

# **TREND ELECTRONICS LIMITED**

**ANNUAL REPORT 2017-18**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Vivek D. Dharm  
Mr. Chandrakant S. Jyoti  
Mrs. Smita V. Dharm  
Mr. Kiran Patwardhan

### RESOLUTION PROFESSIONAL

DUSHYANT C. DAVE  
IP Registration No. IBBI/IPA-003/IP-P00061/2017-18/10502

### AUDITORS

**S Z DESHMUKH & CO.**  
Chartered Accountants  
Flat No. 306, Aastha Apartment, Opp. Population Science Centre,  
Deonar, Mumbai – 400088

### REGISTERED OFFICE AND MANUFACTURING FACILITY

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

### BANKERS

- Canara Bank
- Central Bank of India
- Indian Bank
- Kotak Mahindra Bank Limited
- Punjab National Bank
- State Bank of Hyderabad

### CONTENTS

### PAGE NO.

Notice	1
Directors' Report	7
Corporate Governance Report	15
Management Discussion and Analysis Report	24
Independent Auditors' Report	27
Balance Sheet	30
Statement of Profit and Loss	31
Cash Flow Statement	32
Notes forming part of the Financial Statements	34

## NOTICE

**NOTICE** is hereby given that the Twenty-Eighth Annual General Meeting of the members of **TREND ELECTRONICS LIMITED** (the "Company") (Company under Corporate Insolvency Resolution Process) will be held on Friday, 28<sup>th</sup> December, 2018 at the Registered Office of the Company at 20 K. M. Stone, Aurangabad-Beed Road, Village: Bhargaon, Aurangabad -431 210 (Maharashtra) at 11.30 a.m. to transact the following business:

### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2018 and the Audited Balance Sheet as at that date and the Cash Flow Statement together with the Reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mrs. Smita V. Dharm (DIN: 07144712), who retires by rotation and, being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

- To appoint Mr. Kiran R. Patwardhan (DIN: 08136757) as a Non Executive, Independent Director at an ensuing Annual General Meeting and in this regard to consider and if thought fit to pass the following resolution as an **Ordinary Resolution**

**"RESOLVED THAT** pursuant to section 149,150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013 and pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 (including any statutory modification (s) or re-enactment thereof for the time being in force), Mr. Kiran R. Patwardhan (DIN:08136757) who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 18<sup>th</sup> May, 2018 and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company under section 160 of the Companies Act, 2013 signifying its intention to propose the appointment of Mr. Kiran R. Patwardhan as an Independent Director, be and is hereby appointed as an Independent Director to hold the office upto a term of 5 (five) consecutive years, not liable to retire by rotation."

### TREND ELECTRONICS LIMITED

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

**Place:** Mumbai

**Date:** 1<sup>st</sup> December, 2018

**MILIND DESHPANDE**

**CHIEF FINANCIAL OFFICER**

### Registered Office:

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

**CIN:** L99999MH1989PLC052233

**E-mail Id:** secretarial\_trend@videoconmail.com

**Website:** www.trendelectronics.in

**Tel. No.:** +91-240-2644507/9/10/12

**Fax No.:** +91-240-2644506

### NOTES:

- IN TERMS OF THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, READ WITH RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD,**

**HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN BE A PROXY FOR MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. PROVIDED THAT A MEMBER HOLDING MORE THAN TEN PERCENT, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A PROXY FORM FOR THE MEETING IS ENCLOSED.**

- In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard 2 (SS-2) issued by The Institute of Company Secretaries of India, a statement setting out the material facts concerning special business to be transacted at the Meeting is annexed and forms part of this Notice.
- Copies of the Notice of 28<sup>th</sup> Annual General Meeting together with the Annual Report are being sent by Electronic mode to all the Members whose email addresses are registered with the Company/Depository Participant(s) and for Members who have not registered their email addresses, physical copies of the Annual Report are being sent by the permitted mode, to those Members who hold shares in physical form and whose names appear in the Company's Register of Members on Friday, 16<sup>th</sup> November, 2018 and as regards shares held in the electronic form, to those beneficial owners of the shares as at the close of business hours on Friday, 16<sup>th</sup> November, 2018 as per the particulars of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Upon request, printed copy of Annual Report will be supplied to those share holders to whom Annual Report has been sent through Electronic Mode.
- Details under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 (SS-2) on General Meeting issued by The Institute of Company Secretaries of India in respect of Director seeking re-appointment/appointment/ confirmation at the ensuing Annual General Meeting is annexed to the Notice.
- Corporate Members intending to send their authorized representative(s) to attend and vote at the Meeting pursuant to Section 113 of the companies Act, 2013 are requested to send a certified copy of the Board Resolution authorizing such representative(s) to attend and vote on their behalf at the Meeting.
- For convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by attendance slip, which is annexed to the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
- Members who hold shares in dematerialized form are requested to write their Client ID and Depository Participant ID and those who hold shares in physical form are requested to write their Folio Number on the attendance slip and bring their attendance slip, as enclosed, along with their copy of Annual Report to the Meeting.
- The business set out in this Notice is also being conducted through remote e-voting. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the remote e-voting facility as an alternate to all its Members to enable them to cast their vote electronically instead of casting the vote at the Meeting. Please note that the Voting through Electronic Mode is optional. The Members who have casted their votes by remote e-voting may participate in the Meeting even after exercising their right to vote

- through remote e-voting but they shall not be allowed to vote again at the Meeting. The Company has entered into an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their votes electronically. The Company is also providing facility for voting by Ballot at the Meeting apart from providing remote e-voting facility for all those members who are present at the Meeting but have not casted their votes by availing the remote e-voting facility.
9. In case of joint holders attending the Meeting, and who have not exercised their right to vote by remote e-voting facility, only such joint holder who is higher in the order of names shall be entitled to vote.
  10. The remote e-voting facility shall be opened from Tuesday, 25th December, 2018 at 9.00a.m. To Thursday, 27th December, 2018 till 5.00 p.m., both days inclusive. Detailed instructions of remote e-voting forms part of this Notice. The remote e-voting facility shall not be allowed beyond 5.00 p.m. on Thursday, 27th December, 2018. During the period when facility for remote e-voting is provided, the Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date, may opt for remote e-voting. Provided that once the vote on a resolution is casted by the Member, he shall not be allowed to change it subsequently or cast the vote again.
  11. The Notice of the Meeting is being placed on the website of the Company ([www.trendelectronics.in](http://www.trendelectronics.in)) and on the website of CDSL ([www.cdslindia.com](http://www.cdslindia.com)).
  12. Mr. Sagar R. Deo, (CP No. 11547), Company Secretary in Whole Time Practice or failing him Mr. Soumitra Mujumdar (CP No. 12363), Company Secretary in Whole-Time Practice, has been appointed as a Scrutinizer for conducting the voting by Ballot at the Meeting and remote e-voting process in a fair and transparent manner.
  13. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes casted by Ballot at the Meeting, thereafter unblock the votes casted through remote e-voting in the manner provided in the Rules and make, not later than three (3) days of conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of remote e-voting and voting by Ballot at the Meeting, of the total votes casted in favour or against, if any, to the Chairman of the Meeting and the Chairman or a person as may be authorized by him in writing shall declare the result of the voting forthwith and all the resolutions as mentioned in the Notice of the Meeting shall be deemed to be passed on the date of the Meeting. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at [www.trendelectronics.in](http://www.trendelectronics.in) and on the website of CDSL at [www.cdslindia.com](http://www.cdslindia.com), immediately after the results are declared by the Chairman.
  14. The Company has fixed Friday, 21st December, 2018, as the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or in the Meeting by Ballot. Instructions for exercising voting rights by remote e-voting are attached herewith and forms part of this Notice. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off/ entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Meeting.
  15. Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date/ entitlement date i.e. Friday, 21st December, 2018, may obtain the User ID and Password by sending an e-mail request to [secretarial\\_trend@videoconmail.com](mailto:secretarial_trend@videoconmail.com). Members may also call on +91 22 6611 3658 or send a request by writing to Trend Electronics Limited at 171 C, Floor-17, Plot No. 224, C Wing Mittal Court Jannalal Bajaj Marg, Nariman Point, Mumbai 400021.
  16. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Friday, 21st December, 2018, the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or at the Meeting by Ballot.
  17. Pursuant to Section 91 of the companies Act, 2013 and Rules made thereunder and Regulation 42 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the company will remain closed from Friday, 21st December, 2018 to Friday, 28th December, 2018 (both days inclusive) for the purpose of the Annual General Meeting.
  18. The Company has transferred the unclaimed dividend for the financial year 2008-09 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members who have not encashed dividend warrant(s) for the subsequent years are requested to contact M/s. MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent of the Company, for seeking issue of duplicate warrant(s). Members are requested to note that no claims shall lie against the Company or IEPF in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date they first became due for payment and no payment shall be made in respect of any such claims. The details of the unpaid/unclaimed dividend as on 29th September, 2017 (the date of previous Annual General Meeting) are available on the Company's website [www.trendelectronics.in](http://www.trendelectronics.in) and on the website of Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).
  19. Members who hold shares in physical form, under multiple folios, in identical names or joint accounts in the same order or names, are requested to send the share certificates to M/s. MCS Share Transfer Agent Limited, Registrar and Transfer Agent of the Company, for consolidation into a single folio.
  20. Members holding shares in physical form are requested to kindly notify any change in their address(es) to the Company, so as to enable the Company to address future communications to their correct address(es). Members holding shares in electronic form are requested to notify any change in their address(es) to their respective Depository Participant(s).
  21. Non-Resident Indian Members are requested to inform M/s. MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of the Company, immediately of change in their residential status on return to India for permanent settlement together with the particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.
  22. The equity shares of the Company are tradable compulsorily in electronic form and your Company has established connectivity with both the Depositories i.e., NSDL and CDSL. Taking into consideration the enormous advantages offered by the Depository System, Members are requested to avail the facility of dematerialization of the Company's shares on either of the Depositories, as aforesaid.
  23. The relevant documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days between 12.00 noon to 3.00 p.m. upto the date of the Annual General Meeting.
  24. Members desiring any information as regards to the Financial Statements/Directors' Report are requested to write to the Company at an early date so as to enable the Management to reply at the Meeting.
  25. The Annual Report of the Company for the financial Year 2017-18, circulated to the members of the company is also uploaded on the Company's website at [www.trendelectronics.in](http://www.trendelectronics.in).
  26. Members may address their queries/communications at [secretarial\\_trend@videoconmail.com](mailto:secretarial_trend@videoconmail.com)
  27. Members are requested to kindly bring their copy of the Annual Report to the Meeting.

28. GREEN INITIATIVE: Securities & Exchange Board of India & the Ministry of Corporate Affairs encourages paperless communication as a contribution to greener environment. E-mail communications to the shareholders will result in multiple benefits as under:

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

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

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

29. SEBI vide circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, inter-alia, mandated all the Registrar and Share Transfer Agents and all the Listed Companies to collect copy of pan and bank details and update the KYC of all the security holders holding securities in physical form. Hence, all the members are requested to update the information by filling up the form attached with this report and send all the supporting documents to MCS Share Transfer Agents Limited (R and T Agents) of the Company by writing them at A-209, C Wing, 2nd floor Gokul Industries Estate Building, Sagbaug, Marol Co-op Industrial Area, B/H Times Square, Andheri East, Mumbai- 400059. Tel. 022-40206022-25 Fax 022-40206021 E-mail: mcssta.mumbai@gmail.com.

**REMOTE E-VOTING INSTRUCTIONS**

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday, 25<sup>th</sup> December, 2018 at 9:00am and ends on Thursday, 27<sup>th</sup> December, 2018 at 5:00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off/ entitlement date i.e Friday, 21<sup>st</sup> December, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

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

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the Company, Trend Electronics Limited on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(xix) Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date/ entitlement date i.e., Friday, 21<sup>st</sup> December, 2018 may obtain the User ID and Password by sending an email request to the Company at [secretarial\\_trend@videoconmail.com](mailto:secretarial_trend@videoconmail.com). Members may also call on +91 22 6611 3658 or send a request to Trend Electronics Limited at 20 K. M. Stone, Aurangabad Beed Road, Village Bhalgaon, Aurangabad 431210 Maharashtra or by writing a mail at [secretarial\\_trend@videoconmail.com](mailto:secretarial_trend@videoconmail.com).

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

**Item No. 3**

After the Balance Sheet date, Mr. Kiran R. Patwardhan (DIN: 08136757) was appointed as an Additional Director of the Company on 18<sup>th</sup> May, 2018. In terms of the provisions of Section 161 of the Companies Act, 2013, he holds office of Director upto the date of ensuing Annual General Meeting of the Company. The Company has received a Notice in writing, along with the requisite deposit as prescribed under Section 160 of the Companies Act, 2013, from a member, proposing appointment of Mr. Kiran R. Patwardhan as Independent Director of the Company for a term of five years.

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

The resolution seeks the approval of the Members of the Company for appointment of Mr. Kiran R. Patwardhan as an Independent Director of the Company for five consecutive years from the date of this appointment pursuant to the provisions of Section 149 and such other applicable provisions of the Companies Act, 2013 and the Rules made there under. He shall not be liable to retire by rotation.

A brief profile of Mr. Kiran R. Patwardhan, seeking appointment at the ensuing Annual General Meeting under Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, is appended to the Notice.

In the opinion of the Board of Directors, Mr. Kiran R. Patwardhan, the Independent Director, proposed to be appointed fulfils the conditions specified in the Companies Act, 2013 and the Rules made there under and he is independent of the Management. All the relevant documents in connection with the appointment of Mr. Kiran R. Patwardhan are available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on working day upto the date of the Annual General Meeting.

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

No Director, Key Managerial Personnel or their relatives, except Mr. Kiran R. Patwardhan, to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set forth in item no. 3 for the approval of the Members.

**TREND ELECTRONICS LIMITED**

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

**Place:** Mumbai  
**Date:** 1<sup>st</sup> December, 2018

**MILIND DESHPANDE**  
**CHIEF FINANCIAL OFFICER**

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

PARTICULARS	PROFILE OF THE DIRECTORS	
Name of the Director	Mrs. Smita Dharm	Mr. Kiran R. Patwardhan
DIN	07144712	08136757
Date of Birth	27/11/1970	04/09/1981
Age (in years)	47 Years	37 Years
Educational Qualification	Graduate	Graduate
Date of Appointment	31 <sup>st</sup> March, 2015	18 <sup>th</sup> May, 2018
Category of the Director	Professional – Non Executive	Independent – Non Executive
Terms and Conditions of Appointment or Re-appointment along-with the details of remuneration sought to be paid	Mrs. Smita Dharm shall be Professional Non-Executive Director, liable to retire by rotation and shall not draw any remuneration and shall be eligible to get the sitting fees for attending the meetings of the Board and Committees of the Board of Directors of the Company as per the Articles of Association of the Company. Mrs. Smita Dharm shall perform such functions and duties as provided in the Companies Act, 2013 and the Rules made there under.	Mr. Kiran R. Patwardhan shall be Independent Non-Executive Director. He will not be liable to retire by rotation and shall not draw any remuneration. He shall be eligible to get the sitting fees for attending the meetings of the Board and Committees of the Board of Directors of the Company as per the Articles of Association of the Company. Mr. Kiran R. Patwardhan shall perform such functions and duties as provided in the Companies Act, 2013 and the Rules made there under.
Remuneration last drawn, if any	Nil	Nil
No of Board Meetings attended during the year		
Area of expertise/senior position held/work experience	She has more than a decade of experience in various fields like Administration and Management	He has vast experience in the field of Administration and Operations.
Names of other directorships in Public Limited Companies in which the Director holds directorship	NIL	1. Century Appliances Ltd. 2. Millennium Appliances India Limited 3. CE India Limited
Names of the other Committees in which Chairman*	NIL	NIL
Names of other Committees in which Member*	NIL	1. Century Appliances Ltd. (Audit Committee) 2. Millennium Appliances India Limited (Audit Committee)
Number of Shares held	NIL	NIL
Relationships between Directors, Key Managerial Personnel and Mangers of the Company	Relative Mr. Vivek Dharm	Not related to any director.

\*Committee membership includes only Audit Committee and Stakeholders' Relationship Committee of public limited companies.

## ADDENDUM

**TREND ELECTRONICS LIMITED** (the “Company”) is undergoing Corporate Insolvency Resolution Process (‘CIRP’) under the provisions of The Insolvency Bankruptcy Code, 2016 (‘IBC’) in term of order dated 25<sup>th</sup> September, 2018 passed by Hon’ble National Company Law Tribunal, Mumbai Bench (‘NCLT’), pursuant to an application filed by the State Bank of India under Section 7 of IBC.

By virtue of the same order, Hon’ble NCLT appointed Mr. Dushyant Dave (IP Registration No. IP Registration No. IBBI/IPA-003/IP-P00061/2017-18/10502) as the Interim Resolution Professional. Subsequently, the Committee of Creditors (COC), which was formed pursuant to the provisions of the Code at its first meeting held on 25<sup>th</sup> October, 2018, appointed Mr. Dushyant Dave as the Resolution Professional. In accordance with the provisions of IBC, on commencement of CIRP, the powers of the Board of Directors of the Company stands suspended and is being exercised by the Resolution Professional. Further the powers of the Board of Directors including the powers of the directors proposed to be appointed shall continue to remain suspended during the CIRP under the provisions of the IBC code 2016.

Further, the COC meetings have been convened from time to time on various agenda, as per the provisions of IBC, and have been attended by the members of COC. The members of the board of directors have been invited to attend the COC Meetings.

It is hereby informed that an application was moved by the Company under section 96 of Companies Act, 2013 with the Registrar of Companies for extension of time for holding Annual General Meeting by a period of 3 Months on the grounds that the CIRP shall commence and IRP has to achieve a number of milestones in a time-bound manner . Pursuant to such application, the Registrar of Companies, Mumbai, Maharashtra, vide its order dated 18<sup>th</sup> September, 2018 granted extension of time for holding Annual General Meeting by a period of 3 months.

Accordingly, RP has instructed the Chief Financial Officer to convene the 28<sup>th</sup> Annual General meeting on Friday, 28<sup>th</sup> December, 2018, and issue the Notice of Annual General Meeting in terms of the resolution(s) passed by the Board of Directors prior to Commencement of CIRP. The Annual General Meeting is being held within the extend time period.

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

DUSHYANT C. DAVE  
RESOLUTION PROFESSIONAL  
*(IP Registration No. IBBI/IPA-003/IP-P00061/2017-18/10502)*

Dated: 1<sup>st</sup> December, 2018

Place: Mumbai



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Twenty-Eighth Annual Report together with the Audited Accounts and Auditors' Report for the financial year ended on 31<sup>st</sup> March, 2018.

