

# **TREND ELECTRONICS LIMITED**

## **ANNUAL REPORT 2014**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Vivek D. Dharm  
Mr. Bhopinder J. Chopra  
Mr. Subhash S. Nabar  
Mrs. Smita Dharm

### AUDITORS

#### KHANDELWAL JAIN & CO.

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

#### KADAM & CO.

Chartered Accountants  
“Vedant”, 8/9 Viraj Estate, Opp. Tarapur Bus Stand,  
Ahmednagar – 414 003

### COMPANY SECRETARY

Mr. Kaustubha Sahasrabudhe

### 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
- ING Vysya Bank Limited
- Punjab National Bank
- State Bank of Hyderabad

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## NOTICE

**NOTICE** is hereby given that the Twenty-Fifth Annual General Meeting of the members of **TREND ELECTRONICS LIMITED** (the "Company") will be held on Saturday, 27th June, 2015, at the Registered Office of the Company at 20 K. M. Stone, Aurangabad-Beed Road, Village: Bhalgaon, Aurangabad – 431 210 (Maharashtra) at 3.30 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended on 31st December, 2014 and the Audited Balance Sheet as at that date together with the Cash Flow Statement, Reports of the Board of Directors and Auditors thereon.

2. To ratify appointment of Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai (Firm Registration No. 105049W) and M/s. Kadam & Co., Chartered Accountants, Ahmednagar (Firm Registration No. 104524W), as Statutory Auditors of the Company to hold office from the conclusion of this Meeting, i.e 25th Annual General Meeting until the conclusion of the 27th Annual General Meeting (subject to ratification by the Members at every subsequent Annual General Meeting), on such remuneration as shall be fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS:

3. To appoint Mrs. Smita Dharm (DIN: 07144712), as a Director liable to retire by rotation, at the 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 the provisions of Sections 149, 152, 160 and such other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mrs. Smita Dharm (DIN:07144712), who was appointed as an Additional Director on the Board of the Company and who holds office of Director upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member signifying its intention to propose candidature of Mrs. Smita Dharm for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

4. To confirm/appoint Mr. Subhash S. Nabar (DIN: 01341057), as an Independent Director at the 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 the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Subhash S. Nabar (DIN:01341057), who was originally appointed by the shareholder as an Independent Director within the meaning of Clause 49 of the Listing Agreement entered into with the Stock Exchange, liable to retire by rotation, and subsequently classified/appointed as an Independent Director within the meaning of the provisions of Section 149 of the Companies Act, 2013, by the Board of Directors of the Company at their meeting held on 14th August, 2014 to comply with the requirement of Companies Act, 2013 and Rules made thereunder, to hold office upto a term of five consecutive years from 14th August, 2014, and in respect of whom the Company has also received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose candidature of Mr. Subhash S. Nabar for the office of Director of the Company, be and is hereby confirmed/appointed as an Independent Director, to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation."

5. To confirm/appoint Mr. Bhopinder J. Chopra (DIN:00329550), as an Independent Director at the 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 the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Bhopinder J. Chopra (DIN:00329550) who was originally appointed by the shareholders as an Independent Director within the meaning of Clause 49 of the Listing Agreement entered into with the Stock Exchange, liable to retire by rotation, and subsequently classified/appointed as an Independent Director within the meaning of the provisions of Section 149 of the Companies Act, 2013, by

the Board of Directors of the Company at their meeting held on 14th August, 2014, to comply with the requirement of Companies Act, 2013 and Rules made thereunder, to hold office upto a term of five consecutive years from 14th August, 2014 and in respect of whom the Company has also received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Bhopinder J. Chopra for the office of Director of the Company, be and is hereby confirmed/appointed as an Independent Director to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation."

6. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 consent of the Company be and is hereby accorded for increasing the Authorised Share Capital of the Company from ₹ 125,00,00,000/- (Rupees One Hundred and Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lakh) Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each and 1,00,00,000 (One Crore) Preference Shares of face value of ₹ 100/- (Rupees One Hundred Only) each to ₹ 225,00,00,000/- (Rupees Two Hundred and Twenty Five Crores Only) by creating additional 1,00,00,000 (One Crore) Redeemable Preference Shares of face value of ₹ 100/- (Rupees One Hundred Only) each.

