior Position Held/ Work Experience	He carries with him more than fifteen years of experience in the fields of Law, Management and Finance.	He carries with him more than two decades of experience in the fields of Finance, Capital Markets, Management and Administration.
7.	Details of Directorships in other Public Limited Companies	<ol style="list-style-type: none"> <li>Millennium Appliances India Limited</li> <li>Indian Refrigerator Company Limited</li> <li>Videocon Oil Services Limited</li> <li>Videocon Power Limited</li> <li>Sky Appliances Limited</li> <li>Planet 'M' Retail Limited</li> <li>Akai Consumer Electronics India Limited</li> <li>Videocon Power Ventures Limited</li> <li>PE Electronics Limited</li> <li>Videocon Energy Limited</li> <li>Videocon Oil Ventures Limited</li> <li>Bharat Business Channel Limited</li> <li>Videocon Services Limited</li> </ol>	<ol style="list-style-type: none"> <li>Value Industries Limited</li> <li>Shree Dhoot Trading And Agencies Limited</li> <li>Videocon Telecommunications Limited</li> <li>Pacific Appliances Manufacturing &amp; Trading Limited</li> <li>Videocon Realty And Infrastructures Limited</li> <li>Evans Fraser and Co. (India) Limited</li> <li>Universal Digital Connect Limited</li> <li>PE Electronics Limited</li> <li>Videocon Energy Limited</li> <li>Videocon Oil Ventures Limited</li> <li>Maharashtra Semiconductor &amp; Displays Limited</li> <li>Jumbo Techno Services Private Limited</li> <li>Senior Consulting Private Limited</li> </ol>
8.	Names of other Committees in which Chairman	<ol style="list-style-type: none"> <li>Bharat Business Channel Limited (Audit)</li> <li>Videocon Energy Limited (Audit)</li> <li>Videocon Oil Ventures Limited (Audit)</li> </ol>	<ol style="list-style-type: none"> <li>Value Industries Limited (Audit)</li> <li>Videocon Telecommunications Limited (Audit and Share Transfer Committee)</li> <li>Videocon Realty and Infrastructures Limited (Audit)</li> <li>Jumbo Techno Services Private Limited (Audit)</li> </ol>
9.	Names of other Committees in which Member	<ol style="list-style-type: none"> <li>Sky Appliances Limited (Audit)</li> <li>Videocon Power Limited (Audit)</li> </ol>	<ol style="list-style-type: none"> <li>Videocon Energy Limited (Audit)</li> <li>Videocon Oil Ventures Limited (Audit)</li> <li>Evans Fraser and Co.(India) Limited (Audit)</li> </ol>
10.	Number of Shares held	NIL	NIL

### COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted the following three committees:

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

#### AUDIT COMMITTEE

During the period 2009-10, the Audit Committee of the Board of Directors comprised of two Independent Directors and one Promoter Director. The Composition as on 31st December, 2010, was as under:

Name	Designation	Category
Mr. Vivek D. Dharm	Chairman	Independent
Mr. Anirudha V. Dhoot	Member	Promoter, Non-Executive
Mr. Bhopinder K. Chopra	Member	Independent

During the period, the Audit Committee of the Board of Directors was reconstituted.

Name	Appointment	Cessation
Mr. S. Padmanabhan	-	30th March, 2010
Mr. Anirudha V. Dhoot	30th March, 2010	-

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

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

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

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

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

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

The Audit Committee also reviews:

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

The Audit Committee is also vested with the following powers:

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

#### Meetings and Attendance:

During the financial period under consideration, 6 (Six) meetings of the Committee were held on 31st October, 2009, 30th January, 2010, 19th February, 2010, 14th May, 2010, 11th August, 2010 and 13th November, 2010.

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

Members of the Committee	Meetings attended
Mr. Vivek D. Dharm	6
Mr. S. Padmanabhan	3
Mr. Anirudha V. Dhoot	1
Mr. Bhopinder K. Chopra	5

#### SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

During the period 2009-10, the Shareholders'/Investors' Grievance Committee of the Board of Directors comprised of two independent directors and one promoter non-executive director. The composition as on 31st December, 2010, was as under:

Name	Designation	Category
Mr. Vivek D. Dharm	Chairman	Independent
Mr. Pradipkumar N. Dhoot	Member	Promoter Non-Executive
Mr. Subhash S. Dayama	Member	Independent

During the period, the Shareholders'/Investors' Grievance Committee of the Board of Directors was reconstituted.

Name	Appointment	Cessation
Mr. S. Padmanabhan	-	30th March, 2010
Mr. Subhash S. Dayama	30th March, 2010	-

The Company Secretary is the Compliance Officer of the Company.

#### Scope of Shareholders'/Investors' Grievance Committee:

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

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

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

**Meetings and Attendance:**

During the financial period under consideration, 5 (Five) meetings of the Shareholders'/Investors' Grievance Committee were held on 3rd November, 2009, 30th January, 2010, 29th April, 2010, 11th August, 2010 and 15th November, 2010.

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

Members of the Committee	Meetings attended
Mr. Vivek D. Dharm	5
Mr. Pradipkumar N. Dhoot	2
Mr. S. Padmanabhan	2
Mr. Subhash S. Dayama	5

**Share Transfer Details:**

The details of shares transferred during the period under review is given below:

Sr. No	Particulars	Equity
A	Number of transfers	106
B	Average No. of Transfer per month	7
C	Number of Shares Transferred	11,676

**Demat/Remat of Shares:**

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

Sr. No.	Particulars	Equity
A	Number of Demat Transfers approved	352
B	Number of Sub-committee Meetings held	61
C	Number of Shares Dematerialised	34,727
D	Percentage of Shares Dematerialised	0.46
E	Number of Rematerialisation requests approved	0
F	Number of Shares Rematerialised	0

**Details of complaints received and redressed during the period 2009-10:**

Sr. No.	Particulars	Received	Redressed	Pending as on 31.12.2010
1.	Non receipt of refund orders	-	-	-
2.	Non receipt of dividend / interest / redemption warrants	41	41	0
3.	Non receipt of share certificates	16	16	0
4.	Others	65	65	0
	<b>Total</b>	<b>122</b>	<b>122</b>	<b>0</b>

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

**REMUNERATION COMMITTEE**

During the period 2009-10, the Remuneration Committee of the Board of Directors comprised of three independent directors. The composition as on 31st December, 2010, was as under:

Name	Designation	Category
Mr. Bhopinder K. Chopra	Chairman	Independent
Mr. Subhash S. Nabar	Member	Independent
Mr. Subhash S. Dayama	Member	Independent

During the period, the Remuneration Committee of the Board of Directors was reconstituted.

Name	Appointment	Cessation
Mr. S. Padmanabhan	-	30th March, 2010
Mr. Subhash S. Dayama	30th March, 2010	-

**Scope of Remuneration Committee:**

The following matters are referred to the Remuneration Committee:

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

**Directors' Remuneration:**

The Independent directors are paid sitting fees for participating in the Board and various Board Committee meetings

Mr. Pradipkumar N. Dhoot and Mr. Anirudha V. Dhoot, Promoter Directors of the Company are not drawing any sitting fees. Details of payments towards sitting fees to independent directors during the period 2009-10, are as under:

Name of Director	Sitting fees (₹)
Mr. Subhash S. Nabar	23,500
Mr. Vivek D. Dharm	33,500
Mr. Bhopinder K. Chopra	23,500
Mr. Subhash S. Dayama	28,500
Mr. S. Padmanabhan	17,500
<b>Total</b>	<b>1,26,500</b>

**Meetings and Attendance:**

During the financial period under consideration, one meeting of the Committee was held on 29th April, 2010.

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

Members of the Committee	Meetings attended
Mr. Bhopinder K. Chopra	1
Mr. Subhash S. Nabar	1
Mr. Subhash S. Dayama	1

**Stock Options:**

The Company has not issued any stock options during the period 2009-10.

**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 Resolution Passed
18th	31st March, 2008	20 K.M. Stone, Aurangabad-Beed Road, Village: Bhargaon, Aurangabad – 431 210 (Maharashtra)	3.00 p.m.	NIL
19th	30th March, 2009	20 K.M. Stone, Aurangabad-Beed Road, Village: Bhargaon, Aurangabad – 431 210 (Maharashtra)	4.00 p.m.	NIL
20th	30th March, 2010	20 K.M. Stone, Aurangabad-Beed Road, Village: Bhargaon, Aurangabad – 431 210 (Maharashtra)	4.00 p.m.	NIL

## TREND ELECTRONICS LIMITED

### 2. Postal Ballot:

No resolution was passed through Postal Ballot during the period under review. Further, none of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing of a special resolution through Postal Ballot.