### FINANCIAL HIGHLIGHTS

The performance of the Company, for the financial year ended on 31<sup>st</sup> March, 2018, is summarized below:

(₹ in Million)

Particulars	Year Ended on 31 <sup>st</sup> March, 2018	Year Ended on 31 <sup>st</sup> March, 2017
Revenue from Operations	3,949.50	11,844.93
Other Income	16.10	167.11
Total Income	3,965.60	12,012.04
Profit/(Loss) Before Finance Costs, Depreciation and Tax	(1,950.90)	504.29
Finance Costs	1,090.42	998.12
Depreciation and Amortization	230.54	233.93
Profit/(Loss) Before Tax	(3,271.86)	(727.76)
Tax including deferred tax	(243.63)	55.34
Profit/(Loss) after Tax	(3,028.23)	(783.10)

### PERFORMANCE REVIEW

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

During the year under review, the Company has earned a total income of Rs. 3,949.50 Million as against Rs. 11,844.93 Million for the previous year. Total Expenditure amounted to Rs. 7,237.46 Million as against Rs. 12,739.80 Million for the previous year. The Company has incurred a net loss of Rs. 3,028.23 Million as against a loss of Rs. 783.10 Million for the previous year.

### CHANGE IN NATURE OF BUSINESS

During the year under review, there was no change in the nature of business of the Company.

### DIVIDEND

In view of the loss incurred by the Company, the Board of Directors do not recommend any dividend for the Financial year ended on 31<sup>st</sup> March, 2018.

### TRANSFER TO RESERVES

The Company does not propose to transfer any amount to any reserve.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, the Company has not transferred any in respect of unpaid/ unclaimed dividend to the Investor Education And Protection Fund.

### DEPOSITS

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

### MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY, OCCURED AFTER THE BALANCE SHEET DATE

The State Bank of India, the financial creditor of the Company, had filed an application with Hon'ble National Company Law Tribunal, Mumbai Bench,

Mumbai ("NCLT") on 5<sup>th</sup> April, 2018, for the debts due to them and initiation of Corporate Insolvency Resolution Process ("CIRP") in respect of the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). However, the application is not yet admitted by the NCLT.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of Loans, guarantees given and investments made during the year from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 as required under Section 186 of Companies Act, 2013, are provided in Note No. 4 and 37(ii) of the Financial Statements.

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

All the related party transactions are entered on arm's length basis, in ordinary course of business and are in compliance with the provisions of Section 188 of the Companies Act, 2013 and the rules made there under and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of shareholders. Accordingly, no transactions are being reported in Form AOC 2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014. However, the details of transactions with Related Party are provided in Company's Financial Statements in accordance with the Accounting Standards.

The Policy on Related Party Transactions as approved by the Board is Uploaded on Company's <http://www.trendelectronics.in/image/trend/Trend%20Related%20Party%20Transaction%20Policy.pdf>.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company, Joint Venture and Associate Company.

### COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company has in place the Nomination and Remuneration Committee. The Company has further formulated the Nomination and Remuneration Policy on directors' appointment and remuneration including the criteria for determining qualifications, positive attributes and independence of director. The other details form part of the Corporate Governance Report.

### EMPLOYEES REMUNERATION

In terms of the provisions of section 197 (12) of the Companies Act, 2013 and rule 5 of the Companies (Appointment & remuneration of Managerial Personnel) Rules 2014, as amended from time to time, there are no employees who were drawing remuneration in excess of limits prescribed under the said rules. The information as per rule 5 (1) forms part of this Director's Report. However, as per first proviso to section 136 (1) of the Act, the Director's report and the financial statements are being sent to members of the company excluding the statement of particulars under rule 5 (1). Any member interested in obtaining a copy of the said statement may write to the company secretary at the registered office of the Company.

### CONSERVATION OF ENERGY

Energy prices have increased at an alarming rate and at the same time the interest in environmental responsibility is at an all time high. Your Company is looking for ways to conserve energy, reduce carbon emissions, and save on overall utility costs.

While total energy management is very complex, there are some relatively simple strategies that can reduce your Company's energy consumption, lower costs, and advance your conservation goals.

The Company is already having team of experts who monitors and devices various means to conserve the energy. Some of the specific measures undertaken by Company for conservation of energy are:

- Demand efficiency restoration;
- Installation of electronic timers which has helped to cut down the electricity consumption;
- Proper ventilation at the manufacturing facility that makes use of natural illumination and thereby reducing the usage of electric bulbs / tubes;
- Use of energy saving Lighting Systems;
- Addition and installation of newer generation Air Compressor that consume less power, yet can deliver more throughout;
- Regular maintenance and replacement of worn-out Machinery for optimum;
- performance with reduction in power consumption;
- Use of dimmer switches;
- Recycling of papers, cups, cardboards and envelopes etc.;
- Display of charts at the premises, plant, office, showing the means for conservation of energy;
- Unplugging appliances when not in use or unused;
- Insulation of walls & ceilings;
- Involvement of all employees in the drive of conservation of energy;
- Arrange awareness programs for the concerned on the various energy efficient products, that are available;
- Inspect & maintain machinery so as to keep the energy / fuel consumption at an optimum level; and
- Discourage printing of documents & encourage communications through e-mails.

The adoption of the aforesaid energy conservation measures have helped in proper monitoring and usage of energy, minimizing the wastage and increase in overall efficiency at every stage of power consumption which has resulted to maintain the cost of production at optimum level.

### RESEARCH & DEVELOPMENT; TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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Manufacturing innovation is fostered by research and development of technologies that are aimed at increasing the competitive capability of manufacturing concerns. Broadly speaking, manufacturing-related Research and Development (R&D) encompasses improvements in existing methods or processes, or wholly new processes, machines or systems.

Your Company often spend resources on certain investigative undertakings in an effort to make discoveries that can help develop new products or way of doing things or work towards enhancing pre-existing products or processes.

Research and development bring new knowledge and processes to a business Individuals and organizations are the direct consumers of energy & may want to conserve energy in order to reduce energy costs.

R&D activities involve incorporating innovative concepts / features that, a business conducts to improve existing products and procedures or to lead to the development of new products and procedures.

Your Company utilizes R&D to improve on product lines, growth through and through the development of new goods and services.

In endeavour to keep pace with the changing technologies worldwide and to offer products with maximum durability at low cost. As such, the Company pays utmost importance to R&D. The Company has in-house R&D Facility

comprising of experts to help Company to stay at par with the adaption of latest technologies. Primary function of the R&D department is to conduct researches for new products / new technologies and develop new solutions. In order to be competitive, the Company continuously has to be updated on such changing needs and has to find ways for new technologies and development of various products.

The R&D activities during the year were minimal on account of decline in operation levels. The following key tasks are carried out as a continuous process, viz.:

- Improved operational process.
- Developed and updated the products created by the Company.
- Ensuring that, the newer products satisfy the consumer's aspirations, in terms of features & the product cost.
- To define the quality checks on products manufactured by the company.
- To ensure the products of the Company meet market standards.
- Aids to the company in staying competitive with others in the industry.
- To research and analyze the products other businesses are creating, as well as the new trends within the industry.

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

The Company was successful in developing and updating Set Top Boxes inter-alia including Ultra High Definition -4k Set Top Box.

#### Future Plan of action:

In near future, your Company shall continue to focus on newer technologies and offer the same to the customers at an affordable prices. Your Company shall continue to rollout innovative products, which is in line with its ideology of bringing about change combined with quality that is trusted by the millions of customers.

During the year under review, no recurring expenses are incurred on R&D.

#### Technology Absorption:

Using technology efficiently needs a conscious effort. Because of its continuous efforts in the sphere of technology absorption, your Company has been accredited with Certificate of Compliance to the latest ESD Standard. The Company plans to focus on development of new technologies which would offer better products to all classes of consumers at an affordable price.

#### Foreign Exchange Earnings and Outgo:

During the year under review, Foreign Exchange Earnings amounted to Rs. NIL as against Rs. 120.08 Million for the previous year. Foreign Exchange Outgoes amounted to Rs. 1,805.81 Million as against Rs. 3,421.10 Million for the previous year.

### RISK MANAGEMENT POLICY OF THE COMPANY

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The Company has in place the Risk Management Policy to identify the risk elements and manage, monitor and report on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company has proper confidentialities and privacy policies to control risk elements. The Company has wherever required, taken insurance policies to protect the property, assets etc.

The Company has formed Risk Management Committee. The scope and composition of the Committee forms part of the Corporate Governance Report. Further, the members of the Risk Management Committee and the senior management personnel review the Risk Management Policy periodically and discuss and mitigate the identified risks from time to time.

## CORPORATE SOCIAL RESPONSIBILITY POLICY AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Your Company values the basic principals enshrined in the concept of Corporate Social Responsibility. The Company continues to undertake various programs as a part of Corporate Social Responsibility. During the year under review, the Company continued to undertake various activities such as Blood Donation Camp, up gradation of green and energy-efficient products, contribution to local communities and encouraging the spread of environmental conservation activities.

The scope and composition of the Committee forms part of the Corporate Governance Report. The Company has formed a Committee titled as "Corporate Social Responsibility Committee" in terms of the provisions of Section 135 of the Companies Act, 2013. The said Committee recommends the amount of expenditure to be incurred on such activities; and monitors the Corporate Social Responsibility Policy of the Company. In view of the loss incurred by the Company, no expenses were incurred towards Corporate Social Responsibility activities.

## HEALTH, SAFETY & ENVIRONMENT

In understanding the safety climate or culture of a workplace, the perceptions and attitudes of the workforce are important factors in assessing safety needs. Safety solutions may fail if they do not take into account these prevailing attitudes and perceptions. Also, changes in attitudes and perceptions about safety are often likely outcomes of safety interventions. The aim of your Company is to develop a measure of perception and attitudes about safety as an indicator of safety culture for use with working populations. For environmental, health, and safety benefits are typically defined in terms of the value of having a cleaner environment or a safer workplace.

The following are some of the Health, Safety and Environment measures undertaken by the Company during the year:

- Your Company is having a protocol in place so that when new people joins even if it's just for half a day, they undergo routine training on how to avoid an incident.
- A sure way to prevent accidents and keep everyone safe is by keeping the maintenance up on your industrial floors. The cleaning equipment are kept close by in case of spillages and ensure wet surfaces are acted upon quickly to avoid slips and trips – the most common cause of workplace injuries.
- If something new is introduced to the factory – whether that be machinery or a new product – that needs to be moved, the staff is properly communicated and a new method is implemented.
- Proper reporting system was implemented at the work place in the event of an injury. The incidents are kept track of, so that they can be monitored and measures put in place to prevent them happening again.
- Installation of Effluent Treatment Plant, where the waste water is treated and recycled for gardening purposes.
- Round the clock occupational health center and ambulance with all medical devices.
- Awareness programs on AIDS.
- Abhiyan under Swach Bharat program.
- Timely disposal of waste and scrap materials.

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

## INFORMATION TECHNOLOGY

Information technology (IT) is considered a subset of information and communications technology (ICT). The term is commonly used as a synonym for computers and computer networks, but it also encompasses other information distribution technologies. Several industries are associated with

information technology, including computer hardware, software, electronics, semiconductors, internet, telecom equipment, engineering, healthcare, e-commerce and computer services.

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

The Company has effectively implemented and using the network application for facilitating the storage & retrieval of the Set Top Box pairing elements. The application developed uses state of the art Database Servers & deployed using Microsoft, .Net and Java. The applications have been integrated with the online production management system effectively.

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

In terms of the provisions of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formed an Internal Complaints Committee to *inter-alia* (i) Prevent sexual harassment of women at the workplace and (ii) Redress the complaints in this regard.

During the year under review, the Company did not receive any complaint.

## DETAILS OF DIRECTORS/KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR

Pursuant to the provisions of Section 152 and Section 161 of the Companies Act, 2013 and the Rules made thereunder and in terms of the Articles of Association of the Company, Mrs. Smita Dharm (DIN: 07144712) was appointed as a Non-Executive, Non-Independent Director of the Company and is liable to retire by rotation and, being eligible, offered herself for reappointment.

After balance sheet date:

Mr. Subhash S. Nabar resigned from the office of Board of Directors of the Company w.e.f. 1<sup>st</sup> April, 2018. The Board takes this opportunity and places on record its sincere appreciation for the valuable guidance received from Mr. Subhash S. Nabar during his tenure as director of the Company.

Mr. Kiran Patwardhan (DIN 08136757) was appointed as an Additional Director on the Board of the Company at the meeting held on 18<sup>th</sup> May, 2018. In terms of the provisions of the Companies Act, 2013 and the Rules made thereunder, he holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing alongwith the requisite deposit from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose the candidature of Mr. Kiran Patwardhan for the office of Directors of the Company. The Board recommends his appointment.

A brief profile of Director(s) seeking re-appointment at the ensuing Annual General Meeting, nature of expertise and in specific functional area, name of other public companies in which he/she holds directorship, membership/ chairmanship of committees of the Board of Directors, particulars of the shareholding and relationship between the Directors, KMP's, Manager as stipulated under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India is appended to the Notice.

## Details of Key Managerial Personnel:

In compliance with the provisions of Section 203 of the Companies Act, 2013 the Company has appointed Company Secretary and Chief Financial Officer. However, after the balance sheet date, Mr. Kaustubha A. Sahasrabudhe Company Secretary of the Company has resigned from the post of Company Secretary. The Company is in process of identifying and appointing a suitable candidate.

**DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 and the provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that they meet the criteria of independence as provided therein.

**NUMBER OF MEETINGS OF THE BOARD HELD DURING THE YEAR**

During the financial year under review, the Board met 5 (Five) times. The details regarding the attendance and the date of Board Meetings are provided in the Corporate Governance Report.

**COMMITTEES OF THE BOARD**

Pursuant to the provisions of the Companies Act, 2013 and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted following Committees:

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

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

**FORMAL ANNUAL EVALUATION**

Pursuant to provisions of Companies Act, 2013 and Securities And Exchange Board Of India (Listing obligation and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has already adopted a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individuals Directors, Including Key management Personnel/ Senior Management etc.

During the year under review, the exercise was carried out through an evaluation process covering aspects such as composition of the Board, Experiences, Competency, Governance issues etc.

**LISTING**

The equity shares of your Company are listed on the BSE Limited (Bombay stock Exchange).

**CORPORATE GOVERNANCE**

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with a certificate from the auditors confirming the compliance, is annexed and forms part of this Annual Report.

**CASH FLOW STATEMENT**

The Cash Flow Statement for the financial Year ended from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018, in conformity with the provisions of the Companies Act, 2013 and Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto and forms part of this Financial Statement.

**AUDITORS AND THEIR REPORTS****1. STATUTORY AUDITORS AND AUDIT REPORT:**

The members of the Company have at 27<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2017 approved the appointment of M/s. S.Z. Deshmukh & Co. Chartered Accountants, Mumbai (Firm Registration No. 102380W), as Statutory Auditor for the term of 5 years i.e. from the conclusion of 27<sup>th</sup> Annual General Meeting until the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company.

Pursuant to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, the aforesaid appointment needs to be ratified by the members at the ensuing Annual General Meeting. The provisions relating to ratification of appointment of Auditors at every subsequent Annual General Meeting are omitted by Companies (Amendment) Act, 2017 (effective date 07<sup>th</sup> May, 2018). Accordingly, the Board is not seeking approval, by passing resolution, in relation to ratification of appointment of Statutory Auditor. Nonetheless, the Statutory Auditors, M/s. S.Z. Deshmukh & Co. Chartered Accountants, Mumbai (Firm Registration No. 102380W) have confirmed their eligibility under Section 141 of the Companies Act, 2013.

**AUDIT REPORT:**

The Statutory Auditors of the Company have submitted Auditor's Report, for the financial year ended on 31<sup>st</sup> March, 2018, which have certain qualifications.

**Management's Explanation to the Auditors Qualification.**

In respect of the qualification with regards to persistent severe strain on the working capital and considerable decline in level of operations of the Company and continuous losses incurred by the company and also referral of the company to National Company Law Tribunal, the explanation of management is as under:

The Company has incurred a loss of Rs. 3,028.23 Million during the year ended March 31, 2018 (previous year loss of Rs. 783.10 Million), and as of that date, the Company's accumulated losses amounts to Rs. 4,119.58 Million (As on March 31, 2017 accumulated losses of Rs. 1,092.19 Million) and it has negative net worth of Rs. 2,611.11 Million (As on March 31, 2017 positive networth of Rs. 696.11 Million).

Further, State Bank of India, the consortium member bank of the Company has initiated Corporate Insolvency Resolution Process (CIRP) for the Company under the Insolvency and Bankruptcy Code, 2016 as amended and has filed the petition in National Company Law Tribunal (NCLT), Mumbai. The matter is under consideration of the NCLT. In view of the above and in view of the persistent severe strains on the working capital for more than a year, there is a significant drop in the production and sale of products which raises doubt on the ability of the Company to continue as "Going Concern" for the purpose of activities and operations of the Company along with activities and operations of other co-obligor companies. Also, the referral of the Company, in line with the directives of Reserve Bank of India, to NCLT under the Insolvency and Bankruptcy Code by lenders, amounts to a very material event. On this background during the year, the Company has discarded and /or disposed of certain assets in view of the same being irretrievable for the purpose of business. The Company continues the process for ascertaining the liquidation value for remaining current assets such as raw materials, finished goods, stock-in-process, receivables etc., justifiably assuming that the going concern concept stands vitiated and necessary adjustments will be effected in the due course.

**Emphasis of Matter in Financial Statement of the Company**

The Auditors of the Company has give emphasis of the matter in the Ind AS financial statements as follows:

The balance confirmations and reconciliation have not been received in respect of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances. In the opinion of the management, there will not be any material impact on the financial statements. The explanation of management is as under:

The confirmations and reconciliation of balances of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances are pending. The management is in the process of obtaining confirmations and reconciliation of balances. In the opinion of the management, there will not be any material impact on the standalone Ind AS financial statements.

## 2. COST AUDITOR AND COST AUDIT REPORT:

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 Companies (Cost Records and Audit) Rules, 2014, Companies (Cost Records and Audit) Amendment Rules, 2015 (including any amendment thereto or re-enactment thereof and amendments made thereto; from time to time the Board of Directors of the Company had appointed Mr. Jayant B. Galande, Cost Accountant in Whole-Time Practice, Aurangabad (Membership Number 5255) as the Cost Auditor of the Company, to conduct audit of Cost Accounting Records maintained by the Company for the financial year commencing on 1st April, 2017 and ending on 31<sup>st</sup> March, 2018 in respect of the products covered under "Electricals or Electronic Machinery". In compliance with the provisions, the remuneration payable to the Cost Auditor was ratified by the members of the Company.

Further, the Board of Directors are in the process of appointing Cost Auditor of the Company, to conduct audit of Cost Accounting Records maintained by the Company for the financial year commencing on 1st April, 2018 and ending on 31<sup>st</sup> March, 2019 in respect of the products covered under "Electricals or Electronic Machinery".

In compliance with the provisions, we hereby submit that the Company will file Cost Audit Report for the financial year ended on 31<sup>st</sup> March, 2018 on or before 27<sup>th</sup> September, 2018 (being due date).