**RESOLVED FURTHER THAT** Clause V of Memorandum of Association of the Company be and is hereby altered accordingly to read as under:

V The Authorised Capital of the Company is ₹ 225,00,00,000/- (Rupees Two Hundred and Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lakh) equity shares of face value of ₹ 10/- (Rupees Ten Only) each and 2,00,00,000 (Two Crores) Redeemable Preference Shares of face value of ₹ 100/- (Rupees One Hundred Only) each. The Company has power from time to time to increase, or reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges or conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions or restrictions, for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

**RESOLVED FURTHER THAT** the copies of Memorandum of Association of the Company be altered accordingly by incorporating new Clause No. V in place of existing Clause No. V.

**RESOLVED FURTHER THAT** any one of the Directors or Company Secretary of the Company be and is hereby severally authorized to file the necessary Forms/ Returns / Application / Documents / papers as are required to be filed with the Registrar of Companies and other appropriate authorities and to do all such acts, deeds and things as are deemed expedient and necessary to give effect to this resolution."

7. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), and other applicable laws, provisions of Articles of Association of the Company and subject to all other statutory and regulatory approvals, consents, permissions and/or sanctions of the Government of India and all other concerned authorities (hereinafter singly or collectively referred to as the "Appropriate Authorities") as may be required, and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval, consent, permission and/or sanction and agreed to by the Board of Directors of the Company (hereinafter called the "Board"), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot Non-Convertible, Non-Cumulative, Non-Participating, Redeemable Preference Shares ("Preference Shares"), for an amount not exceeding ₹ 100,00,00,000/- (Rupees One Hundred Crore Only), to any person/investor whether or not such person is existing shareholder of the Company on the date of the offer, on private placement basis through issue of a private placement offer letter, in one or more tranches as may be deemed appropriate by the Board and such issue and allotment to be made on such occasion or occasions, at such value or values, at a discount or at a premium and in such form and manner and on

such terms and conditions or such modifications thereto as the Board may determine, with or without voting rights in general meetings/ class meetings, including the number of Preference Shares to be issued, face value, rate of dividend/interest, redemption period, manner of redemption, fixing of record date or book closure and all other related or incidental matters as the Board may in its absolute discretion think fit and decide in consultation with the Appropriate Authority(ies), and/or such other person(s), but without requiring any further approval or consent from the shareholders and also subject to the applicable regulations for the time being in force.

**RESOLVED FURTHER THAT** pursuant to Rule 9(2) of the Companies (Share Capital and Debentures) Rules, 2014, particulars in respect of proposed issue of Preference Shares shall be as under:

- (a) Preference Shares shall be paid dividend only upon declaration of dividend on Equity Shares and not otherwise. The dividend payable on Preference Shares shall not be cumulative in nature. The Preference Shares shall have priority in repayment of Capital over Equity Shares.
- (b) The Preference Shares shall not be entitled to participate in the surplus fund.
- (c) The Preference Shares shall not be entitled to participate in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid.
- (d) The Preference Shares dividend shall be on non-cumulative basis.
- (e) The Preference Shares shall not have option of conversion into Equity Shares.
- (f) The Preference Shares shall not have any voting rights at any other meeting other than meeting of Preference Shareholders as and when held.
- (g) The Preference Shares shall be redeemed within a period not exceeding twenty years from the date of issue.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized on behalf of the Company to agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue(s)/ offer(s) or allotment(s) or otherwise and utilization of the issue proceeds and/ or otherwise to alter or modify the terms of issue, if any, as it may in its absolute discretion deem fit and proper without being required to seek any further consent or approval of the Company to the end and intent that the Company shall be deemed to have given its approval thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this Resolution on it, to any Committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this Resolution.

**RESOLVED FURTHER THAT** any one of the Director or Company Secretary be and is hereby authorized to file the necessary Forms, Returns, Certificates, Application, Deeds and documents as are required to be filed with the Registrar of Companies or other Authorities Statutory or otherwise as are required and to do all such acts, deeds and things as are deemed expedient and necessary to give effect to this Resolution."

8. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies payment of remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) to Sneha Gaurav Badwe & Co., Cost Accountant in Whole-Time Practice, Ahmednagar, (Membership No. 35552), for conducting Audit of Cost Accounting Records maintained by the Company in respect of Electric and Electronic Equipments/Appliances for the financial year ending on 31st December, 2015.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

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

**KAUSTUBHA SAHASRABUDHE  
COMPANY SECRETARY  
ACS 21165**

**Registered Office:**

20 K.M. Stone, Aurangabad-Beed Road,  
Village: Bhalgaon, Aurangabad - 431 210 (Maharashtra)  
CIN: L99999MH1989PLC052233  
E-mail id: secretarial\_trend@videconmail.com  
Website: www.trendelectronics.in  
Tel No.: 91-240-2644507/9/10/12/16  
Fax No.: 91-240-2644506

**NOTES:**

1. **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.**
2. In terms of the provisions of Section 102 of Companies Act, 2013, a statement setting out the material facts concerning special business to be transacted at the Meeting is annexed and forms part of this Notice.
3. Copies of the Notice of 25th 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, 15th May, 2015 and as regards shares held in the electronic form, to those beneficial owners of the shares as at the close of business hours on Saturday, 16th May, 2015 as per the particulars of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Upon request, printed copies of Annual Report will be supplied to those Shareholders to whom copies of Notice together with the Annual Report has been sent by electronic mode.
4. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorising such representative(s) to attend and vote on their behalf at the Meeting.
5. Details under Clause 49 of the Listing Agreement entered with the Stock Exchange in respect of the Director seeking confirmation/appointment at the ensuing Annual General Meeting forms integral part of the Corporate Governance Report.
6. 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.
7. 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.
8. In terms of and in compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, and revised Clause 35B of the Listing Agreement, the Company is pleased to offer 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. 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 cast vote again at the Meeting. For this purpose the Company has entered into an agreement with Central Depository Services (India) Limited (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 Annual General Meeting apart from providing remote e-voting facility for all those members who are present at the general meeting but have not casted their votes by availing the remote e-voting facility.

9. The remote e-voting facility shall be opened from Wednesday, 24th June, 2015 at 9.00 a.m. to Friday, 26th June, 2015 till 5.00 p.m., both days inclusive. The remote e-voting facility shall not be allowed beyond 5.00 p.m. on Friday, 26th June, 2015. During the period when facility for remote e-voting is provided, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date, may opt for remote e-voting. Provided that once the vote on a Resolution is casted by the member, he shall not be allowed to change it subsequently or cast the vote again.
10. The notice of the Meeting is placed on the website of the Company viz., [www.trendelectronics.in](http://www.trendelectronics.in) and also on the website of CDSL viz., [www.cdslindia.com](http://www.cdslindia.com).
11. Mrs. Gayathri R. Girish, Company Secretary in Whole Time Practice, (CP No.: 9255) 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.
12. The Scrutinizer shall immediately after the conclusion of the 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 3 days of the conclusion of the 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.
13. The Company has fixed Saturday, 20th June, 2015, 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 date/entitlement date only shall be entitled to avail the facility of remote e-voting/voting in the general meeting.
14. 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. Saturday, 20th June, 2015, may obtain the User ID and Password by sending an email request to [secretarial\\_trend@videoconmail.com](mailto:secretarial_trend@videoconmail.com). Members may also call on +91-22-6611 3658 or send a request to Mr. Kaustubha Sahasrabudhe, Company Secretary, by writing to him at Trend Electronics Limited at 2nd Floor, Fort House, Dr. D N Road, Fort, Mumbai - 400 001.
15. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Saturday, 20th June, 2015, 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.
16. In case of joint holders attending the Meeting, who have not exercised their right to vote by remote e-voting, only such joint holder who is higher in the order of names, shall be entitled to vote by Ballot.
17. The Register of Members and Share Transfer Books shall remain closed from Monday, 15th June, 2015 to Saturday, 27th June, 2015 (both days inclusive) for the purpose of the Meeting.
18. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed/unpaid dividend for the financial year 2006-07 to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Members are requested to note that upon transfer, no claims shall lie against the Company or the