### DISCLOSURES

a)	Materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.	There are no transactions, which may have potential conflicts with the interests of company at large. Transactions with related parties are disclosed in Note No. B-11 of Schedule 14 to the Accounts in the Annual Report.
b)	Non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	NIL
c)	Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee.	The Company has implemented Whistle Blower Policy and no personnel have been denied access to the Audit Committee.
d)	Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.	The Company has complied with mandatory requirements and adopted the following non mandatory requirements: i) The Company has constituted a remuneration committee. ii) Whistle Blower Policy.

### Means of Communication

The Company regularly reports 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 The Financial Express and Loksatta (Marathi) with wide circulation. The results are posted on our website [www.trendelectronics.in](http://www.trendelectronics.in). The official press releases and the presentations made from time to time to investors and financial analysts at investors' meets are also made available on the Company's website. The results are not sent individually to the shareholders.

### GENERAL SHAREHOLDER INFORMATION

#### Annual General Meeting:

Day : Wednesday  
Date : 29th June, 2011  
Time : 4.00 p.m.  
Venue : 20 K.M. Stone, Aurangabad - Beed Road,  
Village: Bhalgaon, Aurangabad - 431 210  
(Maharashtra)

#### Financial Calendar for 2011:

Particulars	Date
Accounting Period	1st January, 2011 – 31st December, 2011
Unaudited financial results	Announcement within 45 days from the end of each quarter
First Quarter Results	On or before 15th May, 2011
Second Quarter Results	On or before 14th August, 2011
Third Quarter Results	On or before 14th November, 2011
Fourth Quarter Results	On or before 14th February, 2012
Annual General Meeting for year ending 31st December, 2011	On or before 30th June, 2012

#### Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 16th June, 2011 to Wednesday, 29th June, 2011, (both days inclusive).

### Payment of Dividend:

The Board of Directors of the Company has recommended a final dividend of ₹ 1/- (Rupee One Only) per share for the period ended 31st December, 2010.

Dividend, if declared at the Annual General Meeting, is proposed to be paid on or around 4th July, 2011.

### Listing on Stock Exchange:

The Equity Shares of your Company are listed on:

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

Scrip Code: 517228

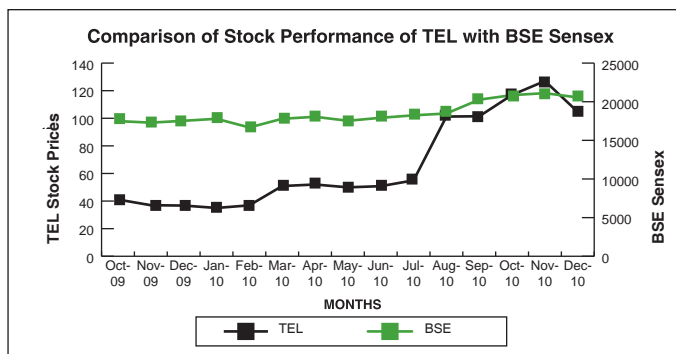
The Annual Listing Fee for the year 2011-12 i.e. upto 31st March, 2012, has been paid to the Stock Exchange.

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

### Market Price Data:

Monthly High and Low prices of Trend Electronics Limited ("TEL") at BSE during the period 2009-10 are as under:

Month	BSE	
	High Price	Low Price
October, 2009	41.10	32.50
November, 2009	37.00	30.65
December, 2009	36.75	30.50
January, 2010	35.00	29.00
February, 2010	36.90	31.40
March, 2010	50.90	33.30
April, 2010	52.00	44.20
May, 2010	49.95	40.00
June, 2010	50.80	37.10
July, 2010	55.00	45.30
August, 2010	101.25	50.60
September, 2010	101.45	80.10
October, 2010	116.95	85.00
November, 2010	127.00	86.55
December 2010	104.60	70.00



**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) 23726256

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

**Distribution of Shareholding:**

a) Shareholding pattern as on 31st December,2010, is as below:

Category code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A+B)
<b>(A)</b>	<b>Share holding of Promoter and Promoter Group</b>			
(1)	Indian	9	3,567,105	47.56
(2)	Foreign	-	-	0
	<b>Sub - Total (A)</b>	9	3,567,105	47.56
<b>(B)</b>	<b>Public Share holding</b>			
(1)	Institutions	907	548,240	7.31
(2)	Non-Institutions			
	-Bodies Corporate	259	761,630	10.16
	-Individuals	17,964	2,623,025	34.98
	<b>Sub - Total (B)</b>	19,130	3,932,895	52.44
	<b>TOTAL (A) + (B)</b>	<b>19,139</b>	<b>7,500,000</b>	<b>100.00</b>

b) Distribution of Shareholding by size as on 31st December,2010, is as given below:

Share Holding of Nominal Value of Rupees	Number of Shareholders	% to the Total Shareholding	No. of Shares	Amount (in Rs.)	% to the Total Value of Share Capital
Up to 5,000	19,076	99.67	2,091,175	20,911,750	27.88
5,001 to 10,000	27	0.14	200,100	2,001,000	2.67
10,001 to 20,000	14	0.07	204,216	2,042,160	2.72
20,001 to 30,000	4	0.02	93,234	932,340	1.24
30,001 to 40,000	3	0.02	94,374	943,740	1.26
40,001 to 50,000	2	0.01	81,692	816,920	1.09
50,001 to 1,00,000	5	0.03	320,254	3,202,540	4.27
1,00,001 and above	8	0.04	4,414,955	44,149,550	58.87
<b>Total</b>	<b>19,139</b>	<b>100.00</b>	<b>7,500,000</b>	<b>75,000,000</b>	<b>100.00</b>

**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 31st December, 2010, 5,701,265 equity shares (representing 76.01% of the total number of shares) have been dematerialized.

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

The Company has not issued any instruments which warrant conversion. As on 31st December, 2010, there is no outstanding instrument which warrant conversion.

**Plant location:**

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

**Address for Correspondence:**

20 K.M. Stone, Aurangabad- Beed Road,  
 Village: Bhalgaon,  
 Dist.Aurangabad - 431 210  
 (Maharashtra)  
 E-mail id: secretarial\_trend@videoconmail.com

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

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

**COMPLIANCE CERTIFICATE OF STATUTORY 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**

Place : Mumbai

Date : 26th May, 2011

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

**HEAD-OPERATIONS**

**CHIEF FINANCIAL OFFICER**

Place : Mumbai  
Date : 26th May, 2011

**COMPLIANCE CERTIFICATE OF THE AUDITORS**

To,  
The Members,  
Trend Electronics Limited

We have examined the compliance of conditions of Corporate Governance by Trend Electronics Limited, for the period ended 31st December, 2010, 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 May, 2011

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management has pleasure in presenting this report in adherence to the Code of Corporate Governance enacted by the Securities & Exchange Board of India under Clause 49 of the Listing Agreement.

**Statements made in this report outlining Company's objectives, production, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. The actual results might differ substantially or materially from those expressed or implied due to the influence of external and internal factors beyond the control of the Company. Further, the discussion herein reflects management's 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.**

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

### INDUSTRY STRUCTURE

#### Consumer Electronics Industry:

Consumer Electronics market is one of the largest segment of the electronics segment in India. The consumer durables industry consists of durable goods used for domestic purposes categorized mainly as Brown Goods (televisions, LCD TVs, Plasma TVs, CD and DVD Players, Camcorders, Still Cameras, Video Game Consoles, HiFi and Home Theater System, Telephone Answering Machines etc.); White Goods (Air-conditioners, Refrigerators, Washing Machine, Dish Washers, Drying Cabinets, Microwave Ovens, Freezers etc.) and Small Domestic Appliances (Iron, Vacuum Cleaners, Water Purifiers etc.). The growth in the consumer durables sector has been driven primarily by factors such as boom in the real estate/housing industry, higher disposable income and buying power of people, availability of easy finance schemes, and emergence of the retail industry in a big way coupled with rising affluence levels of a large section of the population.

A shift in consumer preference towards technologically advanced branded products is noticeable. The intensity of competition has led to availability of wide choice for the masses. The markets are changing rapidly from conventional technology to the new and highly advanced one.

Your Company primarily focuses on manufacturing of Colour TVs, LCD TVs, LED TVs, DVDs and Set Top Boxes.

#### Colour Televisions:

Today, India is fast emerging as the key driver in the global television market both as a manufacturer and consumer. Televisions continue to be the mainstay of the Consumer Electronics Industry in India along with the transition occurring to newer technologies such as LCD and LED. Televisions have evolved from bulky to sleek and in the process, have become more eco-friendly.