## 3. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Board had appointed Mr. Soumitra Mujumdar, Company Secretary in Whole-time Practice (CP No. 12363), to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year ended on 31<sup>st</sup> March, 2018. The report of the Secretarial Auditor is annexed to this report as Annexure-1. Secretarial Auditor has made certain observations in the Secretarial Audit Report. The explanation of management is as under:

- *Non filing of e-form MGT-14 in respect of certain resolutions, IEPF 1 and IEPF-2 Delayed filing of Form CRA-2 (Notice of Appointment of Cost Auditor) for the financial 2017-2018, was on account technical difficulties. The Company is in the process of filing all the forms and transferring unpaid/unclaimed dividend as well as shares to IEPF under the amended provisions of Companies Act, 2013 and Rules made thereunder.*
- *the Company is in the process of identification of suitable candidate for appointment as Managing Director or Chief Executive Officer or Manager or Whole Time Director under the provisions of Section 203 of the Act and rules made thereunder.*
- *The non filing of annual return of Foreign Liabilities and Assets was accidental omission and shall be completed soon.*
- *The Company could not file Form SH-7 and PAS-3 due to some technical difficulties and expect to complete the filings soon.*
- *Non-compliance/delay in quarterly compliance with SEBI (LODR), 2015 was on account of operational difficulty.*

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

No fraud/misconduct detected at the time of statutory audit by Auditors of the Company for the financial year ended on 31<sup>st</sup> March, 2018.

## ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

## ANNUAL RETURN

Pursuant to the provisions of section 23 (ii) of the Companies (Amendment) Act, 2017 every company shall place a copy of annual return on the website of the company, if any, and the weblink of such annual return shall be disclosed in the Board's Report. Accordingly, the company has placed its annual return on the website of the Company i.e. www.trendelectronics.in.

## ORDERS PASSED BY REGULATORS/COURTS/ TRIBUNALS

During the year under review, there were no material orders passed by Regulators/ Courts / Tribunals during the year impacting the going concern status and company's operations in future.

## DIRECTOR RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134 (3) (c) and 134 (5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that year;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENT

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

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

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

**VIVEK D. DHARM**  
**DIRECTOR**  
**DIN: 00214361**

**CHANDRAKANT JYOTI**  
**DIRECTOR**  
**DIN: 03375482**

**FORM NO. MR-3**  
**SECRETARIALAUDITREPORT**  
**FORTHE FINANCIALYEAR ENDED ON 31<sup>st</sup> MARCH, 2018**

*[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

**TREND ELECTRONICS LIMITED,**

**CIN: L99999MH1989PLC052233**

20 K. M. Stone, Aurangabad-Beed Road,

Village: Bhalgaon, Aurangabad 431210.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TREND ELECTRONICS LIMITED**, (hereinafter referred to the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I here by report that in my opinion, the Company has, during the audit period covering the financial year Commencing on 1<sup>st</sup> April 2017 and ending on 31<sup>st</sup> March 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018, according to the provisions of:

- i. The Companies Act, 2013 and/ or the Companies Act, 1956 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period)
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period);
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period) and

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India.

I have relied on the representation made by the Company and its officers for the systems and mechanisms formed by the Company for compliances under applicable Acts, Rules, Laws and Regulations to the Company. The list of major head or groups of Acts, Rules, Laws and Regulations as applicable to the Company is given in Annexure B.

I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws and their regulatory compliances, since the same have been subject to review by statutory financial audit and other designated professionals.

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

- *The Company has not filed Form MGT-14 in respect of certain resolutions.*
- *The Company has delayed filing of Form CRA-2 (Notice of Appointment of Cost Auditor) for the financial 2017-2018 with Central Government beyond 30 days of Board meeting in which appointment is made.*
- *During the year under review the company has transferred unclaimed dividend of Rs.4,00,762/- for the financial year 2008-09 to investor education and protection fund. the company has not filed Form IEPF 1 with the IEPF Authority.*
- *The company has not till date Filed statement in IEPF 2 within 90 days from the date annual General meeting held on September 29, 2017 IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016.*
- *Except for the appointment of Company Secretary (CS) and Chief Financial Officer, the Company has not appointed Managing Director or Chief Executive Officer or Manager or Whole Time Director under the provisions of Section 203 of the Act and rules made thereunder.*
- *As per Section III (Annexure 6) (para 2.2d) of the Foreign Direct Investment Policy, the return of Foreign Liabilities and Assets for the current and previous Audit period has not filed for the Company with the Reserve Bank of India.*
- *During the financial period 2015-16 the Company had increased the authorized and paid share capital of the Company, but has not filed Form SH-7 and PAS-3 upto 31.03.2018*

Under Securities Exchange Board of India Act, 1992 and various regulation stated thereunder:

- i. As prescribed under Regulation 33 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 the company has delayed the submission of the un-audited financial results along with the limited reviews report with the Stock Exchanges for certain quarters.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors.
- Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of audit, in my opinion, adequate systems and processes commensurate with the size and operations of the Company exist in the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines. I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws are subject to review by statutory financial audit and other designated professionals.

This Report is issued based on the information that were made available at the time of verification of the records and clarifications furnished for queries raised by us and inspection of the documents, files, book, registers and other relevant papers made available for verification.

Date: 17<sup>th</sup> August, 2018  
Place: Mumbai

Soumitra B. Majumdar  
Company Secretaries  
Membership No. : 30938  
C.P. No. : 12363

## ANNEXURE - A

To,

The Members,

**TREND ELECTRONICS LIMITED,**

**CIN: L99999MH1989PLC052233**

20 K. M. Stone, Aurangabad-Beed Road,

Village: Bhalgaon, Aurangabad - 431210

My secretarial audit report of even date is to be read along with this letter.

Maintenance of secretarial and other records is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.

- i. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
- ii. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- iii. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of certain events during the Audit Period.
- iv. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis and expressing an opinion on the same.

**CS Soumitra Mujumdar**

**Company Secretaries**

**Membership No. : 30938**

**C.P. No. : 12363**

**Date: 17<sup>th</sup> August, 2018**

**Place: Mumbai**

## ANNEXURE - B

1. Factories Act, 1948
2. Industrial Disputes Act, 1947
3. The Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. Employees State Insurance Act, 1948
6. The Employees Provident Funds and Miscellaneous Provisions Act, 1952
7. The Payment of Bonus Act, 1965
8. The Payment of Gratuity Act, 1972
9. The Contract Labour (Regulation & Abolition) Act, 1970
10. The Maternity Benefit Act, 1961
11. The Child Labour (Prohibition & Regulation) Act, 1986
12. The Industrial Employment (Standing Orders) Act, 1946
13. The Employees Compensation Act, 1923
14. The Apprentices Act, 1961
15. Equal Remuneration Act, 1976
16. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
17. Water (Prevention and Control of Pollution) Act, 1974
18. Air (Prevention and Control of Pollution) Act, 1981
19. Environment Protection Act, 1986
20. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
21. E-Waste Management & Handling Rules, 2016



## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE REPORT

A Corporate Governance Report as per Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as "SEBI Regulations") and on the compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

Your Company is in 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.

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

- Ensure integrity and ethics in all the dealings;
- Simple and transparent corporate structure driven solely by business needs;
- Maintain transparency with a high degree of disclosure and adequate control system;
- Compliance with all the laws and regulations as applicable to the

Company; and

- Promote interest of all the stakeholders including customers, shareholders, employees, lenders, vendors, government and the community at large.

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

### BOARD OF DIRECTORS

As on March 31, 2018, the strength of the Board was four Directors, comprising of one Non-Executive Director and three Independent Directors. The Company has duly complied with the requirements as regards the composition of the Board as stipulated under Securities and Exchange Board of India Regulations and under the Companies Act, 2013, as well.

#### Composition and Category of Board as on 31.03.2018

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 March 31, 2018, is tabulated below:

Category	Directors
Non-Executive Non Independent	Mrs. Smita Dharm
Non-Executive Independent	Mr. Subhash S. Nabar Mr. Vivek D. Dharm Mr. Chandrakant Sidram Jyoti

#### Board Meetings and Attendance:

During the financial year ended March, 2018, the Board of Directors of the Company met 5 (Five) times 30<sup>th</sup> May 2017, 1<sup>st</sup> September, 2017, 13<sup>th</sup> November, 2017, 22<sup>nd</sup> January, 2018 and 14<sup>th</sup> February, 2018. The gap between any two board meetings was not more than 120 days.

Details of number of Board meetings attended by the Directors, attendance at the last Annual General Meeting, number of other directorships/committee positions held by them during the financial year ended on March 31, 2018, are as hereunder:

Directors	No. of Board Meetings Attended	Attendance At the last AGM (held on September 29 <sup>th</sup> , 2017)	As on March 31, 2018			
			No. of Other Director-ships held	No. of Company Chairmanships	Number of Committee Memberships in Other Companies	
					As Chairman	As Member
Mr. Vivek D. Dharm	5	YES	5	0	-	5
Mr. Subhash S. Nabar	2	YES	2	0	1	1
Mrs. Smita Dharm	1	No	-	-	-	-
Mr. Chandrakant Sidram Jyoti	4	No	2	0	1	-

#### Notes:

1. Except for Mr. Vivek D. Dharm and Mrs. Smita V. Dharm, who are married to each other, none of the other director have any inter-se relations among themselves and with any employee of the Company.
2. Number of Directorships held by Directors excludes Alternate Directorships, Directorships in Foreign Companies, Companies incorporated under Section 8 of Companies Act, 2013, Limited Liability Partnerships and Private Limited Companies.
3. Membership/Chairmanship of only the Audit Committee and Shareholders'/ Investors' Grievance Committee of Public Limited Companies have been considered as per SEBI Regulations.

**Brief profile of Directors seeking re-appointment/Appointment**

The brief profile of Directors seeking re-appointment/Appointment is appended to the Notice convening the Twenty- Eighth Annual General Meeting.

**Number of Shares and Convertible Instruments held by Non-Executive Directors:**

None of the Directors hold any shares or convertible instruments in the Company.

**Independent Directors Meeting**

One separate meeting of the Independent Directors was held on 14.02.2018, which was attended by all the Independent Directors.

**Board/Committee Proceedings:**

The Board meets at appropriate intervals and discusses the businesses to be transacted and for decision making. The Board has constituted six committees i.e. Audit Committee, Stakeholders Relationship Committee, Finance and General Affairs Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Social Responsibility Committee. The Committees also meets at regular interval for various strategic discussions and decisions.

- a) With a view to organize all corporate affairs and set up systems and procedures for advance planning for matters requiring discussions, decisions by the Board, the Company has well defined guidelines and procedures for meetings of the Board of Directors and Committees thereof.
- b) The Company Secretary of the Company circulates the agenda of the meeting along with all the supporting documents to all the directors entitled to receive the same, to enable meaningful and quality discussions at the time of the meeting. The notices and agenda along with supporting documents are circulated well in advance.
- c) The information generally placed before the Board members inter-alia includes:
  - Annual operating plans and budgets and any updates;
  - Capital budgets and any updates;
  - Quarterly/Annual results of the Company and its operating divisions or business segments;
  - Minutes of the meetings of Audit Committee and other Committees of the Board;
  - Notice of Disclosure of Interest;
  - The information on recruitment and remuneration of senior offices just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
  - Material important litigations, show cause, demand, prosecution notices and penalty notices, if any and status updates;
  - Sale of material nature of investments, subsidiaries and assets, which are not in the normal course of business;
  - Establishment, operations and set up of Joint Venture, Subsidiary or Collaboration etc.,
  - Investment/Divestment of Joint Ventures, Subsidiaries;
  - Acquisitions/Amalgamation/Re-organisation of business segments etc.;
  - Compliance Reports;
  - Minutes of the Board Meetings, Annual General Meetings of Subsidiary Companies and significant transactions if any;
  - Related Party Transactions;
  - Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
  - Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;

- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
  - Significant labour problems and their proposed solutions. Also any significant development in Human Resource and Industrial Relations;
  - Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement, if material;
  - Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc;
  - Any issue, which involves possible public or product liability claims of substantial nature including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company; and
  - Any other materially relevant information.
- d) Minutes of the proceedings of each Board/Committee/General Body Meetings are recorded. Draft minutes are circulated amongst all the members for their feedback/comments. The proceedings of the Board Meetings, General Meetings and Committee Meetings are duly recorded in Minutes book on timely basis.
  - e) The guidelines for the Board/Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the actions taken on decisions of the Board and the Committees.
  - f) The Board periodically reviews the compliance reports to ensure adherence to all the applicable provisions of the law, rules and guidelines.
  - g) The Board has laid down a Code of Conduct for all directors and senior management of the Company, which has been posted on the website of the Company i.e. www.trendelectronics.in. All directors and senior management personnel have affirmed compliance with the code for the year ended 31<sup>st</sup> March, 2018. A declaration to this effect signed by the Chief Executive Officer and Company Secretary is annexed to this report.

**COMMITTEES OF THE BOARD OF DIRECTORS**

The Board has constituted the following six committees:

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

**AUDIT COMMITTEE**

The functioning and terms of reference of the Audit Committee including the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the financial year ended on March 31, 2018, the Audit Committee of the Board of Directors comprised of three Independent Directors. All the Independent Directors are financially literate and are having vast experience in the fields of finance, accounts and industry.

**The composition as on March 31, 2018, was as under:**

Name	Designation	Category
Mr. Vivek D. Dharm	Chairman	Independent
Mr. Subhash S. Nabar	Member	Independent
Mr. Chandrakant S. Jyoti	Member	Independent

The Chairman of the Audit Committee is an Independent Director.

**Meetings and Attendance:**

During the financial year under consideration, 5 (Five) meetings of the Committee were held on 30<sup>th</sup> May 2017, 1<sup>st</sup> September, 2017, 13<sup>th</sup> November, 2017, 24<sup>th</sup> January, 2018 and 14<sup>th</sup> February, 2018 respectively.

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

Name	Meetings Attended
Mr. Vivek D. Dharm	5
Mr. Subhash S. Nabar	1
Mr. Chandrakant S. Jyoti	4

The Auditors and the Head of Internal Audit attended and participated in the meetings on invitation. The Company Secretary of the Company acts as a Secretary to the Committee.

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

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

- a) Overall assessment of the Company's financial reporting process and the disclosure of its financial information and to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and fixation of the audit fee and also approval for payment for any other services rendered by the Auditors.
- c) Reviewing with management the annual financial statements before submission to the Board for approval, focusing primarily on:
  - Matters required being included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub- Section (3) of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices, and reasons for the same.
  - Major accounting entries involving estimates based on exercise of judgment by management.
  - Modified opinion(s) in the draft audit report.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Qualification in the draft audit report, if any.
  - Compliance with Listing Agreement and other legal requirements concerning financial statements.
  - Any related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.
- d) Reviewing with the management the quarterly financial results before submission to the Board for approval.
- e) Reviewing, with the management, the statement of utilization/application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- f) Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems.

- g) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- h) 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.
- i) Discussion with internal auditors regarding any significant findings and follow up there on.
- j) Reviewing the findings, if any, of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- k) Discussion with statutory auditors before the commencement of audit, on nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- l) Approval or any subsequent modification of transactions of the Company with related parties.
- m) 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.
- n) Scrutiny of inter-corporate loans and investments.
- o) Valuation of undertakings or assets of the Company, wherever it is necessary.
- p) Evaluation of internal financial controls and risk management systems.
- q) Financial Statements and Investments made by Subsidiaries.
- r) To review the functioning of Whistle Blower Mechanism.
- s) Approval of appointment of CFO (i.e. whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
- t) Carrying out any other function which is mentioned in the terms of reference of the Audit Committee.

**The Committee also reviews:**

- Management discussion and analysis of financial conditions and results of operations.
- Statement of significant related party transactions, if any.
- Management Letters/Letters of internal control weaknesses issued by the Statutory Auditors.
- Internal Audit Reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Statement of deviations:
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**The Audit Committee is also vested with the following powers:**

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

**Whistle Blower Policy & Vigil Mechanism:**

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

The Board has formulated and adopted Whistle Blower Policy to promote reporting of:

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

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

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The composition of the Stakeholder's Relationship Committee of the Board of Directors as on March 31, 2018, was as under:

Name	Designation	Category
Mr. Vivek D. Dharm	Chairman	Independent
Mr. Subhash S. Nabar	Member	Independent
Mr. Chandrakant S. Jyoti	Member	Independent

**Meetings and Attendance:**

During the financial year under consideration, 2 (Two) meetings of the Stakeholders' Relationship Committee were held on 30<sup>th</sup> May, 2017, and 1<sup>st</sup> September, 2017.

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

Name	Meetings Attended
Mr. Vivek D. Dharm	2
Mr. Subhash S. Nabar	1
Mr. Chandrakant S. Jyoti	2

**Compliance Officer:**

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

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

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

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

Particulars of investors' grievances received and redressed during the financial year ended on March 31, 2018, form part of this report.

**Share Transfer Details for financial year 01.04.2017 to 31.03.2018:**

**TREND ELECTRONICS LIMITED**

**Share Transfer Details for year 01.04.2017 to 31.03.2018**

1. The number of Shares transferred during the year under review:

Sr. No.	Particulars	
a)	Number of Transfers	16
b)	Average No. of Transfers per Month	1.33
c)	Number of Shares Transferred	901

2. Demat/Remat of Shares for year 01.04.2017 to 31.03.2018

Sr. No.	Particulars	
a)	Number of Demat Requests approved	83
b)	Number of Sub-committee Meetings held	41
c)	Number of Shares Dematerialized	9,277
d)	Percentage of Shares Dematerialized	0.12
e)	Number of Rematerialization Requests approved	1
f)	Number of Shares Rematerialized	50

**3. Details of complaints received and redressed for year 01.04.2017 to 31.03.2018**

Sr. No	Particulars	Pending as on 31.03.2017	Received	Redressed	Pending as on 31.03.2018
1.	Non-Receipt of Refund Order	Nil	Nil	Nil	Nil
2.	Non-Receipt of Dividend/Interest/ Redemption Warrants	Nil	5	5	Nil
3.	Non-Receipt of Share Certificates	Nil	14	14	Nil
4.	Others	Nil	3	3	Nil
	<b>TOTAL</b>	Nil	22	22	Nil

**4. Details of Duplicate/Consolidation/Split for year 1.04.2017 to 31.03.2018**

Sr. No	Particulars	No of Requests	No of Shares
1	Duplicate	Nil	Nil
2	Consolidation	Nil	Nil
3	Split /Sub-division	Nil	Nil

**5. Information about Dividend outgo to NRI Shareholders for the Year 31.03.2018 - NIL****NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Board of Directors comprised of three Independent Directors.

**The composition as on March 31, 2018, was as under:**

Name	Designation	Category
Mr. Subhash S. Nabar	Chairman	Independent
Mr. Vivek D. Dharm	Member	Independent
Mr. Chandrakant S. Jyoti	Member	Independent

Company Secretary acts as the de-facto Secretary to the Committee.

**Meetings and Attendance:**

During the period under review, the Committee met 1 (One) times on the following date: 30th May, 2017

Name	Meetings Attended
Mr. Vivek D. Dharm	1
Mr. Subhash S. Nabar	0
Mr. Chandrakant S. Jyoti	1

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Fixing & reviewing the remuneration of the Chief Executives and other senior officers of the Company;
- Recommending the remuneration including the perquisite package of key management personnel;
- Determining the remuneration policy of the Company;
- Recommending to the Board retirement benefits;
- Reviewing the performance of employees and their compensation; and
- Attending to any other responsibility as may be entrusted by the Board.
- devising the policy on diversity of the Board of Directors

Further, the Committee shall formulate a policy which shall ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

- relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

**Remuneration Policy**

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

**Performance Evaluation Criteria for Independent Directors:**

The Board evaluates the performance of independent directors (excluding the director being evaluated) on the basis of the contributions and suggestions made to the Board with respect to financial strategy, business operations etc.