IEPF in respect of any amounts which remained unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims. The details of the unclaimed dividend as on the last Annual General Meeting held on 30th June, 2014 are available on the Company's website viz. [www.trendelectronics.in](http://www.trendelectronics.in) and on the website of Ministry of Corporate Affairs viz. [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 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.
21. Non-Resident Indian Members are requested to inform M/s. MCS Limited, the Registrar and 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 compulsorily tradable in electronic form and your Company has established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Taking into consideration the enormous advantages offered by the Depository Systems, members are requested to avail the facility of dematerialization of the Company's shares on either of the Depositories, as aforesaid.
23. Relevant documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days between 12.00 noon to 3.00 p.m. upto the date of the Meeting.
24. Members desiring any information as regards to the Accounts are requested to write to the Company at an early date so as to enable the Chairman of the Meeting to reply at the Meeting.
25. The Annual Report of the Company will be made available on the Company's website at [www.trendelectronics.in](http://www.trendelectronics.in) and also on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com).
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.

#### INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MODE

The process and manner for voting by electronic means and the time schedule including the time period during which the votes may be casted are as under:

- (i) The voting period begins on Wednesday, 24th June, 2015 at 9.00 a.m. and ends on Friday, 26th June, 2015 at 5.00 p.m., both days inclusive. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date i.e. Saturday, 20th June, 2015, 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](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (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](http://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	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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 given below the Notice or on the Attendance Slip, 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>
<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If 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) 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.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant **TREND ELECTRONICS LIMITED** on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **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 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 or 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.
- (xvii) 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).
- (xviii) 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. Saturday 20th June, 2015, may obtain the User ID and Password by sending an email request to [secretarial\\_trend@videoconmail.com](mailto:secretarial_trend@videoconmail.com). Members may also call on +91-22-6611 3658 or send a request to Mr. Kaustubha Sahasrabudhe, Company Secretary, by writing to him at Trend Electronics Limited at 2nd Floor, Fort House, Dr. D N Road, Fort, Mumbai - 400 001.

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

**KAUSTUBHA SAHASRABUDHE  
COMPANY SECRETARY  
ACS 21165**

Place : Mumbai  
Date : 14th May, 2015

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

### Item 3:

Mrs. Smita Dharm was appointed as an Additional Director of the Company at the meeting of the Board of Directors of the Company held on 31st March, 2015. In terms of the provisions of Section 161 of the Companies Act, 2013, she holds office of Director upto the date of ensuing Annual General Meeting.

In terms of the second proviso to Sub-Section 1 of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of Clause 49 of the Listing Agreement, every Listed Company, shall have at least one woman director. Further, in terms of Sub-Section 2 of Section 149, every company existing on or before the commencement of this Act shall within one year from such commencement comply with the requirements of the provisions of Sub-Section 1 of Section 149. Section 149 came into effect w.e.f. 1st April, 2014. As such, the Company was required to appoint at least one woman director on or before 31st March, 2015. Accordingly, Mrs. Smita Dharm was appointed as an Additional Director of the Company at the meeting of the Board of Directors of the Company at its meeting held on 31st March, 2015.

The Company has received a notice in writing, along with the requisite deposit, under Section 160 of the Companies Act, 2013, from a member signifying its intention to propose candidature of Mrs. Smita Dharm for the office of Director.

The Company has received from Mrs. Smita Dharm (1) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (2) intimation in Form DIR-8 in terms

of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013.

A brief profile of Mrs. Smita Dharm seeking appointment, nature of expertise in specific functional area, name of other public companies in which she holds directorship and membership/chairmanship of the committees of the Board of Directors and the particulars of the shareholding as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchange forms part of the Corporate Governance Report. The Board is of the opinion that her appointment, if made, will prove beneficial for the development and growth of the Company. The Board recommends the resolution as set out in the Notice for the consideration and approval of the members at the Annual General Meeting.