Television market has witnessed very drastic changes in the last decade in terms of technology, prices and consumer aspirations. Exchange schemes, free gifts, price offs, prizes, deferred payment schemes and other incentives as promotional tools have been deployed by the players, which certainly have made the market, vibrant and pulsating. A major factor contributing to the growth has been availability of consumer financing schemes. The television markets are changing from the conventional CRT technology to Flat Panel Display (FPD), Liquid Crystal Display (LCD) TV and Plasma (PDP) TV.

LCD televisions continue to dominate the Indian TV market. They have emerged from being a high-end lifestyle product to a product for good viewing experience.

The LCD TV Market is witnessing an increasing preference for full high definition TV with better image quality, audio clarity and colour resolution. LCDs take up less space than the bulky tube TVs, consume less energy and are free from harmful radiation that is emitted from cathode rays tube TVs. Other products, such as LED televisions, Smart TV, Internet TVs, 3D televisions, etc., have also been launched in the market.

LED televisions have been the star product of the electronics industry, mainly due to their picture quality which is far superior to traditional LCD TVs. LEDs offer ultra high contrast ratios, slim depths and increased energy savings. Plasma TVs are well-suited for consumers' purchasing habits, providing the most affordable large flat panel TVs and superior 3D performance. However, despite all the innovations, the sleek, energy-efficient LCD TVs have been at the top of the desired list for many consumers. The LCD TV segment in India is poised for significant growth in the coming years.

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

#### DVDs:

The DVD segment has continued to capture the attention of major players during the period.

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

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 available in both Domestic and International Market.

#### Set Top Boxes:

In the past couple of years, there has been a phenomenal shift from analogue cable signals to digital transmission using Set Top Boxes (STB) as the underlying technology. Though growth in developed economies has been tremendous in India, the STB market penetration is mainly driven by DTH (Direct to Home) pay-TV business. Today, the STB market in India is moving towards High Definition Televisions (HDTV) and Personal Video Recorders (PVR).

Non-availability of cable in many areas has helped in the increased use of DTH. This has given rise to increased usage of STBs. The demand for STBs is also swelling due to increased sale of LCD TVs. STBs are increasingly seen as easily deployable in living rooms, fuelling the consumer's appetite for high quality digital pictures. Once addicted to digital pictures, a consumer can never settle for Standard Definition (SD) quality. The increase in digital TV homes has further boosted the growth of STBs. Other than the clarity of digital pictures, the availability of more channels, online movies and the affordability factor have all hiked the demand for STBs over analogue television.

The digital TV industry is projected to grow significantly. Coupled with incentives and the boost given by the government, multi-fold growth is anticipated in the coming years. The STB segment therefore, is poised for significant growth in the coming years.

### OPPORTUNITIES

Demand for consumer electronic goods have a very good growth potential in the Indian market for the years to come on account of following factors:

- Growing consumer confidence due to rising disposable income;
- Easy finance schemes that are making purchases possible;
- Increasing local manufacturing;
- Expanding distribution network; and

## TREND ELECTRONICS LIMITED

- Increasing number of TV channels and services of cable network and DTH in urban as well as rural areas and availability of the same at affordable prices.

Other key opportunities available in the industry are:

- Innovative advertising and brand promotion;
- Availability of newer variants of a product;
- Festive Season Sales;
- Emergence of nuclear families;
- Growth of media leading to enhanced product awareness;
- Introducing high-end products; and
- Electrification in rural India and increasing aspirations of people in rural India.

In the times to come the Consumer durables sector is poised for a quantum leap due to technological improvements, falling prices due to competition, aggressive marketing and declining import tariffs. The changing dynamics of consumer behavior indicate that luxury goods are now being perceived as necessities with higher disposable incomes being spent on lifestyle products.

### Threats

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

- Rising input costs of raw materials;
- Shift in the Customers' Focus to energy efficient appliances and providing such appliances at competitive prices;
- Increased Interest Outflow;
- Highly Competitive Market;
- Inflation;
- Cost Pressures;
- Present regulatory burdens; and
- Erosion in Margins on account of time lag between input cost escalation and increase in end product realizations.

## BUSINESS OUTLOOK

The consumer demand is rapidly shifting to latest technology and energy efficient products. There is a huge growth potential for the consumer electronics goods industry in India. The Company is determined to make available its products with latest technology to its customers. LCD has a very good growth potential and your Company shall focus on the same alongwith conventional Colour TV. The Company also will focus on making available environment friendly, energy efficient and economical products to the consumers.

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

- Proper product mix;
- Well established distribution network;
- Technological superiority;
- Maintaining High Quality Standards;
- Capitalising export potential;
- Market Penetration;
- Intelligent use of the embedded systems;
- Research and Analysis;
- Energy Saving Techniques; and
- Quality workforce and efficient manpower

## RISKS AND CONCERNS

Managing business risk is an integral part of generating substantial and sustainable shareholder value. A more dynamic approach to risk management is to deliver superior performance and superior returns to shareholders. To this end, the management has always been proactive on risk identification and mitigation.

The risks associated with the consumer electronics business are as under:

- Due to competition and existence of local brands there is continuous pressure on the price of the products;
- Increase in the input costs;
- Product obsolescence; and
- Seasonal fluctuations in demand.

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

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

## INTERNAL CONTROL FRAMEWORK-ADEQUACY AND OPERATING EFFECTIVENESS

The Company has put in place appropriate and adequate internal control systems ensuring maintenance of proper and accurate accounting records, compliance with applicable laws and regulations etc. The management periodically reviews the internal control systems and procedures leading to orderly and efficient conduct of its business. The internal control structure is designed to ensure effectiveness of its operations in the utilisation of Company's funds; resources, safeguarding of assets against unauthorised use or disposition, true and fair reporting and compliance with all the applicable regulatory laws and Company rules.

Internal Audit is conducted on a regular basis to monitor and report on the adequacy and the operating effectiveness of the internal controls. The internal auditors perform extensive audits throughout the year, across all functional areas and submit their reports to management. An Executive Summary of the internal audit reports along-with recommendations and management responses/action taken status is also placed before the Audit Committee of the Board of Directors. The Audit Committee reviews the findings and recommendations of Internal Auditors; and management's corrective initiatives and suggests further improvements for strengthening the internal control systems on regular basis.

## SEGMENT-WISE PERFORMANCE

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

## FINANCIAL PERFORMANCE

### Sales

During the period under review, the Company achieved a turnover of ₹ 19,645.12 Million as against ₹ 8,439.78 Million for the previous year ended on 30th September, 2009. The increase in sales was on account of increase in demand for consumer electronics products and also an increase in number of entertainment shows, sports events etc.

### Other Income

Other Income for the period was ₹ 42.22 Million as against ₹ 3.66 Million during the previous year ended on 30th September, 2009. Other income comprises of dividend income, exchange rate fluctuation and miscellaneous income.

### Expenditure

#### Cost of Goods Consumed/sold:

Cost of Goods Consumed/sold increased to ₹ 17,682.73 Million from ₹ 7,734.87 Million for the previous year ended on 30th September, 2009.



**Salaries, Wages and Employees Benefits**

During the period under review, the Salary and Wages were ₹ 160.98 Million as against ₹ 68.45 Million for the previous year ended on 30th September, 2009.

**Manufacturing and Other Expenses**

During the period under review, the Manufacturing and Other Expenses were ₹ 317.13 Million as against ₹ 204.19 Million for the previous year ended on 30th September, 2009.

**Interest and Finance Charges**

Interest and Finance Charges were to the tune of ₹ 374.99 Million as against ₹ 97.28 Million for the previous year ended on 30th September, 2009.

**Depreciation**

Depreciation for the period was ₹ 185.53 Million as against ₹ 115.69 Million for the previous year ended on 30th September, 2009.

**Profit Before Tax:**

As a result of the foregoing, the profit before tax was ₹ 287.79 Million as against ₹ 54.98 Million for the previous year ended on 30th September, 2009, resulting in an increase of ₹ 232.81 Million as compared to previous year. The increase in profit before tax was on account of increase in sales.

**Provision for Taxation**

Provision for Taxation includes Provision for Current Tax, Deferred Tax, Fringe Benefit Tax and MAT Credit Entitlement. During the period under review, the Company has provided ₹ 53.10 Million for Current Tax, ₹ 48.76 Million for Deferred Tax, ₹ Nil for Fringe Benefit Tax and net of MAT Credit Entitlement of ₹ (17.18) Million, as against ₹ 8.92 Million for Current Tax, ₹ 9.68 Million for Deferred Tax and ₹ 0.21 Million for Fringe Benefit Tax for the previous year ended 30th September, 2009.