**Familiarisation Program for Independent Directors:**

The details of the familiarization program are available on the Company's weblink viz. <http://www.trendelectronics.in/image/trend/Trend%20Familiarisation%20Program%20for%20Independent%20Directors.pdf>

**Directors' Remuneration:**

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

Details of payment towards sitting fees to Directors during the financial year ended on March 31, 2018 are as under:

Name	Sitting fees paid (Rs.)
Mr. Vivek D. Dharm	33,000
Mr. Subhash S. Nabar	8,000
Mr. Chandrakant S. Jyoti	27,500
Mrs. Smita Dharm	2,500
<b>TOTAL</b>	<b>71,000</b>

**Stock Options:**

The Company has not issued any stock options during the financial year ended on March 31, 2018.

**FINANCE AND GENERAL AFFAIRS COMMITTEE**

The composition of the Finance and General Affairs Committee of the Board of Directors as on March 31, 2018, was as under:

Name	Designation	Category
Mr. Vivek D. Dharm	Chairman	Independent
Mr. Subhash S. Nabar	Member	Independent
Mr. Chandrakant S. Jyoti	Member	Independent

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

**Meetings and attendance:**

During the financial Year under consideration, 6 (Six) meetings of the Finance and General Affairs Committee were held on 30<sup>th</sup> May 2017, 14<sup>th</sup> July, 2017, 22<sup>nd</sup> August, 2017, 13<sup>th</sup> November, 2017, 29<sup>th</sup> January, 2018 and 13<sup>th</sup> March, 2018

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

Name	Meetings Attended
Mr. Vivek D. Dharm	6
Mr. Subhash S. Nabar	2
Mr. Chandrakant S. Jyoti	4

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

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

**RISK MANAGEMENT COMMITTEE**

The composition of the Committee as on March 31, 2018 is as under:-

Name	Designation	Category
Mr. Vivek D. Dharm	Chairman	Independent
Mr. Subhash S. Nabar	Member	Independent
Mr. Chandrakant S. Jyoti	Member	Independent

**Meeting and Attendance**

During the financial Year under consideration, 1 (One) meeting of the Risk management Committee was held on May 30<sup>th</sup>, 2017.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Composition of the Committee:

The Composition of the Committee as on March 31, 2018 was as under:

Name	Designation	Category
Mr. Vivek Dharm	Chairman	Independent
Mr. Chandrakant S. Jyoti	Chairman	Independent
Mr. Subhash Nabar	Chairman	Independent

**Meeting and Attendance**

No meeting of the Committee was held during the period under the review.

Terms of Reference of the Committee:

- Formulate and recommend to the Board the CSR Policy and its review from time to time.
- Recommend the amount of expenditure to be incurred on the CSR activities.
- Ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.

**GENERAL BODY MEETINGS**

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

AGM	AGM Date	Location	Time	Special Resolution Passed
25 <sup>th</sup>	27.06.2015	20 K.M. Stone, Aurangabad - Beed Road, Village: Bhalgaon, Aurangabad - 431 210 (Maharashtra)	3.30 p.m.	To create, issue, offer and allot Non-Convertible, Non- Cumulative, Non-Participating, Redeemable Preference Shares ("Preference Shares").
26 <sup>th</sup>	26.09.2016	20 K.M. Stone, Aurangabad - Beed Road, Village: Bhalgaon, Aurangabad - 431 210 (Maharashtra)	12.30p.m.	NIL
27 <sup>th</sup>	29.09.2017	20 K.M. Stone, Aurangabad - Beed Road, Village: Bhalgaon, Aurangabad - 431 210 (Maharashtra)	12.00 pm	NIL

**POSTAL BALLOT INCLUDING ELECTRONIC VOTING**

No Special Resolution was passed through postal ballot during the financial year under review.

None of the Business are proposed to be transacted at the ensuing Annual General Meeting which requires passing of the 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. 31 of the "Notes forming part of Financial Statement" in the Annual Report.
b)	Non-compliance by the Company, penalties, and 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)	Vigil Mechanism, 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 all the mandatory requirements.
e)	Web link where policy for determining 'Material Subsidiaries' is disclosed	The Company is not having any subsidiary.

**MEANS OF COMMUNICATION**

The Company regularly intimates its Un-Audited as well as Audited Financial Results, including quarterly results, to the Stock Exchanges. The Financial Results are published in Financial Express or Free Press Journal and Loksatta, the leading English and Marathi newspapers having wide circulation. The results of the Company are available on the website of the Company, i.e. [www.trendelectronics.in](http://www.trendelectronics.in)

The official news releases and the presentations, if any, made to investors and financial analysts at investors' meets, from time to time, are also displayed on the Company's website. The results are not sent individually to the shareholders.

The Shareholding Pattern of the Company and Corporate Governance Report are electronically submitted, unless there are any technical difficulties and displayed through Corporate Filing and Dissemination System viz. [www.corpfilling.co.in](http://www.corpfilling.co.in). and on listing.[bseindia.com](http://bseindia.com)

All important information and official press releases are displayed on the website for the benefit of the public at large. Analysts' Reports/ Research Report, if any, are also uploaded on the website of the Company. The Company's website can be accessed at [www.trendelectronics.in](http://www.trendelectronics.in)

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

**GENERAL SHAREHOLDER INFORMATION****A. Annual General Meeting:**

Date	: As set out in notice convening AGM
Day	: As set out in notice convening AGM
Time	: As set out in notice convening AGM
Venue	: 20 K.M. Stone, Aurangabad- Beed Road, Village: Bhalgaon, Aurangabad- 431210 (Maharashtra)

**B. Financial Calendar for the year ended 31<sup>st</sup> March, 2019:**

Particulars	Date
Accounting Period	April 1, 2018 - March 31, 2019
First Quarter Results	On or before August 14, 2018
Second Quarter Results	On or before November 14, 2018
Third Quarter Results	On or before February 14, 2019
Fourth Quarter & Audited Financial Results	On or before May 30, 2019
Annual General Meeting for year ending March 31 <sup>st</sup> , 2019	On or before September 30, 2019

**C. Date of Book Closure:**

The Details of Closure of Register of Members and Share Transfer Books of the Company shall be as set out in notice convening Annual General Meeting.

**D. Dividend Payment Date:**

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

**E. Listing:**

The Equity shares of your Company are listed on:

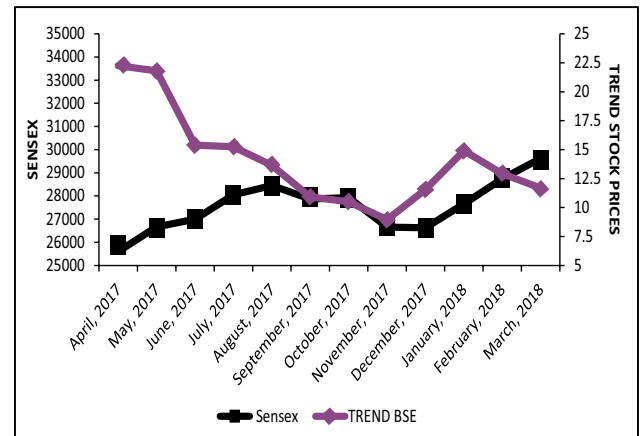
Sr. No.	Name and address of the Stock Exchange	Stock Code
1.	BSE Limited (Formerly: Bombay Stock Exchange Limited) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Web: www.bseindia.com	517228

The Company has not paid listing fees for the year 2017-18 to BSE Limited and costodal fees for 2017-18 to National Security Depository Limited and Central Depository Services (India) Limited.

**F. Market Price Data:**

Monthly High and Low prices at BSE Limited during the year ended on March 31, 2018, are as under:

Month	BSE	
	High Price	Low Price
April, 2017	22.25	18.05
May, 2017	21.80	12.15
June, 2017	15.38	11.10
July, 2017	15.25	11.75
August, 2017	13.65	9.1
September, 2017	10.92	8.7
October, 2017	10.50	8.53
November, 2017	8.95	7.65
December, 2017	11.55	8.8
January, 2018	14.90	10.5
February, 2018	12.93	11.69
March, 2018	11.68	11.68

**TREND VS SENSEX****G. Registrar and Share Transfer Agent:**

MCS Share Transfer Agent Limited  
A, 209, C Wing, 2<sup>nd</sup> Floor, Gokul Industries,  
Estate Building, Sagbaug, Marol Co-Op Industrial Area,  
B/H Times Square, Andheri (E),  
Mumbai 400059  
Tel. 022-4026022-25  
Fax 022-4026021  
e-mail: mcssta.mumbai@gmail.com

**H. Share Transfer System:**

Shares received for transfer by the Company or its Registrar and Share Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificate(s) is/are duly transferred and dispatched within a period of 15 days from the date of receipt.

**I. Distribution of Shareholding:**

a) Shareholding pattern as on March 31, 2018, is as under:

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
(1)	Indian	11	4,041,788	53.89
(2)	Foreign	-	-	-
	<b>Sub – Total (A)</b>	<b>11</b>	<b>4,041,788</b>	<b>53.89</b>
<b>(B)</b>	<b>Public Shareholding</b>			
(1)	Institutions	9	3,975	0.05
(2)	Non- Institutions	-	-	-
	Bodies Corporate	122	453,171	6.04
	Individuals	15,951	2,713,847	36.18
	Hindu Undivided Families	134	142,228	1.91
	NRI	790	144,991	1.93
	<b>Sub – Total (B)</b>	<b>17,006</b>	<b>3,458,212</b>	<b>46.11</b>
	<b>TOTAL (A) + (B)</b>	<b>17,017</b>	<b>7,500,000</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>			
(1)	Promoter and Promoter Group	-	-	-
(2)	Public	-	-	-
	<b>Sub-Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>17,017</b>	<b>7,500,000</b>	<b>100.00</b>

b) Distribution of Shareholding as on March 31, 2018 is given below:

Share Holding of Nominal Value	Number of Shareholders	% to the Total Shareholders	No. of Shares	Amount (in Rs.)	% to the Total Value of Share Capital
Up to 5,000	16,561	97.32	1,314,520	13,145,200	17.53
5,001 to 10,000	203	1.19	161,234	1,612,340	2.15
10,001 to 20,000	122	0.72	180,509	1,805,090	2.41
20,001 to 30,000	41	0.24	100,581	1,005,810	1.34
30,001 to 40,000	15	0.09	53,138	531,380	0.71
40,001 to 50,000	9	0.05	43,088	430,880	0.57
50,001 to 100,000	26	0.15	182,165	1,821,650	2.43
100,001 and above	40	0.24	5,464,765	54,647,650	72.86
<b>TOTAL</b>	<b>17,017</b>	<b>100.00</b>	<b>7,500,000</b>	<b>75,000,000</b>	<b>100.00</b>

**J. Dematerialization of Shares and liquidity:**

The Securities and Exchange Board of India (SEBI), through a notification has made it mandatory that any delivery in the Company's shares against stock exchange trades shall be in demat form. As on March 31, 2017, 6,54,3003 equity shares (representing 87.24% of the total number of shares) have been dematerialized. The entire promoter holding is in dematerialized form.

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

The Company has not issued any instruments which warrant conversion. As on March 31, 2018, there is no outstanding instrument which warrants conversion.

**L. Plant location:**

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

**M. Address for Correspondence:**

20 K.M. Stone, Aurangabad - Beed Road,  
Village: Bhalgaon, District: Aurangabad - 431 210 (Maharashtra)  
Tel : +91-240-2644509/10/12  
Fax : +91-240-2644506  
E-mail id: secretarial\_trend@videoconmail.com

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

MCS Share Transfer Agent Limited  
A-209, C Wing, 2<sup>nd</sup> floor Gokul Industries Estate Building,  
Sagbaug, Marol Co-op Industrial Area,  
B/H Times Square, Andheri East, Mumbai- 400059.  
Tel. 022-40206022-25 Fax 022-40206021  
E-mail: mcssta.mumbai@gmail.com.



## CERTIFICATES AND CONFIRMATION

### CERTIFICATION

Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,

To,

The Board of Directors,

#### TREND ELECTRONICS LIMITED

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

- a) We have reviewed the Ind AS Financial Statements and the Cash Flow Statement for the financial year ended on 31<sup>st</sup> March, 2018 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 financial year are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company, disclosing to the Auditors and the Audit Committee the deficiencies in the design or operation of such internal controls, if any, and take steps or propose to take steps to rectify these deficiencies.
- d) We have indicated, wherever applicable, to the Auditors and the Audit Committee:
  - i. Significant changes in Internal Control over financial reporting during the financial year;
  - ii. Significant changes in Accounting Policies, the same have been disclosed in the notes to the Ind AS financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For TREND ELECTRONICS LIMITED**

**HEAD OPERATIONS CHIEF FINANCIAL OFFICER**

Place: Mumbai

Date: 17<sup>th</sup> August, 2018

### COMPLIANCE CERTIFICATE OF THE AUDITORS:

A certificate from the Statutory Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under Clause E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report.

### COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

#### TREND ELECTRONICS LIMITED

We have examined the compliance of conditions of Corporate Governance by Trend Electronics Limited, for the financial year ended on 31<sup>st</sup> March, 2018, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The Compliance of conditions of Corporate Governance is a responsibility of the Management. Our examination was limited to the review of the procedures and implementations thereof adopted by the Company for ensuring the compliance of conditions of Corporate Governance. 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 the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges. However, the Company has delayed the submission of Un-audited Financial Results for certain quarters.

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

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

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

Place: Mumbai

Date: 17<sup>th</sup> August, 2018

### DECLARATION

The Board has laid down a code of conduct for all the 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: 17<sup>th</sup> August, 2018

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

### INDUSTRY OVERVIEW

The global Set Top Box (STB) market size is estimated at USD 20 billion in 2018 (management estimate) and is anticipated to witness a significant growth going forward.

India's STB market is expected to grow at a robust CAGR during 2018-2023 owing to:

- introduction of High Definition platform and channels and increasing popularity of HD channels
- increasing awareness regarding Internet based TV,
- rising adoption of smart televisions
- growing demand for high quality sound and images.
- growing advancements in digital broadcast technologies
- increasing demand for superior video & audio contents
- mandatory digitization
- Increasing standards of living coupled

Based on quality, the market has been segmented into SD, HD and 4K UHD. The HD devices are progressively swapping the conventional SD devices and this trend is supposed to continue over the forecast period in the country. Based on type, the market has been segmented into Digital Cable, Terrestrial digital, Satellite digital, IPTV and Others.

The overall market is expected to grow further on account of emergence of innovative products such as 4K UHD TVs, 3D smart TVs and OLED TVs. The manufacturers are striving toward improving the available storage space in the contemporary STB devices, in order to enable augmented the caching of data broadcasts and personal video recordings. The advancements in digital broadcast technologies coupled with the ever-growing demand for superior video and audio contents are expected to boost the industry growth over the next decade. However, the subscription rates are going to be deciding factors in the growth. Further, the reduced prices of smart TVs, Technological proliferation and the introduction of HD channels are anticipated to boost the global Set Top Box market growth.

The growth in the global Set Top Box (STB) market can primarily attributed to steep growth in consumer retail of OTT boxes and consolidation of top players of the global market.

Consumers across the globe are increasingly demanding connectivity from their electronics devices, and set top boxes are expected to play a central role in the networking of products.

Your Company primarily focuses on manufacturing and trading of Set Top Boxes. Set-top-boxes (STBs) are electronic devices that allow users to receive unencrypted subscribed channels through an addressable system for viewing encrypted channels.

### OPPORTUNITIES AND THREATS

#### Opportunities

1. The increasing awareness pertaining to Internet-based STB devices, such as IPTV and OTT, is expected to present substantial opportunities for the growth of these technologies over the next few years.
2. There are opportunities for STB manufacturers to form a strategic partnership with the content and internet service providers across the world, in order to leverage patent technologies and increase their geographic presence.
3. The market is expected to present huge opportunities for growth over next few years, primarily due to the emergence of innovative products, such as 3D smart interactive TVs, 4K UHD TVs, and OLED TVs.
4. The reduced prices of smart TVs, Technological proliferation and the introduction of HD channels are anticipated to boost the global Set Top Box market growth.
5. As a part of "Make in India" Campaign, announced by Government of India, there are huge opportunity to enhance its activity across a globe.
6. The Global Set Top Box market is becoming more versatile and dynamic as it provides several benefits to customers, such as pause and store facilities and easy deployment options. Improving picture quality, the advent of HD TVs and multiple TV sets in a house are some of the major factors leading to an increase in the demand for STBs.

#### Threats:

The success of the Company will depend on its ability to develop and market products which met changing consumer demands and ability of the Company to respond to technological developments and changes in manufacturing processes. Some of the threats/challenges are as under:

- High subscription rates of pay channels are expected to challenge the growth of HD and 4K STBs
- Increase in competition from foreign Competitors.
- Raw materials are not available through indigenous source and have to be imported. This adds to the cost of the STBs.
- Require huge amounts for building the Strong Distribution chain.
- Technology obsolescence.
- Changing consumer preferences.

### OUTLOOK AND STRATEGY

There are opportunities to introduce hybrid set-top boxes to gauge consumer viewing pattern using return path data (RPD) technology. The Company believe that this move comes as television viewing is undergoing a sea-change from linear to digital. Accordingly, the Company intends to work

towards the same. The Company expects growing demand for Internet Protocol TV (IPTV) STBs on account of rising high-speed broadband infrastructural support and the customizable features it offers to its users

STBs can be categorized into cable, satellite, Internet Protocol TV (IPTV), Digital Terrestrial Television (DTT) and Over The Top (OTT) devices. Digital format transmissions provide better sound and picture quality, as well as an enhanced viewing experience in HD. Additionally, they provide interactive services such as Video On Demand (VoD), and the freedom to pay only for selected channels.

Recent administrative regulations pertaining to digitization in countries such as India are further expected to impel industry growth as these protocols can provide monetary relief to viewers, and in some cases, funding for broadcasters to enable a digital switch over to take place by a given deadline.

However, procurement costs and associated costs of pay channels are expected to pose as challenges for the industry. The inequality in demand and supply of devices across the world is expected to negatively affect the global market.

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### RISKS AND CONCERNS

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Your Company is exposed to risks such as high interest rates, stiff competition, and possible entry of multinational companies into manufacturing of Set Top Boxes in India. In addition to this, the Company is also concerned about shortage of funds, increase in input cost, cross border competition, technology obsolescence.

The management is aware of the risks and as laid down the procedure to inform the Board members about risk assessments and minimization procedures

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### INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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

Your Company adheres to the following internal control system:

- Properly conducting Board and General Meetings;
- Recording of data discussed during the meeting in proper manner;
- Well prescribed internal reporting hierarchy; and

- Timely preparation of records, reports, minutes and other financial and statutory documents.