Except, Mrs. Smita Dharm and Mr. Vivek Dharm, Director of the Company, no other Director, Key Managerial Personnel or their relatives is interested or concerned in the resolution.

### Item 4:

Mr. Subhash S. Nabar was appointed as Non-Executive Independent Director, pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchange. He was appointed by the members at the Annual General Meeting of the Company held on 27th March, 2003.

In terms of the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, every listed company

shall have at least one-third of the total number of directors as independent directors. Further, in terms of the provisions of Clause 49 (II) (A) (2) of the Listing Agreement where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the company does not have a regular non-executive Chairman, at least half of the Board should comprise of independent directors.

Therefore, with a view to comply with the requirements of the provisions of Section 149 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement, the Board of Directors thought it fit to appoint Mr. Subhash S. Nabar as Independent Director for a period of five consecutive years. Accordingly, the Board of Directors of the Company at its meeting held on 14th August, 2014, have made to continue appointment of Mr. Subhash S. Nabar as an Independent Director to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation.

The Company has received from Mr. Subhash S. Nabar (1) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (2) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification 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 (3) 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 Company has also received a notice in writing along with requisite deposit, from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Subhash S. Nabar for the office of Director of the Company.

The Board seeks the approval of the members of the Company to confirm/appoint Mr. Subhash S. Nabar as an Independent Director of the Company for five consecutive years from 14th August, 2014, pursuant to the provisions of Section 149 and such other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

A brief profile of Mr. Subhash S. Nabar, nature of expertise in specific functional area, name of other public companies in which he holds directorship and membership/ chairmanship of the committees of the Board of Directors and the particulars of the shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange forms part of the Corporate Governance Report.

In the opinion of the Board of Directors, Mr. Subhash S. Nabar, the Independent Director, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management.

All the relevant documents in connection with the appointment of Mr. Subhash S. Nabar, are available for inspection without any fee by the Members of the Company at the Company's Registered Office during 12.00 noon to 3.00 p.m. on working days 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. Subhash S. Nabar as an Independent Director.

No Director, Key Managerial Personnel or their relatives, except Mr. Subhash S. Nabar, to whom the Resolution relates, is interested or concerned in this Resolution.

#### Item 5:

Mr. Bhopinder J. Chopra was appointed as Non-Executive Independent Director, pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchange. He was appointed by the members at the Annual General Meeting of the Company held on 31st March, 2006.

In terms of the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, every listed company shall have at least one-third of the total number of directors as independent directors. Further, in terms of the provisions of Clause 49 (II) (A) (2) of the Listing Agreement where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the company does not have a regular non-executive Chairman, at least half of the Board should comprise of independent directors.

Therefore, with a view to comply with the requirements of the provisions of Section 149 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement the Board of Directors thought it fit to appoint Mr. Bhopinder J. Chopra as Independent Director for a period of five consecutive years. Accordingly, the Board of Directors of the Company at its meeting held on 14th August, 2014, have made to continue appointment of Mr. Bhopinder J. Chopra as an Independent Director to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation.

The Company has received from Mr. Bhopinder J. Chopra (1) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (2) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification 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 (3) 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 Company has also received a notice in writing along with requisite deposit, from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Bhopinder J. Chopra for the office of Director of the Company.

The Board seeks the approval of the members of the Company to confirm/appoint Mr. Bhopinder J. Chopra as an Independent Director of the Company for five consecutive years from 14th August, 2014, pursuant to the provisions of Section 149 and such other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

A brief profile of Mr. Bhopinder J. Chopra, nature of expertise in specific functional area, name of other public companies in which he holds directorship and membership/ chairmanship of the committees of the Board of Directors and the particulars of the shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange forms part of the Corporate Governance Report.

In the opinion of the Board of Directors, Mr. Bhopinder J. Chopra, the Independent Director, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management.

All the relevant documents in connection with the appointment of Mr. Bhopinder J. Chopra, are available for inspection without any fee by the Members at the Company's Registered Office during 12.00 noon to 3.00 p.m. on working days 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. Bhopinder J. Chopra as an Independent Director.

No Director, Key Managerial Personnel or their relatives, except Mr. Bhopinder J. Chopra, to whom the Resolution relates, is interested or concerned in this Resolution.