**Net Profit**

Net Profit (profit after tax) of the Company is increased to ₹ 203.11 Million from ₹ 36.17 Million for the previous year ended 30th September, 2009.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT (INCLUDING NUMBER OF PEOPLE EMPLOYED)**

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

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

The HR Function of the Company takes proactive role in responding to genuine grievances of employees to foster a warm positive relationship between the management and employees, increase job satisfaction and ensure that employees can add value to their lives. The Company commits itself to grow hand-in-hand with its employees, encouraging and aiding them to reach their full potential.

The management is continuously working on the development of human capital to enhance responsiveness, efficiency and effectiveness in an ever-changing business environment.

The Company is poised to take on the challenges with its work-force of around 350 employees in the business environment; and march towards achieving its mission with success.

To  
The Members of

**TREND ELECTRONICS LIMITED**

1. We have audited the attached Balance Sheet of TREND ELECTRONICS LIMITED, as at 31st December 2010, the Profit and Loss Account and also the Cash Flow Statement of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of the audit, we give in the Annexure hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in above paragraph, we report that:
  - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - e) According to the information and explanations given to us and on the basis of written representations received from the directors of the Company and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st December, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2010;
    - (ii) In the case of the Profit and Loss Account, of the profit for the period ended on that date; and
    - (iii) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

**For KHANDELWAL JAIN & CO.**

*Chartered Accountants*  
Firm Registration No. 105049W

**SHIVRATAN AGARWAL**

*Partner*  
Membership No. 104180

Place : Mumbai  
Date : 26th May, 2011

**For KADAM & CO.**

*Chartered Accountants*  
Firm Registration No. 104524W

**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 on the accounts for the period ended 31st December, 2010.

- (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 period, 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 period 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 explanations given to us, the Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

- (b) As the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, sub-clauses (b),(c),(d),(f) and (g) of Clause (iii) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control systems.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs, in respect of any party during the period, 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 Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) The Central Government has prescribed maintenance of the cost records under Section 209(1)(d) of the Companies Act, 1956, in respect of the Company's products. We have broadly reviewed the books of account and records maintained by the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs-duty, Excise-duty, Cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st December, 2010 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, Custom 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	₹ Million	Forum where dispute is pending
1. Customs Act, 1962	Interest and Penalty	4.03	CESTAT
	Custom Duty	0.75	Commissioner
		3.31	Asst. Commissioner
2. Central Excise Act, 1944	Excise Duty	0.29	High Court, Aurangabad
		1.27	CESTAT
3 Finance Act, 1994 (Service Tax Provisions)	Service Tax	6.95	Commissioner
		0.93	Dy. Commissioner
4. Sales Tax Act of various States	Sales Tax	0.30	Appellate Tribunal
		34.31	Dy. Commissioner

- (x) There are no accumulated losses as on 31st December 2010. 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 institutions, banks or debenture holders.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund Company or nidhi/mutual benefit fund/society. Therefore, the Clause (xiii) of the Order is not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investments and that timely entries have generally been made therein. All shares, debentures and other securities have been held by the Company in its own name except to the extent of the exemption granted under Section 49 of the Companies Act, 1956.
- (xv) According to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by others from banks or financial institutions are, prima facie, not prejudicial to the interest of the Company.
- (xvi) According to the information and explanations given to us, the term loans raised during the period were applied, on an overall basis, for the purpose for which the loans were obtained.
- (xvii) On the basis of overall examination of the Balance Sheet of the Company, we observed that, the Company has not used funds raised on short term basis for long term investments.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares during the period 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 period.
- (xx) The Company has not raised any money by public issues during the period.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period.

**For KHANDELWAL JAIN & CO.**

Chartered Accountants

Firm Registration No. 105049W

**SHIVRATAN AGARWAL**

Partner

Membership No. 104180

Place : Mumbai

Date : 26th May, 2011

**For KADAM & CO.**

Chartered Accountants

Firm Registration No. 104524W

**U.S. KADAM**

Partner

Membership No. 31055

## BALANCE SHEET AS AT 31ST DECEMBER, 2010

Particulars	Schedule No.	As at 31st Dec., 2010 (₹ Million)	As at 30th Sept., 2009 (₹ Million)
<b>I. SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	1	75.00	75.00
b) Reserves and Surplus	2	965.44	783.58
<b>2. Deferred Tax Liability (Net)</b>		212.85	164.09
<b>3. Loan Funds</b>			
a) Secured Loans	3	1,754.96	821.73
b) Unsecured Loans	4	4,144.29	1,699.76
<b>TOTAL</b>		<b>7,152.54</b>	<b>3,544.16</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>	5		
a) Gross Block		3,482.69	2,724.24
b) Less : Depreciation, Amortisation and Impairment		1,752.62	1,567.09
c) Net Block		1,730.07	1,157.15
<b>2. Investments</b>	6	337.76	207.12
<b>3. Current Assets, Loans and Advances</b>	7		
a) Inventories		2,747.33	1,641.75
b) Sundry Debtors		2,699.71	1,451.56
c) Cash and Bank Balances		320.37	224.19
d) Other Current Assets		9.91	6.95
e) Loans and Advances		1,392.22	247.66
		7,169.54	3,572.11
<b>Less : Current Liabilities and Provisions</b>	8		
a) Current Liabilities		2,019.06	1,354.18
b) Provisions		65.77	38.04
		2,084.83	1,392.22
<b>Net Current Assets</b>		<b>5,084.71</b>	<b>2,179.89</b>
<b>TOTAL</b>		<b>7,152.54</b>	<b>3,544.16</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	14		

As per our report of even date

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

**SHVRATAN AGARWAL**  
Partner  
Membership No.104180

Place : Mumbai  
Date : 26th May, 2011

**For KADAM & CO.**  
Chartered Accountants

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

For and on behalf of the Board

**P. N. DHOOT**  
Director

**S. S. DAYAMA**  
Director

**KANCHAN A. KAKADE**  
Company Secretary

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST DECEMBER, 2010

Particulars	Schedule No.	Period ended on 31st Dec., 2010 (₹ Million)	Year ended on 30th Sept., 2009 (₹ Million)
<b>I. INCOME</b>			
Sales/Income from Operations		19,645.12	8,439.78
Less: Excise Duty		678.19	167.98
Net Sales		18,966.93	8,271.80
Other Income	9	42.22	3.66
<b>TOTAL</b>		<b>19,009.15</b>	<b>8,275.46</b>
<b>II. EXPENDITURE</b>			
Cost of Goods Consumed/Sold	10	17,682.73	7,734.87
Salaries, Wages and Employees' Benefits	11	160.98	68.45
Manufacturing and Other Expenses	12	317.13	204.19
Interest and Finance Charges	13	374.99	97.28
Depreciation and Amortisation	5	185.53	115.69
<b>TOTAL</b>		<b>18,721.36</b>	<b>8,220.48</b>
<b>III. PROFIT BEFORE TAX</b>		<b>287.79</b>	<b>54.98</b>
Less: Provision for Taxation			
Current Tax		53.10	8.92
Deferred Tax		48.76	9.68
Fringe Benefit Tax		-	0.21
MAT Credit entitlement		(17.18)	-
<b>IV. PROFIT FOR THE PERIOD/YEAR</b>		<b>203.11</b>	<b>36.17</b>
Add/(Less): Excess/(Short) Provision of Income Tax for earlier years		(12.50)	3.73
Add: Balance brought forward		161.73	134.61
<b>V. BALANCE AVAILABLE FOR APPROPRIATIONS</b>		<b>352.34</b>	<b>174.51</b>
<b>VI. APPROPRIATIONS</b>			
i. Proposed Dividend		7.50	7.50
ii. Corporate Tax on Proposed Dividend		1.25	1.28
iii. Transfer to General Reserve		20.00	4.00
iv. Balance carried to Balance Sheet		323.59	161.73
<b>TOTAL</b>		<b>352.34</b>	<b>174.51</b>
<b>VII. BASIC AND DILUTED EARNINGS PER SHARE (Not Annualised)</b> (Nominal value of ₹ 10/- each) (Refer Note B-12 of Schedule-14)		<b>₹ 25.41</b>	<b>₹ 5.32</b>
<b>Significant Accounting Policies and Notes to Accounts</b>		<b>14</b>	