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

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

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### SEGMENT-WISE PERFORMANCE

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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."

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### FINANCIAL PERFORMANCE

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#### Income:

##### Sales

During the year under review, the Company recorded a turnover of Rs. 3,949.50 Million as against Rs. 11,844.93 Million for the year ended on March 31, 2017.

##### Other Income

Other Income for the year was Rs. 16.10 Million as against Rs. 167.11 Million for previous period ended on March 31, 2017. Other income comprises of profit on sale of fixed assets, interest income, Exchange Rate Fluctuation and other non operating income.

#### Expenditure:

##### Cost of Goods Consumed

During the year, the Cost of Goods Consumed/sold stood at Rs. 5,337.08 Million as against Rs. 10,459.38 Million for the previous year ended on March 31, 2017.

##### Employee Benefits Expenses

During the year under review, the Salary and Wages were Rs. 193.35 Million as against Rs. 202.20 Million for the previous year ended on March 31, 2017.

##### Other Expenses

During the year under review, the Other Expenses were Rs. 280.83 Million as against Rs. 271.86 Million for the previous year ended on March 31, 2017.

### Finance Cost

Interest and Finance Charges were to the tune of Rs. 1,090.42 Million as against Rs. 998.12 Million for the previous year ended on March 31, 2017.

### Depreciation & Amortization

During the year under review, Depreciation & Amortization amounted to Rs. 230.54 Million as against Rs. 233.93 Million for the previous year ended on March 31, 2017.

### Loss Before Tax

The Loss before Tax for the current year amounted to Rs.3,271.86 Million as against a loss of Rs. 727.76 Million for the previous year ended on March 31<sup>st</sup>, 2017.

### Net Profit /Loss

Net Loss of the Company for the current year amounted to Rs. 3,028.23 Million as against a loss of Rs. 783.10 Million for the previous year ended on March 31, 2017.

### Earnings Per Share

Earnings Per Share for the current year amounted to Rs. (403.76) as against Rs. (104.41) for the previous year ended on March 31, 2017

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

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Human resources are the people who make up the workforce of an organization, business sector, or economy. Human capital is the most valuable resources to any organization. The success of any business is contingent to the performance of its Human Resource that eventually are responsible for the delivery of results. The Company is committed to maintain a cordial and healthy atmosphere with the employees at all levels. It considers the quality of its human resources to be the most important asset; and places significant

focus on training and development of its employees. The Company ensures that it attracts right competency, develop them continuously and keep its employees motivated throughout.

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

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

The total staff strength of the Company for the period ended March 31, 2018, was around 320.

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### CAUTIONARY STATEMENT

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

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**TREND ELECTRONICS LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **TRENDELECTRONICS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Basis for Qualified Opinion

*As mentioned in Note No. 46 to the financial statements, during the year the Company has incurred a net loss of ₹ 3,028.23 Million and as of that date the Company's accumulated losses amounts to ₹ 4,119.58 Million and it has negative net worth of ₹ 2,611.11 Million. Further, the Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 as amended, and there are persistent severe strains on the working capital and there is considerable decline in level of operations of the Company. These factors raise significant doubts on the ability of the Company to continue as a "Going Concern". The management has assumed that the going concern concept stands vitiated and is in the process of ascertaining the liquidation value of the assets. The necessary adjustments required on the carrying amount of assets and liabilities have not been ascertained and the impact thereof on the financial statements is not ascertainable at this stage.*

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us *except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph*, the aforesaid financial statements read with the notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matter

As mentioned in Note No. 45 to the financial statements, the balance confirmations and reconciliation have not been received in respect of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances. In the opinion of the management, there will not be any material impact on the financial statements.

Our opinion is not modified in respect of above matters.

### Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors whose report for the year ended March 31, 2017 and period ended March 31, 2016 dated May 30, 2017 and May 30, 2016 respectively expressed unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

### Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, based on our we report, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued there under;
  - e) The matter relating to the management assumption that the going concern concept stands vitiated described in Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A;
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 37 and 39 to the financial statements.
    - ii) The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses; and
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2) As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

### For S Z DESHMUKH & CO.

Chartered Accountants  
(Firm Registration No. 102380W)

### D. U. KADAM

Partner  
Membership No. 125886

Place: Mumbai  
Date: July 3, 2018

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of TREND ELECTRONICS LIMITED (the Company) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For S Z DESHMUKH & CO.**

*Chartered Accountants*

(Firm Registration No. 102380W)

#### **D. U. KADAM**

*Partner*

Membership No. 125886

Place: Mumbai

Date: July 3, 2018

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

- (i) In respect of fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation 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) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) As per the information and explanation given to us, the inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- (b) As per information and explanation given to us, no material discrepancies were noticed.
- (iii) As per the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the period. Therefore, the provisions of clause (v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, in our opinion, the Company has, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with appropriate authorities wherever applicable. According to the information and explanations given to us, undisputed arrears of statutory dues which were outstanding as on March 31, 2018 for a period of more than six months from the date they became payable and not paid till date are given below:

Nature of Dues	₹ in Million
1. Central Sales Tax	0.03
2. Value Added Tax	35.45
3. Entry Tax	2.14

- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, details of dues of income tax, sales tax, duty of customs and duty of excise, which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of the Dues	Amount (₹ Million)	Forum where dispute is pending
1. Customs Act, 1962	Custom Duty (including penalty)	0.75	Commissioner
2. Central Excise Act, 1944	Excise Duty (including penalty)	0.28	High Court
		4.03	CESTAT
		15.25	Commissioner (Appeals)
		0.74	Deputy Commissioner
		0.92	Assistant Commissioner
3. Sales Tax Act of various States	Sales Tax	0.02	Appellate Tribunal
		0.28	Additional Commissioner
4. Income Tax Act, 1961	Income Tax	1.95	DCIT Appeals

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

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

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

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

**D. U. KADAM**  
Partner  
Membership No. 125886  
Place: Mumbai  
Date: July 3, 2018

## BALANCE SHEET AS AT MARCH 31, 2018

(₹ in Million)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>I. ASSETS</b>				
<b>1) Non-current assets</b>				
Property, Plant and Equipment	2	2,909.21	3,182.83	3,410.16
Other Intangible assets	3	3.89	3.50	0.32
Financial Assets				
i) Investments	4	132.79	412.64	423.67
ii) Loans	5	0.17	0.16	0.43
iii) Others	6	0.61	207.95	100.24
Deferred tax assets (net)	7	134.62	-	-
Other non-current assets	8	0.41	0.46	34.60
Other Tax Assets (Net)		14.49	10.68	13.50
<b>Total non current assets</b>		<b>3,196.19</b>	<b>3,818.22</b>	<b>3,982.92</b>
<b>2) Current Assets</b>				
Inventories	9	1,809.81	3,861.27	3,994.70
Financial Assets				
i) Trade receivables	10	600.21	2,834.91	2,949.17
ii) Cash and cash equivalents	11a	16.52	8.62	43.49
iii) Bank balances other than (11a) above	11b	113.88	145.87	265.42
iv) Loans	12	5,056.40	1,929.08	3,357.63
Other current assets	13	23.73	16.39	30.79
<b>Total current assets</b>		<b>7,620.55</b>	<b>8,796.14</b>	<b>10,641.20</b>
<b>TOTAL ASSETS</b>		<b>10,816.74</b>	<b>12,614.36</b>	<b>14,624.12</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1) Equity</b>				
Equity share capital	14	75.00	75.00	75.00
Other equity	15	(2,686.11)	621.11	1,416.16
<b>Total Equity</b>		<b>(2,611.11)</b>	<b>696.11</b>	<b>1,491.16</b>
<b>2) Non current liabilities</b>				
Financial liabilities				
i) Borrowings	16	1,536.85	3,468.24	5,060.38
Provisions	17	17.54	20.96	18.36
Deferred tax liabilities (net)	18	-	108.60	53.72
<b>Total non current liabilities</b>		<b>1,554.39</b>	<b>3,597.80</b>	<b>5,132.46</b>
<b>3) Current liabilities</b>				
Financial liabilities				
i) Borrowings	19	7,507.74	3,008.50	3,088.35
ii) Trade payables	20	522.76	2,077.65	2,162.18
iii) Others	21	3,774.30	3,099.47	2,681.30
Other current liabilities	22	45.91	106.10	35.93
Provisions	23	22.75	28.73	32.74
<b>Total Current liabilities</b>		<b>11,873.46</b>	<b>8,320.45</b>	<b>8,000.50</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,816.74</b>	<b>12,614.36</b>	<b>14,624.12</b>
<b>Significant Accounting Policies</b>	1			

The accompanying notes are an integral part of the financial statements

As per our report of even date.

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

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

Place : Mumbai  
Date : July 3, 2018

**MILIND DESHPANDE**  
Chief Financial Officer

**KAUSTUBHA SAHASRABUDHE**  
Company Secretary  
Membership No.: A21165

For and on behalf of the Board

**KIRAN PATWARDHAN**  
Director  
DIN 08136757

**VIVEK D. DHARM**  
Director  
DIN 00214361



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Million)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>I. Income</b>			
Revenue from Operations	24	3,949.50	11,844.93
Other income	25	16.10	167.11
<b>Total Income</b>		<b>3,965.60</b>	<b>12,012.04</b>
<b>II. Expenses</b>			
Cost of materials consumed	26	4,595.60	4,919.05
Purchase of stock-in-trade (Traded goods)	27	516.66	5,222.47
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	224.82	317.86
Excise Duty		105.24	574.31
Employee Benefits Expenses	29	193.35	202.20
Finance Costs	30	1,090.42	998.12
Depreciation and Amortization Expenses	2&3	230.54	233.93
Other Expenses	31	280.83	271.86
<b>Total Expenses</b>		<b>7,237.46</b>	<b>12,739.80</b>
<b>Profit/(Loss) before Tax</b>		<b>(3,271.86)</b>	<b>(727.76)</b>
<b>Tax expense:</b>	32		
i) Current Tax		-	-
ii) Deferred Tax		(243.63)	55.34
<b>Total Tax Expenses</b>		<b>(243.63)</b>	<b>55.34</b>
<b>Profit/(Loss) for the year</b>		<b>(3,028.23)</b>	<b>(783.10)</b>
<b>Other comprehensive income/(loss)</b>			
Items that will not be reclassified to statement of profit or loss in subsequent period			
i) Remeasurements of the defined benefit plans		1.25	(1.38)
ii) Equity instruments through other comprehensive income -net change in fair value		(279.83)	(11.03)
iii) Income tax on above		(0.41)	0.46
		<b>(278.99)</b>	<b>(11.95)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(3,307.22)</b>	<b>(795.05)</b>
<b>Earnings per equity share</b>			
Basic and diluted earnings per share	33	<b>(403.76)</b>	<b>(104.41)</b>
<b>Significant Accounting Policies</b>	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date.

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

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

Place : Mumbai  
Date : July 3, 2018

**MILIND DESHPANDE**  
Chief Financial Officer

**KAUSTUBHA SAHASRABUDHE**  
Company Secretary  
Membership No.: A21165

**For and on behalf of the Board**

**KIRAN PATWARDHAN**  
Director  
DIN 08136757

**VIVEK D. DHARM**  
Director  
DIN 00214361

## Statement of Cash Flows for the year ended March 31, 2018

(₹ in Million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Tax	(3,271.86)	(727.76)
Adjustments for:		
Depreciation and Amortisation	230.54	233.93
Finance Costs	1,090.42	998.12
Provision for Warranty and Maintenance Expenses	(5.62)	(4.35)
Provision for Gratuity	(3.14)	2.41
Provision for Leave Encashment	(0.64)	0.53
Interest Income	(15.79)	(31.85)
(Profit)/Loss on Sale/Discard of Fixed Assets	45.03	(12.60)
Guarantee commission	-	15.78
<b>Operating Profit before Working Capital Changes</b>	<b>(1,931.06)</b>	<b>474.21</b>
Adjustments for:		
Inventories	2,051.46	133.43
Trade Receivables	2,234.70	114.26
Other financial and non financial assets	(3,134.62)	1,461.58
Trade Payables	(1,554.89)	(84.53)
Other financial and non financial liabilities	577.04	969.60
<b>Cash generated from Operations</b>	<b>(1,757.37)</b>	<b>3,068.55</b>
Less: Taxes Paid (Net)	3.81	(2.82)
<b>Net Cash (used in) / from Operating Activities</b>	<b>(A) (1,761.18)</b>	<b>3,071.37</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Income	15.79	31.85
Sale of Fixed Assets	-	12.66
Purchase of Fixed Assets	(2.34)	(9.84)
(Increase)/Decrease in Fixed Deposits and Other Bank Balances	239.33	11.84
(Purchase)/Sale of Investments (Net)	0.02	(0.00)
<b>Net Cash from Investing Activities</b>	<b>(B) 252.80</b>	<b>46.51</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Non-Current Borrowings	204.06	(2,074.56)
Increase/(Decrease) in Current Borrowings	2,403.04	(79.85)
Finance Costs	(1,090.42)	(998.12)
Payment of Dividend	(0.40)	(0.22)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(C) 1,516.28</b>	<b>(3,152.75)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(A+B+C) 7.90</b>	<b>(34.87)</b>
Cash and Cash Equivalents at beginning of the year	8.62	43.49
<b>Cash and Cash Equivalents at end of the year</b>	<b>16.52</b>	<b>8.62</b>

Notes: The movement of borrowings as per Ind AS 7 is as follows:

	Non-Current	Current	Total
Opening borrowings as on April 1, 2017	4,087.43	3,008.50	7,095.93
Proceeds/(Repayments) during the year	204.06	2,403.04	2,607.10
Non-cash adjustments*	(2,096.20)	2,096.20	-
<b>Closing borrowings as on March 31, 2018</b>	<b>2,195.29</b>	<b>7,507.74</b>	<b>9,703.03</b>

\*Includes transfer from non current borrowings to current borrowings

As per our report of even date.

For S Z DESHMUKH & CO.  
Chartered AccountantsD. U. KADAM  
Partner  
ICAI Membership No: 125886Place : Mumbai  
Date : July 3, 2018MILIND DESHPANDE  
Chief Financial OfficerKAUSTUBHA SAHASRABUDHE  
Company Secretary  
Membership No.: A21165

For and on behalf of the Board

KIRAN PATWARDHAN  
Director  
DIN 08136757VIVEK D. DHARM  
Director  
DIN 00214361

## STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED MARCH 31, 2018

## a) Equity share capital

Particulars	Note	₹ in Million
Balance as at April 1, 2016		75.00
Changes in equity share capital during the year	14	-
Balance as at March 31, 2017		75.00
Changes in equity share capital during the year	14	-
Balance as at March 31, 2018		75.00

## b) Other equity

(₹ in Million)

Particulars	Equity component of financial instruments	Reserves & Surplus				Items of Other Comprehensive Income (OCI)	Total
		Capital Redemption Reserve	General Reserve	Retained earnings*	Deemed Equity Contribution	Equity investments through OCI	
<b>Balance as at April 1, 2016</b>	<b>1,100.93</b>	<b>500.00</b>	<b>143.85</b>	<b>(308.17)</b>	<b>20.08</b>	<b>(40.53)</b>	<b>1,416.16</b>
Profit/(Loss) as for the year	-	-	-	(783.10)	-	-	(783.10)
Other comprehensive income/(loss) for the year	-	-	-	(0.92)	-	(11.03)	(11.95)
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(784.02)</b>	<b>-</b>	<b>(11.03)</b>	<b>(795.05)</b>
<b>Balance as at March 31, 2017</b>	<b>1,100.93</b>	<b>500.00</b>	<b>143.85</b>	<b>(1,092.19)</b>	<b>20.08</b>	<b>(51.56)</b>	<b>621.11</b>
Profit/(Loss) for the year	-	-	-	(3,028.23)	-	-	(3,028.23)
Other comprehensive income/(loss) for the year	-	-	-	0.84	-	(279.83)	(278.99)
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,027.39)</b>	<b>-</b>	<b>(279.83)</b>	<b>(3,307.22)</b>
<b>Balance as at March 31, 2018</b>	<b>1,100.93</b>	<b>500.00</b>	<b>143.85</b>	<b>(4,119.58)</b>	<b>20.08</b>	<b>(331.39)</b>	<b>(2,686.11)</b>

\* Includes fair valuation impact of Land and Building ₹ 1,313.00 Million for March 31, 2018, ₹ 1,318.61 Million in March 31, 2017 and ₹ 1,324.22 Million in April 1, 2016. Such amounts are not available for distribution as dividend.

As per our report of even date.

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

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

Place : Mumbai  
Date : July 3, 2018

**MILIND DESHPANDE**  
Chief Financial Officer

**KAUSTUBHA SAHASRABUDHE**  
Company Secretary  
Membership No.: A21165

For and on behalf of the Board

**KIRAN PATWARDHAN**  
Director  
DIN 08136757

**VIVEK D. DHARM**  
Director  
DIN 00214361

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Reporting entity

Trend Electronics Limited is a company domiciled in India, with its registered office situated at 20 KM Stone, Aurangabad - Beed Road, Village Bhalgaon, District Aurangabad, Maharashtra, Pincode 431210. The Company has been incorporated under the provisions of Indian Companies Act, 1956. The entity is primarily involved in manufacturing and trading of consumer durables and electronic components.

#### 1.2 Basis of preparation

##### A. Statement of compliance

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

These financial statements for the year ended March 31, 2018 are the first financial statements prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Equity, Total Comprehensive Income and Cash Flows are provided.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2016 being the 'date of transition to Ind AS'.

The financial statements of the Company for the year ended March 31, 2018 were approved for issue in accordance with the resolution of the Board of Directors on July 3, 2018. Details of accounting policies are included in Note 1.

##### B. Functional and presentation currency

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

##### C. Basis of measurement

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

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

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

##### D. Key estimates and assumptions

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

Judgements

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

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

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

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

Assumptions and estimation uncertainties:

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

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

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

##### E. Measurement of fair values

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

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

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

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

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

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

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

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

##### F. Current and non-current classification

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

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

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

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

**Operating cycle**

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

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

**1.3 Significant accounting policies****A. Financial assets**

## i) Initial recognition and measurement

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

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

## ii) Classification and subsequent measurement: Financial assets are subsequently classified and measured at

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

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

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

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

## iv) Equity Instruments

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

## v) Trade Receivables

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

## vi) Derecognition

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

## vii) Impairment of Financial Asset

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

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

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

**B. Financial liabilities**

## i) Initial recognition, measurement and classification

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

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

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

## ii) Financial guarantee contracts

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

## iii) Derecognition

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

## Offsetting of financial instruments

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

**C. Property, Plant and Equipment**

## i) Recognition and measurement

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

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

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

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

## ii) Transition to Ind AS

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

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

## iii) Subsequent expenditure

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

## iv) Depreciation

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

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

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

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

**D. Intangible assets**

## i) Recognition and measurement

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

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

## ii) Subsequent expenditure

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

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

## iii) Transition to Ind AS

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

## iv) Amortisation

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

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

## v) Expenditure on research and development

Revenue expenditure pertaining to research and development is charged to revenue under the respective heads of account in the period in which it is incurred. Capital expenditure, if any, on research and development is shown as an addition to fixed assets under the respective heads.