#### Item No. 6:

Your Company is engaged in the business of manufacturing and trading of consumer electronics and home appliances. Presently, the Company is manufacturing Color TV, DVD's and Set Top Boxes. Your Company believes that it is the only Set Top Box manufacturer in India. In view of increasing opportunities in Set Top Box manufacturing and consumer electronics and home appliances industry, your Company may need funds to part finance the proposed enhancement in the volume of activities and increasing operational efficiencies. With a view to meet the proposed capital requirement it is proposed to raise the funds by way of issue and allotment of Preference Shares.

The present Authorized Share Capital of the Company comprises of 1,00,00,000 (One Crore) Preference Shares of face value of ₹ 100/- (Rupees One Hundred Only) each which has already been utilised. Therefore, with a view to issue further Preference Shares it is proposed to increase authorized Share Capital of the Company from ₹ 125,00,00,000/- (Rupees One Hundred and Twenty Five Crores) divided into 2,50,00,000 (Two Crores Fifty Lakh) Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each and 1,00,00,000 (One Crore) Redeemable Preference Shares of face value of ₹ 100/- (Rupees One Hundred Only) each to ₹ 225,00,00,000 (Rupees Two Hundred and Twenty Five Crores Only) by creating additional 1,00,00,000 (One Crore) Preference Shares of face value of ₹ 100/- (Rupees One Hundred Only) each.

Pursuant to the provisions of Section 61 of the Companies Act, 2013 approval of shareholder is required for proposed increase in Authorized Share Capital of the Company and consequential amendments to Clause V of Memorandum of Association of the Company by way of Ordinary Resolution.

The Board recommends the Resolution set forth in Item No. 6 for the approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives is directly or indirectly concern or interested in this Resolution.

#### Item No. 7:

Your Company is engaged in the business of manufacturing and trading of consumer electronics and home appliances. Presently, the Company is manufacturing Color TV, DVD's and Set Top Boxes. Your Company believes that it is the only Set Top Box manufacturer in India. In view of increasing opportunities in Set Top Box manufacturing and consumer electronics and home appliances industry, your Company may need funds to part finance the proposed enhancement in the volume of activities and increasing operational efficiencies. With a view to meet the proposed capital requirement it is proposed to raise the funds by way of issue and allotment of Preference Shares.

In terms of the provisions of Section 42 and Section 55 of the Companies Act, 2013 read with the Companies (Prospectus & Allotment of Securities) Rules, 2014 and

Companies (Share Capital and Debentures) Rules, 2014, including any amendment thereto or re-enactment thereof for the time being in force, every Company proposing to issue preference shares is required to take prior approval of the shareholders of the Company by way of Special Resolution. The material facts concerned with and relevant to the issue and allotment of 1,00,00,000 Redeemable Preference Shares on Private Placement basis are as under:

**(a) The size of the issue and the number of preference shares to be issued and nominal value of each share:**

The Board proposes to issue and allot 1,00,00,000 (One Crore) Non-Convertible, Non-cumulative, Non-Participating, Redeemable Preference Shares (Preference Share) of face value of ₹ 100/- (Rupees One Hundred Only) each, aggregating to ₹ 100,00,00,000/- (Rupees One Hundred Crore Only).

**(b) The nature of shares:**

The Preference Shares shall be Non-Convertible, Non-cumulative, Non-Participating, Redeemable Preference Shares.

**(c) The objectives of the issue:**

It is proposed to raise the funds by way of issue and allotment of Non-Convertible, Non-cumulative, Non-Participating, Redeemable Preference Shares, to fund the future capital requirements for proposed enhancement in the volume of activities and increasing operational efficiency.

**(d) The Manner of issue of shares:**

Non-Convertible, Non-cumulative, Non-Participating, Redeemable Preference Shares are proposed to be issued on Private Placement basis as detailed below:

Sr. No	Name of the Allottee	Number of Preference Shares	Amount (in ₹)
1.	Shree Dhoot Trading and Agencies Limited	35,00,000	35,00,00,000
2.	Dome-Bell Electronics India Private Limited	35,00,000	35,00,00,000
3.	Waluj Components Private Limited	30,00,000	30,00,00,000
	Total	1,00,00,000	100,00,00,000

**(e) The price at which such shares are proposed to be issued:**

It is proposed to issue and allot 1,00,00,000 Preference Shares at a face value of ₹ 100/- each.