As per our report of even date

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

**SHVRATAN AGARWAL**  
Partner  
Membership No.104180

Place : Mumbai  
Date : 26th May, 2011

**For KADAM & CO.**  
Chartered Accountants

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

For and on behalf of the Board

**P. N. DHOOT**  
Director

**S. S. DAYAMA**  
Director

**KANCHAN A. KAKADE**  
Company Secretary

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER, 2010

	Period ended on 31st Dec., 2010 (₹ Million)	Year ended on 30th Sept., 2009 (₹ Million)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	287.79	54.98
Adjustments for:		
Depreciation and Amortisation	185.53	115.69
Interest and Finance Charges	434.18	107.64
Provision for Warranty and Maintenance Expenses	2.51	6.65
Provision for Gratuity	2.18	1.83
Provision for Leave Encashment	1.30	0.78
Diminution in value of Investments	1.94	4.04
Interest Received	(59.19)	(10.36)
Dividend Received	(5.08)	(2.54)
<b>Operating Profit before Working Capital Changes</b>	<b>851.16</b>	<b>278.71</b>
Adjustments for:		
Inventories	(1,105.58)	(355.21)
Sundry Debtors	(1,248.15)	(7.60)
Other Current Assets, Loans and Advances	(1,130.34)	25.55
Trade and Other Payables	664.66	(149.22)
<b>Cash (used in)/generated from Operations</b>	<b>(1,968.25)</b>	<b>(207.77)</b>
Less: Taxes Paid/(Refund)-net	43.83	1.56
<b>Net Cash (used in) Operating Activities</b>	<b>(A) (2,012.08)</b>	<b>(209.33)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Received	59.19	10.36
Dividend Received	5.08	2.54
(Purchase) of Fixed Assets (Including Capital Work-in-Progress)	(758.45)	(10.28)
(Purchase)/Sale of Investments (Net)	(132.58)	(3.93)
<b>Net Cash (used in) Investing Activities</b>	<b>(B) (826.76)</b>	<b>(1.31)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Working Capital Loans	933.99	275.77
Increase/(Decrease) in Secured Term Loans	(0.76)	(95.05)
Increase/(Decrease) in Unsecured Loans	2,444.53	261.40
Interest and Finance Charges	(434.18)	(107.64)
Payment of Dividend	(7.28)	(3.57)
Corporate Tax on Dividend	(1.28)	(0.64)
<b>Net Cash from Financing Activities</b>	<b>(C) 2,935.02</b>	<b>330.27</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(A+B+C) 96.18</b>	<b>119.63</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>224.19</b>	<b>104.56</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>320.37</b>	<b>224.19</b>

As per our report of even date

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

**SHVRATAN AGARWAL**  
Partner  
Membership No.104180

Place : Mumbai  
Date : 26th May, 2011

**For KADAM & CO.**  
Chartered Accountants

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

For and on behalf of the Board

**P. N. DHOOT**  
Director

**S. S. DAYAMA**  
Director

**KANCHAN A. KAKADE**  
Company Secretary

## SCHEDULES TO BALANCE SHEET

	As at 31st Dec., 2010 (₹ Million)	As at 30th Sept., 2009 (₹ Million)
<b>SCHEDULE 1 - SHARE CAPITAL</b>		
<b>Authorised:</b>		
10,000,000 (Previous year 10,000,000) Equity Shares of ₹ 10/- each	100.00	100.00
5,000,000 (Previous year 5,000,000) Redeemable Preference Shares of ₹ 100/- each	500.00	500.00
	<b>600.00</b>	<b>600.00</b>
<b>Issued, Subscribed and Paid-up:</b>		
<b>Equity Share Capital</b>		
7,500,000 (Previous year 7,500,000) Equity Shares of ₹ 10/- each fully paid-up	75.00	75.00
	<b>75.00</b>	<b>75.00</b>
<b>TOTAL</b>	<b>75.00</b>	<b>75.00</b>
<b>SCHEDULE 2 - RESERVES AND SURPLUS</b>		
<b>Capital Subsidy</b>		
As per last Balance Sheet	3.00	3.00
	<b>3.00</b>	<b>3.00</b>
<b>(A)</b>		
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	500.00	500.00
	<b>500.00</b>	<b>500.00</b>
<b>(B)</b>		
<b>General Reserve</b>		
As per last Balance Sheet	118.85	114.85
Add: Transferred from Profit and Loss Account	20.00	4.00
	<b>138.85</b>	<b>118.85</b>
<b>(C)</b>		
<b>Profit and Loss Account</b>		
As per Account annexed	323.59	161.73
	<b>323.59</b>	<b>161.73</b>
<b>(D)</b>		
<b>TOTAL (A to D)</b>	<b>965.44</b>	<b>783.58</b>
<b>SCHEDULE 3 - SECURED LOANS</b>		
[Refer Note B-3 of Schedule 14]		
A. Working Capital Loans from Banks	1,754.79	820.80
B. Vehicle Loans From Banks	0.17	0.93
	<b>1,754.96</b>	<b>821.73</b>
<b>TOTAL</b>	<b>1,754.96</b>	<b>821.73</b>
<b>SCHEDULE 4 - UNSECURED LOANS</b>		
A. From Banks		
i) Rupee Loan	2,999.99	-
ii) Foreign Currency Loan	302.25	355.65
B. Sales Tax Deferral	842.05	844.11
(Refer Note B-4 of Schedule 14)		
C. From Others	-	500.00
	<b>4,144.29</b>	<b>1,699.76</b>
<b>TOTAL</b>	<b>4,144.29</b>	<b>1,699.76</b>

## SCHEDULE 5 - FIXED ASSETS

(₹ Million)

PARTICULARS	GROSS BLOCK			DEPRECIATION, AMORTISATION AND IMPAIRMENT			NET BLOCK	
	As at 30.09.2009	Additions	As at 31.12.2010	Upto 30.09.2009	For the Period	Upto 31.12.2010	As at 31.12.2010	As at 30.09.2009
Freehold Land	3.24	-	3.24	-	-	-	3.24	3.24
Building	243.40	0.17	243.57	95.97	7.88	103.85	139.72	147.43
Plant and Machinery	2,444.81	752.83	3,197.64	1,445.28	174.49	1,619.77	1,577.87	999.53
Electrical Installation	6.35	-	6.35	5.48	0.19	5.67	0.68	0.87
Computers	5.09	1.54	6.63	4.66	0.27	4.93	1.70	0.43
Furniture and Fixtures	6.40	-	6.40	5.74	0.18	5.92	0.48	0.66
Office Equipments	3.70	0.17	3.87	2.39	0.21	2.60	1.27	1.31
Vehicles	2.41	-	2.41	0.79	0.23	1.02	1.39	1.62
<u>Intangible Assets</u>								
Computer Software	8.84	0.17	9.01	6.78	2.08	8.86	0.15	2.06
<b>SUB-TOTAL</b>	<b>2,724.24</b>	<b>754.88</b>	<b>3,479.12</b>	<b>1,567.09</b>	<b>185.53</b>	<b>1,752.62</b>	<b>1,726.50</b>	<b>1,157.15</b>
Capital Work in Progress	-	-	3.57	-	-	-	3.57	-
<b>TOTAL</b>	<b>2,724.24</b>	<b>754.88</b>	<b>3,482.69</b>	<b>1,567.09</b>	<b>185.53</b>	<b>1,752.62</b>	<b>1,730.07</b>	<b>1,157.15</b>
As at 30th September, 2009	2,713.96	10.28	2,724.24	1,451.40	115.69	1,567.09	1,157.15	-