**E. Inventories**

Inventories are measured at the lower of cost or net realisable value. The cost of inventories is determined using the weighted average method.

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

**F. Impairment of non-financial assets**

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

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

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

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

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

**G. Revenue**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

- a) Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount recognised as revenue is exclusive of sales tax, value added taxes (VAT) and good and service tax, and is net of returns, trade discounts and quantity discounts.
- b) Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.
- c) Service income are recognised on the basis of completion of service as per contractual terms.

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

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

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

**I. Foreign currency transactions**

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

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

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

**J. Employee benefits**

## i) Short-term employee benefits

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

## ii) Provident Fund - Defined Contribution Plan

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

## iii) Gratuity - Defined Benefit Plan

The Company provides for gratuity to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs on completion of five years of service.

Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognised immediately in the Other Comprehensive Income. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

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

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

iv) **Leave Encashment**

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

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

i) Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

ii) **Warranties**

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

**L. Contingent liabilities and contingent assets**

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

Disputed demands in respect of customs duty, income tax, sales tax and others are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as an advance, till the final outcome of the matter.

Contingent assets are not recognised in the financial statements.

**M. Income Tax**

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

i) **Current Tax**

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

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

ii) **Deferred Tax**

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

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

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

Deferred tax assets and liabilities are offset only if:

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

**N. Borrowing Costs**

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

**O. Earnings per share**

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

**P. Excise and Customs Duty**

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

**Q. CENVAT/Value Added Tax / Goods and Service Tax**

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



**R. Cash and cash equivalents**

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

**S. Prior Period Items**

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

**T. New standards and interpretations not yet adopted**

Ind AS 115 - Revenue from Contracts with Customer (the new revenue recognition standard) has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and will be effective from April 01, 2018. Hence, from April 1, 2018, revenue recognition of the Company shall be driven by this standard. IND AS 115 provides guidance on how the entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This accounting change will bring about significant changes in the way companies recognise, present and disclose their revenue. The Company is currently evaluating the effect of this standard.

Also Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company does not expect any material impact on account of this change.

**Explanation of transition to Ind AS:**

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior year. The following table represents the equity reconciliation from previous GAAP to Ind AS:

As stated in Note 1, these financial statements for the year ended March 31, 2018 are the first financial statement the Company has prepared in accordance with Ind AS. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

**Mandatory Exceptions****1) Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

**2) Classification and measurement of financial assets**

As permitted under Ind AS 101, Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

**Reconciliation of statement of Equity as previously reported under IGAAP and Ind AS**

Particulars	₹ in Million	
	As at March 31, 2017	As at April 1, 2016
<b>Total Equity as per previous GAAP</b>	<b>1,004.73</b>	<b>1,599.17</b>
Fair Valuation of Land and Building	1,318.61	1,324.22
Fair valuation of equity instruments	(43.38)	(32.35)
Equity Portion of compound financial instrument	1,100.93	1,100.93
Preference shares reclassified as financial liability	(2,000.00)	(2,000.00)
Amortised cost measurement of borrowings	(375.86)	(203.86)
Guarantee Commission	5.22	21.00
Deferred tax impact on above adjustments	(314.14)	(317.95)
<b>Total Equity as per Ind AS</b>	<b>696.11</b>	<b>1,491.16</b>

**Reconciliation of total comprehensive income as previously reported under IGAAP and Ind AS**

Particulars	₹ in Million	
	For the year ended March 31, 2017	
<b>Net profit after tax as per previous Indian GAAP</b>	<b>(594.44)</b>	
Incremental depreciation on account of fair valuation of property, plant and equipment	(5.61)	
Amortised cost measurement of borrowings	(172.00)	
Guarantee Commission	(15.78)	
Remeasurements of the defined benefit plans	1.38	
Deferred tax impact on above	3.35	
<b>Profit/(loss) for the year as per Ind AS</b>	<b>(783.10)</b>	
Fair valuation of equity instruments	(11.03)	
Remeasurements of the defined benefit plans	(1.38)	
Deferred tax impact on above	0.46	
<b>Total comprehensive income/(loss) for the year as per Ind AS</b>	<b>(795.05)</b>	

**Reconciliation of Statement of cash flows:**

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

**NOTE 2**  
**PROPERTY, PLANT AND EQUIPMENT**

(₹ in Million)

Particulars	Freehold Land	Building	Plant and Machinery	Electrical Installation	Computers	Furniture and Fixtures	Office Equipments	Vehicles	Total
Deemed Cost as at April 1, 2016	1,135.17	435.86	4,555.66	11.06	7.43	6.58	4.75	12.64	6,169.15
Additions	-	-	4.99	0.02	1.35	-	0.08	-	6.44
Disposals	0.06	-	-	-	-	-	-	-	0.06
<b>Cost as at March 31, 2017 (A)</b>	<b>1,135.11</b>	<b>435.86</b>	<b>4,560.65</b>	<b>11.08</b>	<b>8.78</b>	<b>6.58</b>	<b>4.83</b>	<b>12.64</b>	<b>6,175.53</b>
Accumulated depreciation as at April 1, 2016	-	133.66	2,593.59	7.31	7.06	6.38	4.04	6.95	2,758.99
Depreciation for the year	-	9.26	222.09	0.55	0.17	0.02	0.21	1.41	233.71
Disposals	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2017 (B)</b>	<b>-</b>	<b>142.92</b>	<b>2,815.68</b>	<b>7.86</b>	<b>7.23</b>	<b>6.40</b>	<b>4.25</b>	<b>8.36</b>	<b>2,992.70</b>
<b>Net carrying amount as at March 31, 2017 (A) - (B)</b>	<b>1,135.11</b>	<b>292.94</b>	<b>1,744.97</b>	<b>3.22</b>	<b>1.55</b>	<b>0.18</b>	<b>0.58</b>	<b>4.28</b>	<b>3,182.83</b>
<b>Cost as at April 1, 2017</b>	<b>1,135.11</b>	<b>435.86</b>	<b>4,560.65</b>	<b>11.08</b>	<b>8.78</b>	<b>6.58</b>	<b>4.83</b>	<b>12.64</b>	<b>6,175.53</b>
Additions	-	-	1.05	-	0.03	-	-	-	1.08
Disposals	-	-	1,276.05	6.27	7.23	6.36	3.87	2.20	1,301.98
<b>Cost as at March 31, 2018 (A)</b>	<b>1,135.11</b>	<b>435.86</b>	<b>3,285.65</b>	<b>4.81</b>	<b>1.58</b>	<b>0.22</b>	<b>0.96</b>	<b>10.44</b>	<b>4,874.63</b>
Accumulated depreciation as at April 1, 2017	-	142.92	2,815.68	7.86	7.23	6.40	4.25	8.36	2,992.70
Depreciation for the year	-	9.27	217.79	0.52	0.49	0.02	0.17	1.41	229.67
Disposals	-	-	1,231.69	6.07	7.03	6.33	3.74	2.09	1,256.95
<b>Accumulated depreciation as at March 31, 2018 (B)</b>	<b>-</b>	<b>152.19</b>	<b>1,801.78</b>	<b>2.31</b>	<b>0.69</b>	<b>0.09</b>	<b>0.68</b>	<b>7.68</b>	<b>1,965.42</b>
<b>Net carrying amount as at March 31, 2018 (A) - (B)</b>	<b>1,135.11</b>	<b>283.67</b>	<b>1,483.87</b>	<b>2.50</b>	<b>0.89</b>	<b>0.13</b>	<b>0.28</b>	<b>2.76</b>	<b>2,909.21</b>

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

**NOTE 3****OTHER INTANGIBLE ASSETS**

(₹ in Million)

Particulars	Computer Software	Total
Gross Block as on April 1, 2016	9.61	9.61
Accumulated depreciation	9.29	9.29
<b>Deemed Cost (Net block) as on April 1, 2016</b>	<b>0.32</b>	<b>0.32</b>
Particulars	Computer Software	Total
Gross Block as at April 1, 2016	9.61	9.61
Additions	3.40	3.40
Disposals/ adjustments	-	-
<b>Cost as at March 31, 2017 (A)</b>	<b>13.01</b>	<b>13.01</b>
Accumulated depreciation as on April 1, 2016	9.29	9.29
Depreciation for the year	0.22	0.22
Disposals	-	-
<b>Accumulated depreciation as at March 31, 2017 (B)</b>	<b>9.51</b>	<b>9.51</b>
<b>Net carrying amount as at March 31, 2017 (A) - (B)</b>	<b>3.50</b>	<b>3.50</b>
<b>Cost as at April 1, 2017</b>	<b>13.01</b>	<b>13.01</b>
Additions	1.26	1.26
Disposals/ adjustments	9.01	9.01
<b>Cost as at March 31, 2018 (A)</b>	<b>5.26</b>	<b>5.26</b>
Accumulated depreciation as at April 1, 2017	9.51	9.51
Depreciation for the year	0.87	0.87
Disposals	9.01	9.01
<b>Accumulated depreciation as at March 31, 2018 (B)</b>	<b>1.37</b>	<b>1.37</b>
<b>Net carrying amount as at March 31, 2018 (A) - (B)</b>	<b>3.89</b>	<b>3.89</b>

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

	(₹ in Million)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>NOTE 4</b>			
<b>FINANCIAL ASSETS - NON CURRENT</b>			
<b>Investments</b>			
<b>Investments at Fair Value through Other comprehensive income</b>			
<b>i) Quoted</b>			
Investments in Equity Instruments**	40.73	320.56	331.59
<b>ii) Unquoted</b>			
Investments in Equity Instruments	91.68	91.70	91.70
Investment in Preference shares at amortized cost	0.38	0.38	0.38
<b>Total Non-Current Investments</b>	<b>132.79</b>	<b>412.64</b>	<b>423.67</b>
Aggregate amount of Quoted Investments	40.73	320.56	331.59
Aggregate Market value of Quoted Investments	40.73	320.56	331.59
Aggregate amount of Unquoted Investments	92.06	92.08	92.08
<i>**Out of total Investments, 3,075,642 Equity Shares of Videocon Industries Limited are pledged as security for availment of certain loans.</i>			
<b>NOTE 5</b>			
<b>FINANCIAL ASSETS - NON CURRENT</b>			
<b>Loans</b>			
Sundry Deposits	0.17	0.16	0.43
	<b>0.17</b>	<b>0.16</b>	<b>0.43</b>
<b>NOTE 6</b>			
<b>FINANCIAL ASSETS - NON CURRENT</b>			
<b>Others</b>			
<b>Bank balances other than (11a) below</b>			
Fixed deposits with maturity more than 12 months (Held as margin money for credit facilities and other commitments)	0.61	207.95	100.24
	<b>0.61</b>	<b>207.95</b>	<b>100.24</b>
<b>NOTE 7</b>			
<b>DEFERRED TAX ASSETS (NET)</b>			
Deferred tax assets (net)	134.62	-	-
	<b>134.62</b>	-	-
<b>NOTE 8</b>			
<b>OTHER NON-CURRENT ASSETS</b>			
Unamortised guarantee commission	-	-	15.78
Others	0.41	0.46	18.82
	<b>0.41</b>	<b>0.46</b>	<b>34.60</b>
<b>NOTE 9</b>			
<b>INVENTORIES</b>			
<b>(valued at lower of cost or net realisable value)</b>			
Raw Materials including Consumables, Stores and Spares	1,613.13	3,428.50	3,242.42
Materials in Transit and in Bonded Warehouse	16.02	27.29	28.94
Work-in-Process	43.98	326.34	368.31
Finished Goods and Stock in Trade	136.68	79.14	355.03
	<b>1,809.81</b>	<b>3,861.27</b>	<b>3,994.70</b>

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

	(₹ in Million)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>NOTE 10</b>			
<b>FINANCIAL ASSETS - CURRENT</b>			
<b>Trade receivables</b>			
Unsecured considered good	600.21	2,834.91	2,949.17
Considered Doubtful	-	-	-
	<u>600.21</u>	<u>2,834.91</u>	<u>2,949.17</u>
Less: Provision for doubtful debts	-	-	-
	<u>600.21</u>	<u>2,834.91</u>	<u>2,949.17</u>
<b>NOTE 11a</b>			
<b>FINANCIAL ASSETS - CURRENT</b>			
<b>Cash and cash equivalents</b>			
Cash on hand	0.72	0.14	0.37
Balance with banks in current accounts	15.80	8.48	43.12
	<u>16.52</u>	<u>8.62</u>	<u>43.49</u>
<b>NOTE 11b</b>			
<b>FINANCIAL ASSETS - CURRENT</b>			
<b>Bank balances other than (11a) above</b>			
In Dividend Warrant Accounts	0.43	0.83	1.05
In Fixed Deposits - Maturity 12 months or less (Held as margin money for credit facilities and other commitments)	113.45	145.04	264.37
	<u>113.88</u>	<u>145.87</u>	<u>265.42</u>
<b>NOTE 12</b>			
<b>FINANCIAL ASSETS - CURRENT</b>			
<b>Loans</b>			
<i>(Unsecured, considered good, unless otherwise specified)</i>			
Other Short Term Loans and Advances	5,056.40	1,929.08	3,357.63
	<u>5,056.40</u>	<u>1,929.08</u>	<u>3,357.63</u>
<b>NOTE 13</b>			
<b>OTHER CURRENT ASSETS</b>			
Others	23.73	16.39	30.79
	<u>23.73</u>	<u>16.39</u>	<u>30.79</u>
<b>NOTE 14</b>			
<b>SHARE CAPITAL</b>			
<b>Authorised</b>			
25,000,000 Equity Shares of ₹ 10/- each	250.00	250.00	250.00
	<u>250.00</u>	<u>250.00</u>	<u>250.00</u>
<b>Issued, Subscribed and Paid-up</b>			
7,500,000 Equity Shares of ₹ 10/- each fully paid-up	75.00	75.00	75.00
	<u>75.00</u>	<u>75.00</u>	<u>75.00</u>

## i) Reconciliation of the number of Shares:

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million	No. of Shares	₹ in Million
Equity Shares of ₹ 10/- each						
At the beginning of the year	7,500,000	75.00	7,500,000	75.00	7,500,000	75.00
Issued during the year	-	-	-	-	-	-
At the end of the year	7,500,000	75.00	7,500,000	75.00	7,500,000	75.00

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

## ii) Rights, preference and restrictions:

- a) The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to equal right of voting and dividend.
- b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of Shareholders	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
a) Dome-Bell Electronics India Private Limited	1,250,100	16.67	1,250,100	16.67	1,250,100	16.67
b) Shree Dhoot Trading and Agencies Limited	116,075	1.55	116,075	1.55	381,075	5.08
c) Videocon Industries Limited	1,408,800	18.78	1,408,800	18.78	1,408,800	18.78
d) Waluj Components Private Limited	710,730	9.48	710,730	9.48	710,730	9.48

(₹ in Million)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>NOTE 15</b>			
<b>OTHER EQUITY</b>			
Capital Redemption Reserve	500.00	500.00	500.00
Deemed Equity Contribution	20.08	20.08	20.08
General Reserve	143.85	143.85	143.85
Equity component of compound financial instruments	1,100.93	1,100.93	1,100.93
Equity instruments through OCI	(331.39)	(51.56)	(40.53)
Retained Earnings	(4,119.58)	(1,092.19)	(308.17)
	<b>(2,686.11)</b>	<b>621.11</b>	<b>1,416.16</b>

**Capital Redemption Reserve**

The Company recognises the capital redemption reserve from its retained earnings as per the provisions of Companies Act, 2013, as applicable.

**Capital Reserve**

Includes capital subsidy received.

**Deemed Equity Contribution**

Capital contribution from the group.

**General Reserve**

The Company was required to transfer a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provision of companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

**Equity component of compound financial instrument**

The account represents the equity component of preference shares calculated as per Ind AS 109.

**Equity instruments through OCI**

This account represents the fair value changes in the investments calculated at every reporting date as per Ind AS 109.

**Retained Earnings**

This account includes the amount of profit and loss account transferred to the equity.

(₹ in Million)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>NOTE 16</b>			
<b>FINANCIAL LIABILITIES</b>			
<b>Non current borrowings</b>			
<b>a) Secured</b>			
Rupee Term Loans from Banks	-	1,990.45	3,612.44
<b>b) Unsecured</b>			
Sales Tax deferral	99.44	202.86	323.75
8% Non Cumulative Redeemable Preference shares	1,437.41	1,274.93	1,124.19
	<b>1,536.85</b>	<b>3,468.24</b>	<b>5,060.38</b>

Note:

- a) 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.