**(f) The basis on which the price has been arrived at:**

The Preference Shares shall be issued at par.

**(g) The terms of issue, including terms and rate of dividend on each share etc.:**

**(i) The priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares:**

The Preference Shares shall be paid dividend only upon declaration of dividend on Equity Shares at Annual General Meeting of the Company and not otherwise. The dividend payable on Preference Shares shall not be Cumulative in nature. The Preference Shares shall have priority in repayment of Capital over Equity Shares.

**(ii) The participation in surplus fund:**

The Preference Shares shall not be entitled to participate in the surplus fund.

**(iii) The participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid.**

The Preference Shares shall not be entitled to participate in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid.

**(iv) The payment of dividend on cumulative or non-cumulative basis:**

The Preference Share dividend shall be on non-cumulative basis.

**(v) The voting rights:**

The Preference Shares shall not have any voting rights at any other meeting other than meeting of Preference Shareholders as and when held.

**(vi) Rate of dividend:**

The Board of Directors of the Company shall decide the rate of dividend on Preference Shares at the time of allotment.

**(h) The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion:**

The Board shall decide the terms of redemption, including the tenure of redemption. However, the Preference Shares shall be redeemed on or before completion of 20 years from the date of issue. The Preference Shares shall not have option of conversion into Equity Shares. The Preference Shares shall be redeemed at par.

**(i) The manner and mode of redemption:**

The Board shall decide the manner and mode of redemption of Preference Shares at the time of issue and allotment of Preference Shares.

**(j) Current shareholding pattern of the Company:**

Sr. No.	Category of Shareholder	Equity Shares		Preference Shares	
		No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
A.	Promoter and Promoter Group				
i)	Individuals	150	0.00	Nil	0.00
ii)	Bodies Corporate	36,78,955	49.05	1,00,00,000	100.00
iii)	Any Other (Firm)	Nil	0.00	Nil	0.00
	<b>Total (A)</b>	<b>36,79,105</b>	<b>49.05</b>	<b>1,00,00,000</b>	<b>100.00</b>
B.	Public				
i)	Banks, Institutions, Mutual Funds etc.	3,73,081	4.98	Nil	0.00
ii)	Bodies Corporate	4,62,161	6.16	Nil	0.00
iii)	Individuals	28,32,934	37.77	Nil	0.00
iv)	Others (NRIs, Trust & Foundations)	1,52,719	2.04	Nil	0.00
	<b>Total (B)</b>	<b>38,20,895</b>	<b>50.95</b>	<b>Nil</b>	<b>0.00</b>
	<b>Total (A+B)</b>	<b>75,00,000</b>	<b>100.00</b>	<b>1,00,00,000</b>	<b>100.00</b>

**(k) The expected dilution in equity share capital upon conversion of preference shares:**

Since the Preference Shares shall be non-convertible, the equity share capital will not get diluted.

None of the Directors and Key Managerial Personnel or their relatives is directly or indirectly concerned or interested in the resolution.

**Item No. 8:**

The Board of Directors of the Company on the recommendation of the Audit Committee, has approved the appointment of Sneha Gaurav Badwe & Co., Cost Accountant in Whole-Time Practice, Ahmednagar, (Membership No. 35552) as the Cost Auditor of the Company to conduct the Audit of the Cost Accounting Records of the Company for the financial year ending on 31st December, 2015.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution for ratification of the remuneration amounting to ₹ 75,000/- (Rupees Seventy Five Thousand Only) plus applicable service tax and out of pocket expenses payable to Sneha Gaurav Badwe & Co., for financial year ending on 31st December, 2015.

The Board, accordingly, recommends the passing of the Ordinary Resolution for approval of the Members of the Company.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives is concerned or interested in the passing of the above Resolution.