## SCHEDULES TO BALANCE SHEET (Continued)

## SCHEDULE 6 - INVESTMENTS

	Face Value	As at 31st Dec., 2010		As at 30th Sept., 2009	
		Nos.	₹ Million	Nos.	₹ Million
<b>LONG TERM INVESTMENTS</b>					
<b>QUOTED</b>					
<b>In Equity Shares - Trade</b>					
Videocon Industries Limited	₹ 10	3,106,478	202.08	2,541,666	75.00
<b>In Equity Shares - Others</b>					
IOL Netcom Limited	₹ 10	98,000	1.18	98,000	3.12
<b>UNQUOTED</b>					
<b>In Equity Shares - Others</b>					
Digital Display Devices SpA.	€ 1	36,000	1.96	36,000	1.96
H1 Hospitality Private Limited	₹ 10	1,900	0.02	-	-
Holzmann Videocon Engineers Limited	₹ 10	340,600	-	340,600	-
Juiptor Corporation Inc.	US\$ 1	190	0.01	190	0.01
Mars Overseas Limited	US\$ 1	190,000	7.65	190,000	7.65
P. T. Videocon Indonesia	US\$ 50	475	0.94	475	0.94
Plugin Sales Limited	₹ 100	1,900	0.19	1,900	0.19
Powerking Corporation Limited	US\$ 1	2,717	0.13	-	-
Quadrant Corporation Inc.	US\$ 1	190	0.01	190	0.01
Sapphire Overseas Inc.	US\$ 1	1,900	0.08	1,900	0.08
Taurus Overseas Inc.	US\$ 1	190	0.01	190	0.01
Trend Limited	US\$ 1	76,000	3.49	76,000	3.49
Tusker Overseas Inc.	US\$ 1	190	0.01	190	0.01
VCIL Netherlands B.V.	€ 100	34	0.13	34	0.13
Venus Corporation Limited	US\$ 1	2,983	0.14	-	-
Videocon (Cayman) Limited	US\$ 1	579,500	28.65	579,500	28.65
Videocon (Mauritius) Infrastructure Ventures Limited	US\$ 1	100,700	4.91	100,700	4.91
Videocon Oil Services Limited	₹ 10	9,500	0.10	-	-
Videocon SEZ Infrastructures (Pune) Private Limited	₹ 10	510,000	5.10	-	-
Zodiac Corporation Limited	US\$ 1	190	0.01	-	-
<b>In Preference Shares</b>					
Plugin Sales Limited	₹ 100	3,800	0.38	3,800	0.38
<b>Share Application Money Pending Allotment</b>					
Sapphire Overseas Inc.			80.58		80.58
<b>TOTAL INVESTMENTS</b>					
Aggregate Book Value of Quoted Investments			337.76		207.12
Aggregate Market Value of Quoted Investments			203.26		78.12
Aggregate Market Value of Quoted Investments			674.66		642.48
Aggregate Book Value of Unquoted Investments			134.50		129.00

	As at 31st Dec., 2010 (₹ Million)	As at 30th Sept., 2009 (₹ Million)
<b>SCHEDULE 7 - CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. Inventories</b>		
(As taken, valued and certified by the Management)		
Raw Materials including Consumables, Stores and Spares	2,000.93	1,282.86
Work in Process	275.49	152.96
Finished Goods	168.93	111.22
Material in Transit and in Bonded Warehouse	301.98	94.71
	(A) 2,747.33	1,641.75
<b>B. Sundry Debtors (Unsecured, considered good)</b>		
Outstanding for a period exceeding six months	0.72	0.58
Others	2,698.99	1,450.98
	(B) 2,699.71	1,451.56
<b>C. Cash and Bank Balances</b>		
Cash on hand	0.79	0.26
Balances with Scheduled Banks		
In Current Accounts	3.84	112.96
In Dividend Warrant Accounts (Per Contra)	1.65	1.43
In Fixed Deposits	314.09	109.54
	(C) 320.37	224.19
<b>D. Other Current Assets</b>		
Interest Accrued	9.91	6.17
Insurance Claim Receivable	-	0.78
	(D) 9.91	6.95

(Contd....)



## SCHEDULES TO BALANCE SHEET (Continued)

	As at 31st Dec., 2010 (₹ Million)	As at 30th Sept., 2009 (₹ Million)
<b>SCHEDULE 7 (Continued)</b>		
<b>E. Loans and Advances (Unsecured, considered good)</b>		
Advances recoverable in cash or in kind or for value to be received	1,133.75	160.41
Balance with Central Excise/Customs Department	236.26	84.43
Sundry Deposits	5.03	2.82
MAT Credit entitlement	17.18	-
(E)	<u>1,392.22</u>	<u>247.66</u>
<b>TOTAL (A to E)</b>	<u><b>7,169.54</b></u>	<u><b>3,572.11</b></u>
<b>SCHEDULE 8 - CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. Current Liabilities</b>		
Sundry Creditors *		
Due to Micro, Small and Medium Enterprises	-	-
Due to others	1,906.91	1,281.92
Other Liabilities	106.75	61.06
Unclaimed Dividend (Per Contra)	1.65	1.43
Interest Accrued but not due	3.75	9.77
(A)	<u>2,019.06</u>	<u>1,354.18</u>
* Includes Acceptances of ₹ 1,861.20 million (Previous year ₹ 582.72 million)		
<b>B. Provisions</b>		
Provision for Income Tax (Net of Advance Tax)	26.96	5.19
Proposed Dividend	7.50	7.50
Provision for Corporate Tax on Proposed Dividend	1.25	1.28
Provision for Warranty and Maintenance Expenses	19.28	16.77
Provision for Gratuity	7.54	5.36
Provision for Leave Encashment	3.24	1.94
(B)	<u>65.77</u>	<u>38.04</u>
<b>TOTAL (A + B)</b>	<u><b>2,084.83</b></u>	<u><b>1,392.22</b></u>

## SCHEDULES TO PROFIT AND LOSS ACCOUNT

	Period ended on 31st Dec., 2010 (₹ Million)	Year ended on 30th Sept., 2009 (₹ Million)
<b>SCHEDULE 9 - OTHER INCOME</b>		
Dividend Received	5.08	2.54
Exchange Rate Fluctuation	35.60	-
Miscellaneous Income	1.54	1.12
<b>TOTAL</b>	<u>42.22</u>	<u>3.66</u>
<b>SCHEDULE 10 - COST OF GOODS CONSUMED/SOLD</b>		
<b>A. Material and Components Consumed</b>		
Opening Stock	1,282.86	999.12
Add: Purchases	18,581.04	8,063.01
	<u>19,863.90</u>	<u>9,062.13</u>
Less: Closing Stock	2,000.93	1,282.86
(A)	<u>17,862.97</u>	<u>7,779.27</u>
<b>B. (Increase)/Decrease in Stock</b>		
<b>Closing Stock</b>		
Finished Goods	168.93	111.22
Work in Process	275.49	152.96
	<u>444.42</u>	<u>264.18</u>
<b>Opening Stock</b>		
Finished Goods	111.22	41.37
Work in Process	152.96	178.41
	<u>264.18</u>	<u>219.78</u>
(B)	<u>(180.24)</u>	<u>(44.40)</u>
<b>TOTAL (A+B)</b>	<u><b>17,682.73</b></u>	<u><b>7,734.87</b></u>

## SCHEDULES TO PROFIT AND LOSS ACCOUNT (Continued)

	Period ended on 31st Dec., 2010 (₹ Million)	Year ended on 30th Sept., 2009 (₹ Million)
<b>SCHEDULE 11 - SALARY, WAGES AND EMPLOYEES' BENEFITS</b>		
Salary, Wages and Other Benefits	142.25	63.52
Contribution to Provident Fund and Other Funds	9.30	3.88
Staff Welfare	9.43	1.05
<b>TOTAL</b>	<b>160.98</b>	<b>68.45</b>
<b>SCHEDULE 12 - MANUFACTURING AND OTHER EXPENSES</b>		
Power, Fuel and Water	15.50	6.11
Repairs to Plant and Machinery	8.37	3.13
Repairs to Building	0.42	0.03
Repairs and Maintenance - Others	0.65	1.12
Carriage and Cartage	72.19	44.31
Rent, Rates and Taxes	10.61	4.72
Insurance	4.01	2.31
Bank Charges	69.32	26.40
Auditors' Remuneration	0.86	0.69
Directors' Sitting Fees	0.13	0.09
Diminution in value of Investments	1.94	4.04
Exchange Rate Fluctuation	-	69.22
Warranty and Maintenance Expenses	38.76	23.35
Miscellaneous Expenses	94.37	18.67
<b>TOTAL</b>	<b>317.13</b>	<b>204.19</b>
<b>SCHEDULE 13 - INTEREST AND FINANCE CHARGES</b>		
On Term Loans	241.02	6.56
On Others	193.16	101.08
	<b>434.18</b>	<b>107.64</b>
Less: Interest Received	59.19	10.36
(TDS ₹ 5.74 million, Previous year ₹ 2.68 million)		
<b>TOTAL</b>	<b>374.99</b>	<b>97.28</b>

### SCHEDULE 14 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### A) SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of Accounting