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

b) 8% Non Cumulative Redeemable Preference Shares (20,000,000 Redeemable Preference Shares of ₹ 100/- each amounting to ₹ 2,000.00 Million):

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

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

ii) Terms of redemption of Preference Shares:

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

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

(₹ in Million)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>NOTE 17</b>			
<b>PROVISIONS</b>			
Provision for Employee Benefits:			
Gratuity	13.02	16.15	13.97
Provision for Leave Encashment	4.52	4.81	4.39
	<u>17.54</u>	<u>20.96</u>	<u>18.36</u>
<b>NOTE 18</b>			
<b>DEFERRED TAX LIABILITIES (NET)</b>			
Deferred tax liabilities (net)	-	108.60	53.72
	<u>-</u>	<u>108.60</u>	<u>53.72</u>
<b>NOTE 19</b>			
<b>FINANCIAL LIABILITIES</b>			
<b>Current Borrowings</b>			
<b>Secured</b>			
Rupee Term Loan from Banks	2,096.20	-	-
Working Capital Loans from Banks	5,411.54	3,008.50	3,088.35
	<u>7,507.74</u>	<u>3,008.50</u>	<u>3,088.35</u>

**Secured Loans:**

i) Rupee Term Loans from Banks:

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

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

Rupee Term Loans from Banks are secured by first pari-passu charge on all present and future tangible/intangible assets (excluding the Identified Properties) of each of the Borrower, first pari-passu charge on the Trust and Retention Accounts of the Borrowers, second pari-passu charge on Identified Assets of Videocon Hydrocarbon Holdings Limited's (VHHL) subsidiaries through pledge of entire shareholding of VHHL in these overseas subsidiaries, second charge on pledge of 100% shares of Videocon Oil Ventures Limited and VHHL, second pari-passu charge on VHHL's share of cash flows from Identified Assets and second pari-passu charge over current assets of each of the Borrowers. The Rupee Term Loans are also secured by first ranking pledge over specified numbers of equity shares of Videocon Industries Limited, Trend Electronics Limited and Value Industries Limited held by the promoters, the personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot, Mr. Rajkumar N. Dhoot and first pari-passu charge on 'Videocon' brand. The said loans which were classified as Non-Current Borrowings till previous year have now been classified as Short Term Borrowings, as the banks have now raised the demands for entire loan amount. [Also refer Note No. 38]

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

(₹ in Million)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>NOTE 20</b>			
<b>FINANCIAL LIABILITIES-CURRENT</b>			
<b>Trade payables</b>			
Total outstanding due to micro and small enterprises (Refer Note 40)	44.35	29.95	45.97
Total outstanding due to creditors other than micro and small enterprises	478.41	2,047.70	2,116.21
	<u>522.76</u>	<u>2,077.65</u>	<u>2,162.18</u>

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

(₹ in Million)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>NOTE 21</b>			
<b>FINANCIAL LIABILITIES- CURRENT</b>			
<b>Others</b>			
Current maturities of Long Term Borrowings	658.44	619.19	1,101.61
Unclaimed Dividend	0.43	0.83	1.05
Other Payables	3,115.43	2,479.45	1,578.64
	<b>3,774.30</b>	<b>3,099.47</b>	<b>2,681.30</b>
<b>NOTE 22</b>			
<b>OTHER CURRENT LIABILITIES</b>			
Statutory dues payable	42.76	90.66	29.06
Others	3.15	15.44	6.87
	<b>45.91</b>	<b>106.10</b>	<b>35.93</b>
<b>NOTE 23</b>			
<b>PROVISIONS</b>			
Provision for Employee Benefits:			
Gratuity	2.05	2.06	1.83
Provision for Leave Encashment	0.40	0.75	0.64
Others:			
Provision for Warranty and Maintenance expenses	20.30	25.92	30.27
	<b>22.75</b>	<b>28.73</b>	<b>32.74</b>

**Movement of Provision for warranty and maintenance expenses**

	As at March 31, 2018	As at March 31, 2017
At the commencement of the year	25.92	30.27
Provision made during the year	20.30	25.92
Utilisation of Provisions	25.92	30.27
Unused amount reversed during the year	-	-
At the end of the year	<b>20.30</b>	<b>25.92</b>

**Provision for warranty and maintenance expenses**

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

(₹ in Million)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>NOTE 24</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products - Electrical and Electronic items	3,832.66	11,823.59
Income from Services	116.20	20.03
Other Operating Revenue	0.64	1.31
	<b>3,949.50</b>	<b>11,844.93</b>
<b>NOTE 25</b>		
<b>OTHER INCOME</b>		
Interest Income	15.79	31.85
Profit on Sale of Fixed Assets	-	12.60
Exchange Rate Fluctuation	-	122.11
Other Non Operating Income	0.31	0.55
	<b>16.10</b>	<b>167.11</b>

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

(₹ in Million)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>NOTE 26</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Imported	2,676.05	2,462.23
Indigenous	1,919.55	2,456.82
	<b>4,595.60</b>	<b>4,919.05</b>
<b>NOTE 27</b>		
<b>PURCHASE OF STOCK-IN-TRADE</b>		
Electrical and Electronic items	516.66	5,222.47
	<b>516.66</b>	<b>5,222.47</b>
<b>NOTE 28</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Inventory</b>		
Finished Goods and Stock-in-Trade	79.14	355.03
Work-in-Process	326.34	368.31
	<b>405.48</b>	<b>723.34</b>
<b>Closing Inventory</b>		
Finished Goods and Stock-in-Trade	136.68	79.14
Work-in-Process	43.98	326.34
	<b>180.66</b>	<b>405.48</b>
<b>Changes in inventory</b>	<b>224.82</b>	<b>317.86</b>
<b>NOTE 29</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salary, Wages and Other Benefits	168.34	178.91
Contribution to Provident Fund and Other Funds	18.65	15.74
Staff Welfare Expenses	6.36	7.55
	<b>193.35</b>	<b>202.20</b>
<b>NOTE 30</b>		
<b>FINANCE COSTS</b>		
Interest Expenses	1,081.37	978.39
Other Borrowing Costs	9.05	19.73
	<b>1,090.42</b>	<b>998.12</b>
<b>NOTE 31</b>		
<b>OTHER EXPENSES</b>		
Power, Fuel and Water	14.67	17.83
Rent, Rates and Taxes	2.54	47.00
Repairs to Building	0.68	1.11
Repairs to Plant and Machinery	4.80	2.31
Other Repairs and Maintenance	1.08	1.80
Insurance	4.24	3.74
Guarantee Commission	-	15.78
Carriage and Cartage	24.74	34.12
Bank Charges	37.37	74.45
Payment to Auditors*	0.54	1.32
Directors' Sitting Fees	0.07	0.07
Exchange Rate Fluctuation	25.62	-
Loss on Sale/Discard of Fixed Assets	45.03	-
Warranty and Maintenance	23.08	29.85
Office and General Expenses	96.37	42.48
	<b>280.83</b>	<b>271.86</b>



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

(₹ in Million)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>*Payment to Auditors:</b>		
a) Statutory Audit Fees	1.14	2.29
b) Tax Audit Fees	0.15	0.15
c) Other Services	-	0.66
d) Out of Pocket Expenses	0.02	0.03
	<b>1.31</b>	<b>3.13</b>
<b>NOTE 32</b>		
<b>INCOME TAXES</b>		
<b>a) Amounts recognised in profit and loss</b>		
<b>Current income tax</b>	-	-
<b>Deferred income tax (asset) / liability, net</b>		
Origination and reversal of temporary differences	(243.63)	55.34
<b>Deferred tax expense</b>	<b>(243.63)</b>	<b>55.34</b>
<b>Tax expense for the year</b>	<b>(243.63)</b>	<b>55.34</b>
<b>b) Amounts recognised in other comprehensive income</b>		
Deferred tax on remeasurements of the defined benefit plans	(0.41)	0.46
Deferred tax on equity instruments FVTOCI	-	-
	<b>(0.41)</b>	<b>0.46</b>
<b>c) Reconciliation of effective tax rate</b>		
Profit before tax	(3,271.86)	(727.76)
Statutory income tax rate	33.06%	33.06%
Effective tax amount	(1,081.78)	(240.62)
Deferred tax not created on Business loss	838.15	295.96
	<b>(243.63)</b>	<b>55.34</b>

Deferred Tax assets and liabilities are attributable to the following:

(₹ in Million)

Particulars	Net deferred Tax (Asset)/Liabilities		
	March 31, 2018	March 31, 2017	April 1, 2016
Property, Plant and Equipment	543.47	584.12	602.17
Expenses allowable for deduction in future years	(197.76)	(47.29)	(34.98)
Unabsorbed depreciation and losses	(478.09)	(427.63)	(514.83)
Fair valuation of investments through OCI	8.18	8.18	8.18
Borrowing Costs - EIR	-	-	7.03
Deemed Equity	-	-	(5.22)
MAT Credit	(8.63)	(8.63)	(8.63)
Indexation Impact	(1.79)	(0.15)	-
<b>Net deferred tax (assets) / liability</b>	<b>(134.62)</b>	<b>108.60</b>	<b>53.72</b>

(₹ in Million)

Particulars	Balance as at	Recognised in	Recognised in	Balance as at	Recognised in	Recognised in	Balance as at
	April 1, 2016	Profit and Loss during 2016-17	OCI during 2016-17	March 31, 2017	Profit and Loss during 2017-18	OCI during 2017-18	March 31, 2018
Property, Plant and Equipment	602.17	(18.05)		584.12	(40.65)		543.47
Expenses allowable for deduction in future years	(34.98)	(12.31)		(47.29)	(150.47)		(197.76)
Unabsorbed depreciation and losses	(514.83)	87.20		(427.63)	(50.46)		(478.09)
Fair valuation of investments through OCI	8.18	-		8.18	-		8.18
Borrowing Costs - EIR	7.03	(7.03)		-	-		-
Deemed Equity	(5.22)	5.22		-	-		-
MAT Credit	(8.63)	-		(8.63)	-		(8.63)
Remeasurements of defined benefit obligation	-	0.46	(0.46)	-	(0.41)	0.41	-
Indexation Impact	-	(0.15)		(0.15)	(1.64)		(1.79)
<b>Total</b>	<b>53.72</b>	<b>55.34</b>	<b>(0.46)</b>	<b>108.60</b>	<b>(243.63)</b>	<b>0.41</b>	<b>(134.62)</b>

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

## NOTE 33

## EARNINGS PER SHARE (EPS)

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

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Basic and diluted earnings per share for ordinary shareholders</b>		
a) Net Profit/(Loss) for the year attributable to Equity Shareholders (₹ Million)	(3,028.23)	(783.10)
b) Weighted average Number of Equity Shares	75,00,000	75,00,000
c) Basic and Diluted Earnings per Share of ₹ 10/- each (₹)	(403.76)	(104.41)
d) Nominal value of Equity Share (₹)	10.00	10.00

Note:

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

## NOTE 34

## FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

## A. Accounting classification and fair values

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

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

As at March 31, 2017	Carrying Amount				Fair Value		
	Total	Amortised	FVTPL	FVTOCI	Level 1	Level 2	Level 3
		Cost					
(₹ in Million)							
<b>Non-current financial assets</b>							
Investments	412.64	0.38	-	412.26	320.56	0.38	91.70
Loans	0.16	0.16				0.16	
Others	207.95	207.95				207.95	
<b>Current financial assets</b>							
Trade receivables	2,834.91	2,834.91					
Cash and cash equivalents	8.62	8.62					
Other bank balances	145.87	145.87					
Loans	1,929.08	1,929.08					
Other current financial assets	-	-					
	<b>5,539.23</b>	<b>5,126.97</b>	-	<b>412.26</b>	<b>320.56</b>	<b>208.49</b>	<b>91.70</b>

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

(₹ in Million)

	Carrying Amount				Fair Value		
	Total	Amortised Cost	FVTPL	FVTOCI	Level 1	Level 2	Level 3
<b>Non-current financial liabilities</b>							
Borrowings	3,468.24	3,468.24				3,468.24	
<b>Current financial liabilities</b>							
Borrowings	3,008.50	3,008.50					
Trade payables	2,077.65	2,077.65					
Others	3,099.47	3,099.47					
	<b>11,653.86</b>	<b>11,653.86</b>	-	-	-	<b>3,468.24</b>	-

(₹ in Million)

As at April 1, 2016	Carrying Amount				Fair Value		
	Total	Amortised Cost	FVTPL	FVTOCI	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>							
Investments	423.67	0.38		423.29	331.59	0.38	91.70
Loans	0.43	0.43				0.43	
Others	100.24	100.24				100.24	
<b>Current financial assets</b>							
Trade receivables	2,949.17	2,949.17					
Cash and cash equivalents	43.49	43.49					
Other bank balances	265.42	265.42					
Loans	3,357.63	3,357.63					
Other current financial assets	-	-					
	<b>7,140.05</b>	<b>6,716.76</b>	-	<b>423.29</b>	<b>331.59</b>	<b>101.05</b>	<b>91.70</b>
<b>Non-current financial liabilities</b>							
Borrowings	5,060.38	5,060.38				5,060.38	
<b>Current financial liabilities</b>							
Borrowings	3,088.35	3,088.35					
Trade payables	2,162.18	2,162.18					
Others	2,681.30	2,681.30					
	<b>12,992.21</b>	<b>12,992.21</b>			-	<b>5,060.38</b>	-

- a. The fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.
- b. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.
- c. Measurement of fair values : The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique

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

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

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

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

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

**B. Financial risk management**

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

- i) Liquidity risk;
- ii) Credit risk; and
- iii) Market risk

**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and Board of Directors standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

**Maturities of financial liabilities**

The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Million)

As at March 31, 2018	Carrying Amount	Contractual cash flows				
		Total	Upto 1 Year	2 to 3 Years	4 to 5 Years	More than 5 Years
<b>Non-derivative financial liabilities</b>						
<b>Non-Current, non derivative financial liabilities</b>						
Borrowings (including current maturity of long term debt)	2,195.29	2,195.29	1,021.07	555.77	376.69	241.76
<b>Current, non derivative financial liabilities</b>						
Borrowings	7,507.74	7,507.74	7,507.74			
Trade Payables	522.76	522.76	522.76			
Other Current Liabilities (excluding current maturity of long term debt)	3,115.86	3,115.86	3,115.86			
<b>Total</b>	<b>13,341.65</b>	<b>13,341.65</b>	<b>12,167.43</b>	<b>555.77</b>	<b>376.69</b>	<b>241.76</b>

(₹ in Million)

As at March 31, 2017	Carrying Amount	Contractual cash flows				
		Total	Upto 1 Year	2 to 3 Years	4 to 5 Years	More than 5 Years
<b>Non-derivative financial liabilities</b>						
<b>Non current, non derivative financial liabilities</b>						
Borrowings (including current maturity of long term debt)	4,087.43	4,087.43	776.21	1,406.17	1,564.80	340.25
<b>Current, non derivative financial liabilities</b>						
Borrowings	3,008.50	3,008.50	3,008.50			
Trade Payables	2,077.65	2,077.65	2,077.65			
Other Current Liabilities (excluding current maturity of long term debt)	2,480.28	2,480.28	2,480.28			
<b>Total</b>	<b>11,653.86</b>	<b>11,653.86</b>	<b>8,342.64</b>	<b>1,406.17</b>	<b>1,564.80</b>	<b>340.25</b>

(₹ in Million)

As at April 1, 2016	Carrying Amount	Contractual cash flows				
		Total	Upto 1 Year	2 to 3 Years	4 to 5 Years	More than 5 Years
<b>Non-derivative financial liabilities</b>						
<b>Non current, non derivative financial liabilities</b>						
Borrowings (including current maturity of long term debt)	6,161.99	6,161.99	1,101.61	2,511.21	1,636.87	912.30
<b>Current, non derivative financial liabilities</b>						
Borrowings	3,088.35	3,088.35	3,088.35			
Trade Payables	2,162.18	2,162.18	2,162.18			
Other Current Liabilities (excluding current maturity of long term debt)	1,579.69	1,579.69	1,579.69			
<b>Total</b>	<b>12,992.21</b>	<b>12,992.21</b>	<b>7,931.83</b>	<b>2,511.21</b>	<b>1,636.87</b>	<b>912.30</b>

ii) **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing

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

credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

## a) Trade receivables

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

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

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

(₹ in Million)			
Gross carrying amount			
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Past due not impaired</b>			
Past due 1-30 days	3.21	687.21	823.85
Past due 31-60 days	135.68	585.89	664.20
Past due 61-90 days	0.92	480.86	547.78
Past due 91-120 days	1.91	649.17	507.31
Past due 121-180 days	14.26	431.78	406.03
More than 180 days	444.23	-	-
<b>Total</b>	<b>600.21</b>	<b>2,834.91</b>	<b>2,949.17</b>

Management has analysed the debtors outstanding as of March 31, 2018 and concluded that the history of bad debts on the profile of its current debtors is insignificant. The debtors which are outstanding as of March 31, 2018 have been generally regular in making payments and hence it does not expect significant impairment losses on its current profile of outstanding debtors. The debtors which have defaulted in the past are mostly on account of any litigations and its experience regarding bad debts has been very low in the past.

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

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

The Company held cash and cash equivalents and other bank balances of ₹ 130.40 Million as at March 31, 2018 (March 31, 2017: ₹ 154.49 Million, April 1, 2016: ₹ 308.91 Million). The cash and cash equivalents are held with banks.

## c) Other financial assets

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

## iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

## a) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

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

## b) Exposure to interest rate risk

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

(₹ in Million)			
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Borrowings</b>			
<b>Variable rate borrowings</b>			
Non current borrowings	1,536.85	3,468.24	5,060.38
Current borrowings	7,507.74	3,008.50	3,088.35
Current maturities of long term borrowings	658.44	619.19	1,101.61
<b>Total</b>	<b>9,703.03</b>	<b>7,095.93</b>	<b>9,250.34</b>

## Fair value sensitivity analysis for fixed-rate instruments

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

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

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

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalized to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

Particulars	(₹ in Million)	
	Profit or (Loss) before tax	
	100bp increase	100bp decrease
March 31, 2018	(97.03)	97.03
March 31, 2017	(70.96)	70.96
April 1, 2016	(92.50)	92.50

**NOTE 35****CAPITAL MANAGEMENT**

The Company's policy is to maintain a strong capital base to sustain future development of the business.

For the purpose of the entity's capital management, capital includes issued capital and other equity reserves. The primary objective of the entity's Capital Management is to maximise shareholders value. The entity manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

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

Particulars	(₹ in Million)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non Current Borrowings	1,536.85	3,468.24	5,060.38
Current Borrowings	7,507.74	3,008.50	3,088.35
Current maturity of long term borrowings	658.44	619.19	1,101.61
<b>Gross Debt</b>	<b>9,703.03</b>	<b>7,095.93</b>	<b>9,250.34</b>
Less: Cash and cash equivalents	16.52	8.62	43.49
Less: Other bank balances	113.88	145.87	265.42
<b>Adjusted Net Debt</b>	<b>9,572.63</b>	<b>6,941.44</b>	<b>8,941.43</b>
Total Equity	(2,611.11)	696.11	1,491.16
<b>Adjusted Net Debt to Total Equity</b>	<b>(3.67)</b>	<b>9.97</b>	<b>6.00</b>

**NOTE 36****EMPLOYEE BENEFITS**

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

**A) Defined Contribution Plans:**

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

Contribution to Provident and Other Funds of ₹ 18.65 Million (Previous year ₹ 15.74 Million) is recognised as an expense and shown under the head "Employee Benefits Expense" in the Statement of Profit and Loss.

**B) Defined Benefit Plan: Gratuity**

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

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

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

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

Particulars	(₹ in Million)			
	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Defined benefit obligation at the beginning of the year	35.19	29.64	5.56	5.03
Recognised in profit or loss				
Current service cost	2.06	1.83	1.16	1.05
Interest expense	2.35	2.22	0.36	0.37
Past service cost	1.32	-	-	-
Recognised in other comprehensive income				
Actuarial (gains)/losses on obligations	(1.13)	1.54	(1.12)	(0.78)
Benefit paid	(3.52)	(0.04)	(1.04)	(0.11)
<b>Defined benefit obligation at the end of the year</b>	<b>36.27</b>	<b>35.19</b>	<b>4.92</b>	<b>5.56</b>

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

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

(₹ in Million)

Particulars	Gratuity	
	March 31, 2018	March 31, 2017
At the beginning of the year	16.98	13.83
Interest income	1.15	1.06
Expected Return on Plan Assets	0.12	0.16
Recognised in other comprehensive income	-	-
Actuarial gains/(losses)		
Due to change in financial assumptions	-	-
Employer contributions	6.47	1.97
Benefit paid	(3.52)	(0.04)
<b>At the end of the year</b>	<b>21.20</b>	<b>16.98</b>

## iii) Amount recognised in Balance sheet:

(₹ in Million)

Particulars	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Defined benefit obligation	36.27	35.19	4.92	5.56
Fair value of plan assets	(21.20)	(16.98)	-	-
<b>Net defined benefit (obligation)/assets</b>	<b>15.07</b>	<b>18.21</b>	<b>4.92</b>	<b>5.56</b>

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

(₹ in Million)

Particulars	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Recognised in the Statement of profit and loss</b>				
Current service cost	2.06	1.83	1.16	1.05
Interest expense	2.35	2.22	0.36	0.37
Past service cost	1.32	-	-	-
Interest income	1.15	1.06	-	-
<b>For the year</b>	<b>4.58</b>	<b>2.99</b>	<b>1.52</b>	<b>1.42</b>
<b>Recognised in the Other comprehensive income</b>				
Actuarial (gains) / losses on obligations	(1.13)	1.54	(1.12)	(0.78)
Actuarial (gains) / losses on plan assets	(0.12)	(0.16)	-	-
<b>For the year</b>	<b>(1.25)</b>	<b>1.38</b>	<b>(1.12)</b>	<b>(0.78)</b>

## v) Actuarial assumptions:

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

Particulars	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Financial assumptions</b>				
Discount rate	7.00%	7.00%	7.30%	7.30%
Salary escalation	5.00%	5.00%	5.00%	5.00%
<b>Demographic assumptions</b>				
Mortality rate	Indian assured life mortality (2006-2008) ultimate			
Turnover Rate	5% at younger ages reducing to 1% at older ages			
Future Salary Increase	5% per annum			

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

## vi) Sensitivity analysis

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

Particulars	(₹ in Million)			
	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
<b>Gratuity</b>				
Discount rate (0.50% movement)	(35.20)	37.42	(34.05)	36.40
Rate of increase in salaries (0.50% movement)	37.41	(35.19)	36.37	(34.06)
Withdrawal rate (10% movement)	36.35	(36.21)	35.26	(35.12)
<b>Leave Encashment</b>				
Discount rate (0.50% movement)	(4.77)	5.08	(5.39)	5.74
Rate of increase in salaries (0.50% movement)	5.08	(4.77)	5.74	(5.38)
Withdrawal rate (10% movement)	4.93	(4.91)	5.57	(5.54)

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

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

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

Particulars	(₹ in Million)				
	Upto 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
Defined benefit obligations (Gratuity - funded)					
March 31, 2018	2.97	2.95	13.22	25.31	44.45
March 31, 2017	0.75	0.41	2.01	2.96	6.13

## Note 37.

## Contingent Liabilities not provided for:

	(₹ in Million)	
	As at March 31, 2018	As at March 31, 2017
i) Letters of Credit opened	0.29	499.83
ii) Letters of Guarantees	3.96	3.96
iii) Claims against the Company not acknowledged as debt:		
a) Custom Duty demands and penalties under dispute	0.75	0.75
b) Excise Duty and Service Tax demands and penalties under dispute	21.22	12.77
c) Sales Tax demands and penalties under dispute	0.57	0.57
[Amount paid under protest ₹ 0.27 Million (Previous year ₹ 0.27 Million)]		
iv) Income Tax matters in respect of which appeals are pending	1.95	7.43

## Note 38.

The Company alongwith 13 other affiliates/entities (collectively referred to as 'Obligors' or individually as 'Borrower' or 'Co-Obligors') executed Facility Agreement with the consortium of existing domestic rupee term lenders, under the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities are Videocon Industries Limited, Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited, Evans Fraser and Co. (India) Limited, Electroworld Digital Solutions Limited and Videocon Telecommunications Limited.

As the Company is a Co-Obligor, it is contingently liable in respect of the borrowings of other Obligors/Borrowers to the extent of outstanding balance of Rupee Term Loans as on March 31, 2018 of ₹ 210,200.65 Million (As at March 31, 2017 ₹ 212,769.44 Million).

## Note 39.

The Directorate of Revenue Intelligence, Mumbai Zonal Unit ('DRI'), has on 30th December, 2014, issued a Show Cause Notice ('SCN') in connection with import of Colour Picture Tubes ('CPTs') by the Company and other concerns. The DRI has alleged that the Company has resorted to over-valuation of CPTs, for High Sea Sales made by the Company, leading to evasion of anti-dumping duty. Demand issued for the penalty of ₹ 0.50 Million.

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



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

**Note 40.**

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

	(₹ in Million)	
	As at March 31, 2018	As at March 31, 2017
a) Principle amount remaining unpaid as at the end of the year	44.35	29.95
b) Interest due thereon as at the end of the year	0.06	0.08
c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	4.81	21.66
d) Interest due and payable for the period of delay in making payment	0.06	0.08
e) Interest accrued and remaining unpaid at the end of the year	0.06	0.08
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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

	(₹ in Million)	
	Year ended on March 31, 2018	Year ended on March 31, 2017

**Note 41.****C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency**

a) C.I.F. Value of Imports:		
Raw Materials and Stock in Trade	1,805.61	3,406.83
Capital Goods	0.20	0.89
b) Expenditure incurred in Foreign Currency:		
Interest	-	12.88
Bank Charges	-	0.06
Travelling	-	0.07
Others	-	0.37
c) Other Earnings/Receipts in Foreign Currency:		
F.O.B. Value of Exports	-	120.08

**Note 42.****Corporate Social Responsibility**

The Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year ended March 31, 2018.

**Note 43.**

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

**Note 44.****Related party transactions:****A) List of Related Parties where control exists and related parties with whom transactions have taken place and relationship:****Key Management Personnel:**

Mr. J. L. Bangad - Head Operations

Mr. Milind Deshpande - Chief Financial Officer

Mr. Kaustubha Sahasrabudhe - Company Secretary

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

Remuneration to Key Management Personnel - ₹ 7.00 Million (Previous year ₹ 7.78 Million)

**Note 45.**

The confirmations and reconciliation of balances of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances are pending. The management is in the process of obtaining confirmations and reconciliation of balances. In the opinion of the management, there will not be any material impact on the standalone Ind AS financial statements.

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

**Note 46.**

The Company has incurred a loss of ₹ 3,028.23 Million during the year ended March 31, 2018 (previous year loss of ₹ 783.10 Million), and as of that date, the Company's accumulated losses amounts to ₹ 4,119.58 Million (As on March 31, 2017 accumulated losses of ₹ 1,092.19 Million) and it has negative net worth of ₹ 2,611.11 Million (As on March 31, 2017 positive networth of ₹ 696.11 Million).

Further, State Bank of India, the consortium member bank of the Company has initiated Corporate Insolvency Resolution Process (CIRP) for the Company under the Insolvency and Bankruptcy Code, 2016 as amended and has filed the petition in National Company Law Tribunal (NCLT), Mumbai. The matter is under consideration of the NCLT. In view of the above and in view of the persistent severe strains on the working capital for more than a year, there is a significant drop in the production and sale of products which raises doubt on the ability of the Company to continue as "Going Concern" for the purpose of activities and operations of the Company along with activities and operations of other co-obligor companies. Also, the referral of the Company, in line with the directives of Reserve Bank of India, to NCLT under the Insolvency and Bankruptcy Code by lenders, amounts to a very material event. On this background during the year, the Company has discarded and /or disposed of certain assets in view of the same being irretrievable for the purpose of business. The Company continues the process for ascertaining the liquidation value for remaining current assets such as raw materials, finished goods, stock-in-process, receivables etc., justifiably assuming that the going concern concept stands vitiated and necessary adjustments will be effected in the due course.

**Note 47.**

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

**Note 48.**

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

As per our report of even date.

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

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

Place : Mumbai  
Date : July 3, 2018

**MILIND DESHPANDE**  
Chief Financial Officer

**KAUSTUBHA SAHASRABUDHE**  
Company Secretary  
Membership No.: A21165

**For and on behalf of the Board**

**KIRAN PATWARDHAN**  
Director  
DIN 08136757

**VIVEK D. DHARM**  
Director  
DIN 00214361





# PROXY FORM

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

## TREND ELECTRONICS LIMITED

**CIN:** L99999MH1989PLC052233

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

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

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

### 28th Annual General Meeting - 28th December 2018

Name of the Member(s)

Registered address

Email ID

Folio No. / Client ID No.

DP ID No.

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

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

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

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

*or failing him/her*

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

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

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

*or failing him/her*

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

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

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

(contd.....)

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 28th Annual General Meeting- of the Company, to be held on the Friday, 28th December, 2018 at 11.30 a.m. at the Registered office at 20 K. M. Stone, Aurangabad-Beed Road, Village: Bhargaon, Aurangabad - 431 210 (Maharashtra) and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution Number	Resolution	For	Against
<b>Ordinary Business:</b>			
1.	Adoption of Audited Statement of Profit and Loss for the financial year ended 31st March, 2018 and the Audited Balance Sheet as at that date together with Reports of Board of Directors and Auditors thereon.		
2.	Appoint a Director in place of Mrs. Smita Dharm, (DIN: 07144712), who retires by rotation, and being eligible offers herself for re-appointment.		
<b>Special Business:</b>			
3.	Appointment of Mr. Kiran R. Patwardhan (DIN: 08136757) as an Non Executive, Independent Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

Affix Revenue Stamp Re. 1
------------------------------------

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

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

Notes:

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

# ATTENDANCE SLIP

## TREND ELECTRONICS LIMITED

**CIN:** L99999MH1989PLC052233

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

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

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

### 28th Annual General Meeting - 28th December 2018

Regd. Folio No. / Client ID No.

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DP ID No.

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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 28th ANNUAL GENERAL MEETING of the Company held on Friday, 28th December, 2018 at 11.30 a.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's Signature

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

*Please read errata for typesetting matter.*





## KYC FORM

To

Date:

**MCS SHARE TRANSFER AGENTS LIMITED**

A-209 C- Wing, 2<sup>nd</sup> Floor, Gokul Industries, Estate Building  
Sagbaug, Marol Co-op Industrial Area, B/H Times Square,  
Andheri (E), Mumbai – 400059

Folio No:

Unit: **Trend Electronics Limited**

Dear Sir/Madam,

No of Shares:

I/We refer to the circular dated September 4, 2018 and based on the required details to be updated please find the below documents. I /We also request you to record contact number(s) and email id(S) for future communications as under.

<b>(A)</b>	<b>PAN</b>	
<b>(B)</b>	<b>Bank details</b>	
<b>(C)</b>	<b>Specimen Signature</b>	
<b>(D)</b>	<b>Email ID</b>	
<b>(E)</b>	<b>Mobile No.</b>	
<b>(F)</b>	<b>Nominee Details</b>	

Based on the above data, we are forwarding herewith the required supporting documents by ticking in the appropriate checkbox below for all the fields where the status is shown as 'Required' in the above table).

**A For registering PAN of the registered and/or joint shareholders (as applicable)**

Registered shareholder     
  Joint holder 1     
  Joint holder 2     
  Joint holder 3 (self-attested copy for all Shareholders attached)

**B For registering Bank details of the registered shareholder**

Aadhar/Passport/utility bill     
  Original cancelled cheque leaf     
  Bank Passbook/Bank Statement

**C For registering the Specimen Signature of registered and/or joint shareholders (as applicable)**

Affidavit     
  Banker verification     
  Original cancelled cheque leaf     
  Bank Passbook/Bank Statement (for all Shareholders attached)

**D For Updating the email id:**

**E: Mobile No:**

**F For registering the nominee details by the registered shareholder**

Form SH-13 (Nomination registration form attached)

**Note:- For residents of Sikkim instead of PAN provide Aadhar Card/Voters Card/Driving License/Passport or any other identity proof issued by Govt.**

I /We hereby state that the above mentioned details are true and correct and we consent towards updating the particulars based on the self-attested copies of the documents enclosed with this letter by attesting my/our signature(s) to it

Sign: \_\_\_\_\_                      Sign: \_\_\_\_\_                      Sign: \_\_\_\_\_                      Sign: \_\_\_\_\_  
                          Registered holder                                      Joint holder 1                                      Joint holder 2                                      Joint holder 3

<b>Name of the shareholder</b>	
<b>PAN</b>	
<b>Bank</b>	

# IMPORTANT AND URGENT FOR IMMEDIATE ACTION

Dear Shareholder,

**Unit: Trend Electronics Limited**

## **Sub: Requirement of updation of KYC details of registered shareholders and mandatory dematerialisation for transfer of securities**

We refer to the SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 and SEBI Circular no. SEBI/HO/MIRSD/DOS3/ CIR/P/2018/115 dated 16th July, 2018, in which SEBI has directed to all the listed Companies to record the PAN and BANK ACCOUNT details of all their shareholders holding shares in physical mode through their Registrar and Share Transfer Agent (RTA) and SEBI Notification No. SEBI/LAD-NRO/ GN/2018/24 dated 8th June, 2018 read with BSE Circular No. LIST/COMP/15/2018-19 dated 5th July, 2018 and NSE Circular No. NSE/CML/2018/26 dated 9th July, 2018 on mandatory dematerialization for transfer of securities.

We, therefore, request you to send us the following documents in order to update your PAN card, bank account and other details in the Company's records and take note of the following :

### **A. Updation of PAN of the registered and/or joint shareholders:**

- Self-attested legible copy of PAN card.
- If the shareholder is a resident of Sikkim, the shareholder is required to submit a valid Identity proof issued by the Government.

### **B. Updation of Bank Account details of the registered shareholder:**

#### **1. In case wherein the original cancelled cheque leaf has the shareholder's name printed:**

- For address proof: Self-attested legible copy of Aadhar/passport/utility bill (not older than 3 months).
- Original cancelled cheque leaf containing the Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code and the name of the shareholder printed on the cheque leaf.

**OR**

#### **2. In cases wherein the cancelled cheque leaf does NOT contain the shareholder's name printed on it:**

- For address proof: Self-attested legible copy of Aadhar/passport/utility bill (not older than 3 months).
- Original cancelled cheque leaf containing the details, Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code.
- Legible copy of the first and last page of bank passbook/bank statement specifying the KYC details of the registered shareholder such as the name, address, bank account number and the bank statement not older than 3 months, etc. duly attested by the Bank Manager under his signature, name, employee code, designation, bank seal & address stamp, Phone no. and date of attestation.

**As directed by SEBI, in case of failure to register the PAN and bank account details as aforesaid, any transaction in the securities of the Company shall be subject to enhanced due diligence by the Company/RTA, as may be prescribed. Also, it may be noted that issue of payment instruments without bank details may be disallowed.**

We would also like to register other KYC details such as email id, mobile number and nomination. In this context, we request you to kindly fill in the details as mentioned in form for updation of shareholder's details attached herewith and forward the same along with all the supporting documents based on requirements considering the below mentioned points.

**C. Updation of Email id:** Email-id of the registered shareholder for all future communication in electronic mode (Go Green Initiative).

**D. Registration of Mobile No.:** Mobile no. of registered shareholder for future direct communication.

**E. Registration of Nomination :** You are requested to register the Nomination (Form SH-13). Nomination form is also available at the website of the Company.

We request you to kindly forward duly filled in KYC form along with copies of supporting documents for all the "Required" remarks within 21 days from the date of this notice. Single copy of supporting documents is sufficient for updating multiple subjects.

**F. Shareholder(s), please note that request(s) for transfer of shares in physical form will be considered upto 5th December, 2018, subsequently any request for transfer of shares (except request related to transmission or transposition of securities) shall not be processed. This intimation is in accordance with SEBI Notification dated 8th June, 2018 read with BSE circular dated 5th July, 2018 and NSE Circular dated 9th July, 2018, copy available on the Company's website. Accordingly, you are advised to dematerialize your entire physical shareholding in the Company.**

Thanking you,

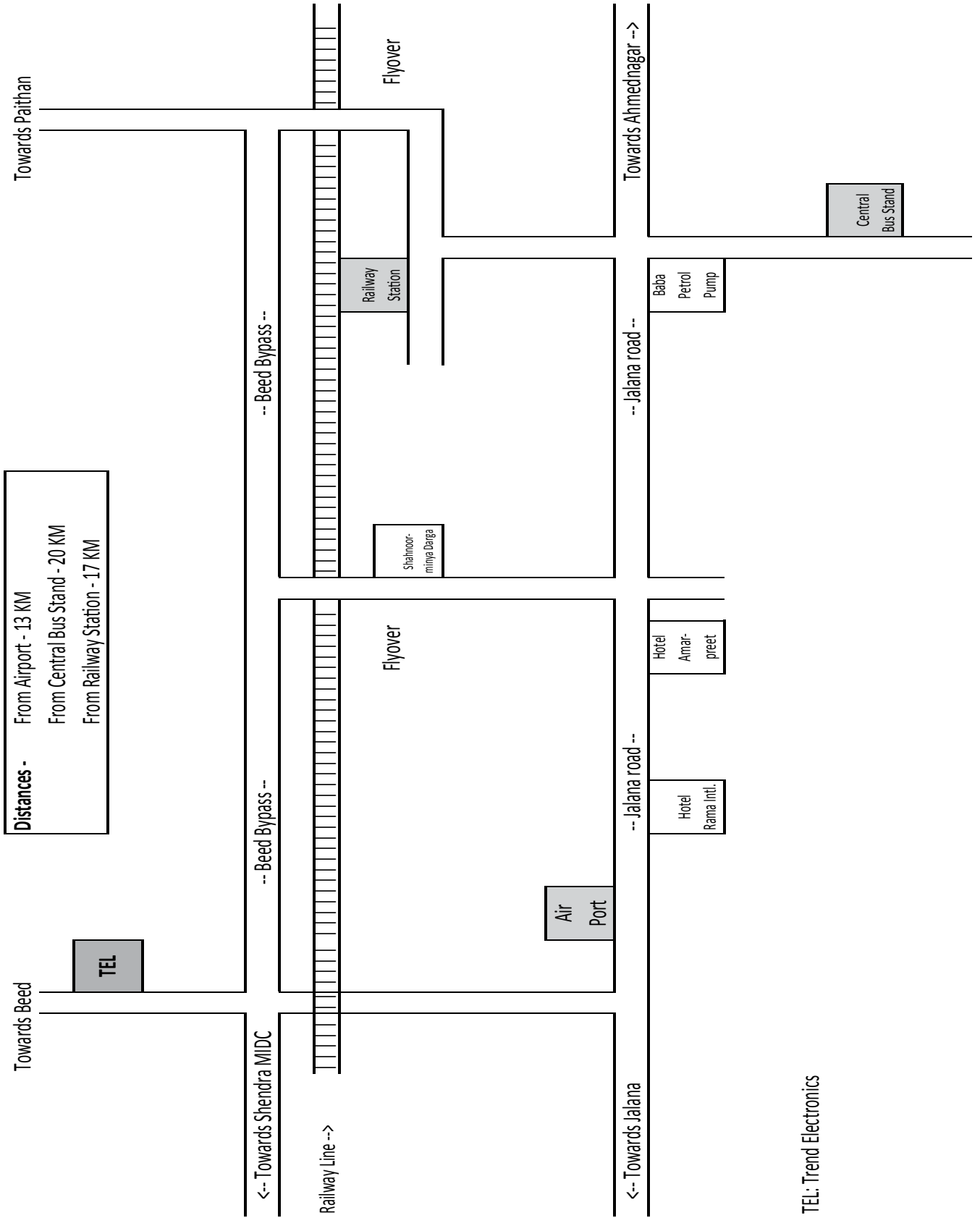
Yours faithfully,

For MCS SHARE TRANSFER AGENTS LIMITED

Sd/-

Authorised Signatory

ROUTE MAP FOR THE VENUE OF THE ANNUAL GENERAL MEETING



TEL: Trend Electronics

Courier / Registered Post

*If undelivered, please return to:*

**MCS Share Transfer Agent Limited**

**Unit: Trend Electronics Limited**

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