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

##### b. Use of Estimates

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

**2. Fixed Assets/Capital Work in Progress**

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

**3. Depreciation**

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

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

**4. Impairment of Assets**

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

**5. Investments**

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

**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 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/services.

**10. Revenue Recognition**

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

**11. Foreign Currency Transactions**

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

**12. Employees Benefits****a. Short Term Employees Benefits**

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

**b. Post Employment Benefits****i) Provident Fund - Defined Contribution Plan**

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

**ii) Gratuity - Defined Benefit Plan**

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

## TREND ELECTRONICS LIMITED

### 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 recognised immediately in the Profit and Loss Account.

### 13. Taxation

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

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

### 14. Research and Development

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

### 15. Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent Assets are not recognised in the financial statements.

### 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 principles.

## B) NOTES TO ACCOUNTS

	(₹ Million)	
	As at 31st Dec., 2010	As at 30th Sept., 2009
<b>1. Contingent Liabilities not provided for in respect of:</b>		
a) Letters of Guarantees	56.92	16.78
b) Letters of Credit opened	542.09	440.12
c) Customs Duty demands and penalty under dispute	8.09	4.06
d) Excise Duty demands under dispute	1.56	9.45
e) Service Tax demands under dispute	7.88	5.60
f) Sales Tax demands under dispute (Amount paid under protest ₹ 1.14 million, Previous year ₹ 0.75 million)	35.75	36.12
<b>2.</b> The Company is a Co-guarantor in respect of borrowings of Group Companies. The aggregate amount of said guarantees, extended alongwith 8 other Co-guarantors are ₹ 9,056.00 million (Previous year ₹ 9,694.00 million). The said guarantees are extended on the basis of support in the form of undertaking provided by certain other Group Companies to the extent of the amount of the guarantees. Further, the Company is a Co-guarantor along with 14 other Co-guarantors in respect of borrowings of Group Companies amounting to ₹ 3,500.00 million (Previous year Nil).		
<b>3. Secured Loans:</b>		
a) Working Capital Loans from Banks are secured against hypothecation of the Company's stock of raw materials, packing materials, stock-in-process, finished goods, stores and spares, book debts and all other current assets of the Company and personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.		
b) Vehicle Loans from Banks are secured by way of hypothecation of vehicles acquired out of the said loan.		
<b>4.</b> 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. The second such installment is due on 1st May, 2011.		
<b>5.</b> The Company has made a provision of ₹ 53.10 million towards Income Tax (Previous year ₹ 8.92 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.		

6. The Minimum Alternate Tax (MAT) paid by the Company is entitled to be carried forward and utilized in subsequent years. In the opinion of the Management, on the basis of projections and the estimates of future taxable income, the Company would have normal tax liability within the specified period to avail such MAT credit. Consequently, the Company has recognised the MAT credit entitlement of ₹ 17.18 million in respect of current period.
7. Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 5.14 million (Previous year Nil).
8. Capital Work in Progress includes advances for capital assets ₹ 3.57 million (Previous year Nil).
9. The Company is primarily engaged in manufacturing of Electrical and Electronic Appliances and there is no other reportable segment as defined in Accounting Standard 17 on "Segment Reporting".

		(₹ Million)	
		As at 31st Dec., 2010	As at 30th Sept., 2009
<b>10. The major components of deferred tax assets/liabilities are as under:</b>			
a) Deferred Tax Liabilities			
Depreciation on Fixed Assets and Amortisation		224.04	182.57
		<b>224.04</b>	<b>182.57</b>
b) Deferred Tax Assets			
i) Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961.		11.19	9.56
iii) Others		-	8.92
		<b>11.19</b>	<b>18.48</b>
Net Deferred Tax Liability		<b>212.85</b>	<b>164.09</b>

**11. Related Party Disclosures:**

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

- a) List of Related Parties

Key Management Personnel : Mr. J. B. Bangad - (Head - Operations)

- b) Transactions with Related Parties :

Remuneration to Key Management Personnel

		(₹ Million)	
		Period ended 31st Dec., 2010	Year ended 30th Sept., 2009
		3.37	1.38

**12. Earnings Per Share:**

- a) Net Profit attributable to Equity Shareholders  
Add/(Less): Excess/(Short) Provision of Income Tax for earlier years  
Net Profit for the period after tax adjustments for earlier years
- b) Weighted average number of Equity Shares
- c) Basic and Diluted Earnings per Share of ₹ 10/- each

		(₹ Million)	
		Period ended 31st Dec., 2010	Year ended 30th Sept., 2009
		203.11	36.17
		(12.50)	3.73
		<b>190.61</b>	<b>39.90</b>
		<b>7,500,000</b>	<b>7,500,000</b>
		<b>₹ 25.41</b>	<b>₹ 5.32</b>

**13. Auditors' Remuneration :**

- a) Audit fees  
b) Tax Audit fees  
c) Other services  
d) Out-of-Pocket Expenses

		(₹ Million)	
		* Period ended 31st Dec., 2010	** Year ended 30th Sept., 2009
		0.55	0.45
		0.05	0.06
		0.24	0.13
		<b>0.02</b>	<b>0.05</b>
<b>TOTAL</b>		<b>0.86</b>	<b>0.69</b>

\* Excluding Service Tax

\*\* Including Service Tax

14. The Balance of some of the Debtors, Creditors, Deposits, Advances and Other Current Assets/Liabilities are subject to confirmation.
15. There are no amounts due and outstanding, to be credited to Investor Education and Protection Fund.
16. In the opinion of the Board, the value on realisation of Current Assets, Loans and Advances in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

## TREND ELECTRONICS LIMITED

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

(₹ Million)

	As at 31st Dec., 2010	As at 30th Sept., 2009
a) Amount at the beginning of the period/year	16.77	10.12
b) Additional provision made during the period /year	18.64	16.47
c) Amount used	16.13	9.82
d) Amount at the end of the period/year	19.28	16.77

(₹ Million)

18. Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 :

	As at 31st Dec., 2010	As at 30th Sept., 2009
a) Principal amount remaining unpaid to any suppliers as at the end of each accounting year	-	-
b) Interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
c) The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d) The amount of interest due and payable for the period of delay in making payment	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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

19. Employee Benefits:

i) **Defined Contribution Plans:**

Amount of ₹ 9.30 million (Previous year ₹ 3.88 million) is recognised as an expense and shown under the head "Salary, Wages and Employees Benefits" (Schedule-11) in the Profit and Loss Account.

ii) **Defined Benefit Plans:**

(₹ Million)

	Gratuity		Leave Encashment	
	31st Dec., 2010	30th Sept., 2009	31st Dec., 2010	30th Sept., 2009
a) The amounts recognised in the Balance Sheet as at the end of the period/year				
1. Present Value of Defined Benefit Obligation	12.41	9.49	3.24	1.94
2. Fair value of plan assets	4.87	4.13	-	-
3. Funded Status – Surplus/(Deficit)	(7.54)	(5.36)	(3.24)	(1.94)
4. Net Assets/(Liability)	(7.54)	(5.36)	(3.24)	(1.94)
b) The amounts recognised in Profit and Loss for the period/year				
1. Current Service Cost	1.22	0.76	0.83	0.52
2. Interest Cost	0.96	0.60	0.22	0.14
3. Actuarial (Gain)/Losses	1.63	1.27	0.58	0.91
4. Actual Return on Plan Assets	0.46	0.18	-	-
5. Total Expenses	3.35	2.45	1.63	1.57
c) The changes in obligations during the period/year				
1. Present value of Defined Benefit Obligation at the beginning of the year	9.49	7.28	1.94	1.16
2. Current Service Cost	1.22	0.76	0.83	0.52
3. Interest Cost	0.96	0.60	0.22	0.14
4. Actuarial (Gain)/Losses	1.63	1.27	0.58	0.91
5. Benefit Payments	0.89	0.42	0.33	0.79
6. Present value of Defined Benefit Obligation at the end of the period/year	12.41	9.49	3.24	1.94
d) The changes in Plan Assets during the period/year				
1. Plan Assets at the beginning of the year	4.13	3.75	-	-
2. Contribution by Employer	1.17	0.62	-	-
3. Actual Benefit paid	0.89	0.42	-	-
4. Plan Assets at the end of the period/year	4.87	4.13	-	-
5. Actual return on Plan Assets	0.46	0.18	-	-

**Actuarial assumptions:**

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

## 20. Additional Information pursuant to the provisions of paragraphs 3, 4C, 4D of Part II of Schedule VI to the Companies Act, 1956.

	Period ended 31st Dec., 2010		Year ended 30th Sept., 2009	
	Quantity (Nos.)	₹ Million	Quantity (Nos.)	₹ Million
<b>QUANTITATIVE INFORMATION:</b>				
<b>A. Details of Production, Purchase, Stock and Turnover:</b>				
(As certified by the Management)				
a) <b>Production:</b>				
(Includes goods manufactured through Others)				
Electrical and Electronic Appliances	5,926,092		2,324,221	
b) <b>Opening Stock:</b>				
Electrical and Electronic Appliances	45,368	111.22	14,796	41.37
c) <b>Closing Stock:</b>				
Electrical and Electronic Appliances	73,428	168.93	45,368	111.22
d) <b>Sales:</b>				
Electrical and Electronic Appliances	5,898,032	19,645.12	2,293,649	8,439.78
<b>B. Raw Materials including Stores and Spares Consumed:</b>				
a) Printed Circuit Board (All types)	5,516,223	4,423.24	1,831,506	1,420.21
b) Plastic, Wooden and Pressed Parts	5,576,541	8,216.97	1,831,506	4,464.38
c) Active and Passive Components and Others	*	4,942.49	*	1,790.48
d) Stores and Spares/Packing Materials	*	280.27	*	104.20
<b>TOTAL</b>		<b>17,862.97</b>		<b>7,779.27</b>

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

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

	Period ended 31st Dec., 2010		Year ended 30th Sept., 2009	
	Percentage	₹ Million	Percentage	₹ Million
<b>C. Value of Imported and Indigenous Raw Materials, Components and Spares Consumed:</b>				
a) Imported	15.48	2,764.74	14.91	1,159.51
b) Indigenous	84.52	15,098.23	85.09	6,619.76
<b>TOTAL</b>		<b>17,862.97</b>		<b>7,779.27</b>

	Period ended 31st Dec., 2010	Year ended 30th Sept., 2009
	₹ Million	₹ Million
<b>D. C.I.F. value of Imports and Expenditure in Foreign Currency:</b>		
a) C.I.F. Value of Imports:		
Raw Materials	2,883.08	1,124.20
Capital Goods	14.89	7.00
b) Expenditure incurred in Foreign Currency:		
(on payment basis)		
Interest and Bank Charges	27.62	23.59
Others	64.40	1.51
<b>E. The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis where the amount is also credited to Non-Resident External Account (NRE A/c). The exact amount of dividend remitted in foreign currency can not be ascertained. The total amount remittable in this respect is given below:</b>		
	Period ended 31st Dec., 2010	Year ended 30th Sept., 2009
a) Number of Non-Resident Shareholders	910	934
b) Number of Equity Shares held by them	163,705	167,311
c) Gross Amount of Dividend (₹ Million)	0.16	0.08

21. The figures for the current period are for a period of 15 months as against 12 months in previous period and hence, are not comparable. Figures in respect of previous year have been regrouped, reclassified and recasted wherever necessary to make them comparable with those of current period.

**I. REGISTRATION DETAILS**

Registration Number	L99999MH1989PLC052233
State Code	11
Balance Sheet Date	31st December, 2010

**II. CAPITAL RAISED DURING THE PERIOD (Amounts ₹ Million)**

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amounts ₹ Million)**

Total Liabilities	7,152.54
Total Assets	7,152.54
<b>Sources of Funds</b>	
Paid-up Capital	75.00
Reserves and Surplus	965.44
Deferred Tax Liability (Net)	212.85
Secured Loans	1,754.96
Unsecured Loans	4,144.29
<b>Application of Funds</b>	
Net Fixed Assets	1,730.07
Investments	337.76
Net Current Assets	5,084.71
Miscellaneous Expenditure	Nil
Accumulated Losses	Nil

**IV. PERFORMANCE OF COMPANY (Amounts ₹ Million)**

Turnover (Including Other Income)	19,009.15
Total Expenditure	18,721.36
Profit Before Tax	287.79
Profit After Tax	203.11
Earnings per Share in ₹	25.41
Dividend Rate %	10

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (As per monetary terms)**

a) Item Code No. (ITC Code)	8521.90
Product Description	DVD
b) Item Code No. (ITC Code)	8528.72
Product Description	COLOUR TV
c) Item Code No. (ITC Code)	8528.71
Product Description	SET TOP BOX

As per our report of even date

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

**SHIVRATAN AGARWAL**  
Partner  
Membership No.104180

Place : Mumbai  
Date : 26th May, 2011

**For KADAM & CO.**  
Chartered Accountants

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

For and on behalf of the Board

**P. N. DHOOT**  
Director

**S. S. DAYAMA**  
Director

**KANCHAN A. KAKADE**  
Company Secretary



# PROXY FORM

## TREND ELECTRONICS LIMITED

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

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

I/We.....of

..... in the district of

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

named Company hereby appoint ..... of

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

..... of ..... in the

district of ..... as my/our proxy to vote for me/us on my/our behalf at the 21st ANNUAL GENERAL MEETING of the Company to be held on Wednesday, 29th June, 2011 at 4.00 p.m. at the Registered Office of the Company at 20 K.M. Stone, Aurangabad-Beed Road, Village Bhalgaon, Aurangabad - 431 210 (Maharashtra) and at any adjournment thereof.

Signed this ..... day of ..... 2011.

Affix  
a 15 Paise  
Revenue  
Stamp

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



# ATTENDANCE SLIP

## TREND ELECTRONICS LIMITED

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

Regd. Folio No./Client ID No. & DP ID No.: ..... No. of Shares held .....

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

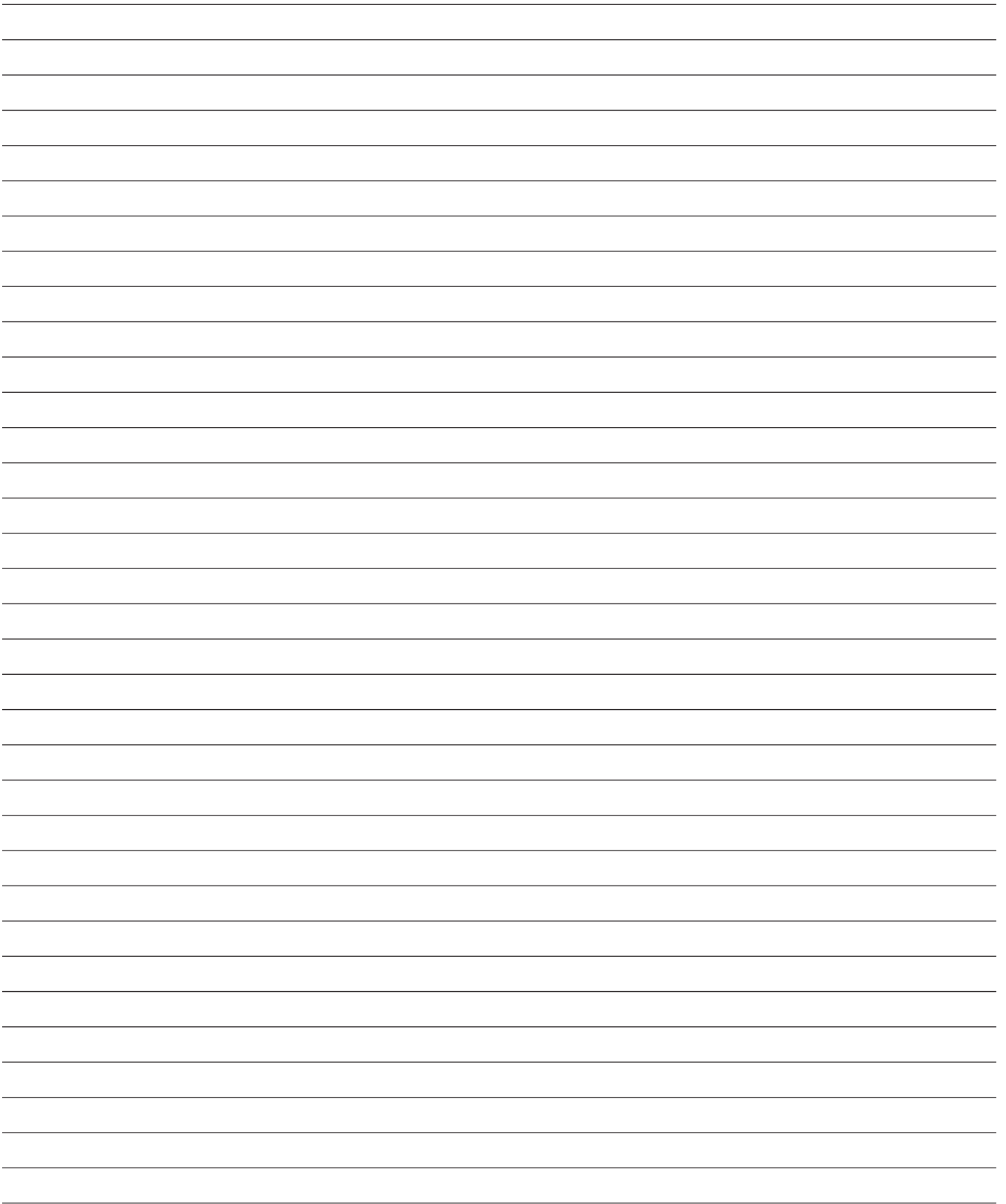
I hereby record my presence at the 21st ANNUAL GENERAL MEETING of the Company held on Wednesday, 29th June, 2011 at 4.00 p.m. at the Registered Office of the Company at 20 K.M. Stone, Aurangabad-Beed Road, Village Bhalgaon, Aurangabad - 431 210 (Maharashtra)

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

.....  
Member's / Proxy Signature

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

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