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

**KAUSTUBHA SAHASRABUDHE  
COMPANY SECRETARY  
ACS 21165**

Place : Mumbai  
Date : 14th May, 2015



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the Twenty-Fifth Annual Report of your Company together with the Audited Accounts and Auditors' Report for the financial year ended on 31st December, 2014.

### FINANCIAL HIGHLIGHTS

The performance of the Company for the financial year ended on 31st December, 2014, is summarized below:

(₹ in Million)

Particulars	Year ended 31 Dec., 2014	Year ended 31 Dec., 2013
Net Sales	14,768.79	14,250.64
Other Income	23.61	1.22
Total Income	14,792.40	14,251.86
Profit before Finance Costs, Tax & Depreciation	457.07	374.61
Finance Costs	686.57	751.54
Depreciation and Amortisation	218.09	213.21
Profit/(Loss) before Tax	(447.59)	(590.14)
Profit/(Loss) after Tax	(347.79)	(500.49)

### PERFORMANCE REVIEW

The year 2014 showed a steady growth in the Set Top Box (STB) market. Rise in disposable income along with high penetration of television in rural India is driving the Indian STB market. The introduction of High Definition (HD) channels and Smart TVs has led to an increase in digital TV viewing which in turn will hike the growth of the STB market. The Core Advisory Group for Research and Development in Electronics Hardware (CAREL) has identified STBs as one of the six products to be designed, developed and manufactured indigenously. STB industry provides a huge potential for economic activity, employment generation and saving valuable foreign exchange and increase in the revenue for the government.

During the year under review, the Company has earned a total income of ₹ 14,792.40 Million as against ₹ 14,251.86 Million for the previous year. Total Expenditure amounted to ₹ 15,239.99 Million as against ₹ 14,842.00 Million for the previous year. The Company has incurred a net loss of ₹ 347.79 Million as against a loss of ₹ 500.49 Million for the previous year.

### DIVIDEND AND TRANSFER TO RESERVES

#### Dividend:

In view of the loss incurred, the Board of Directors does not recommend any dividend for the year under review.

#### Transfer to Reserves:

In view of the loss incurred, the Board of Directors propose not to transfer any amount to the General Reserve.

### TRANSFER OF INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a sum of ₹ 0.19 Million in respect of unpaid/ unclaimed dividend for the financial year 2006-07 to the Investor Education and Protection Fund.

### FIXED DEPOSIT

Your Company has not accepted/renewed any fixed deposit within the meaning of Section 58A of the Companies Act, 1956 and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

### PERSONNEL

The Company does not have any employee whose particulars are required to be furnished under Section 217(2A) of the Companies, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

### CONSERVATION OF ENERGY

**"Conservation"** when used in relation to natural resources and energy is a virtuous act. Conservation and efficient utilization of energy resources play a vital role in narrowing the gap between demand and supply of energy. Your Company firmly believes that, improving energy efficiency is probably the most profitable thing that can be done in the short term. Energy conservation is the quickest, cheapest and most practical method of overcoming energy shortage.

The Company has initiated a drive for the conservation of natural resources, including the energy conservation. The Company focuses on reducing energy consumption through various in-process innovations and adoption of best practices like machine productivity and improving the efficiency to reduce specific energy consumption. The

Company focuses on developing energy saving methods to avoid wastage of energy. Your Company follows and practices **"Energy saved is Energy produced"** principle truly in law and spirit.

The In-house expert team under the valuable guidance of expert engineers from the Research and Development Centre of the Company continuously monitors and devise various means to conserve energy and identify methods for the optimum use of energy without affecting productivity.

This is ensured through:

- Installation of electronic timers which has helped to cut down the electricity consumption;
- Addition and installation of newer generation Air Compressor;
- Energy efficiency audit;
- Proper ventilation at the Factory Premises and use of energy saving Lighting Systems;
- Regular maintenance and replacement of worn-out Machinery for optimum performance with reduction in power consumption;
- Recycling of Products i.e papers, cups, cardboards and envelopes;
- Use of dimmer switches;
- Unplugging appliances when not in use or unused;
- Insulation of walls & ceilings;
- Awareness programmes towards optimum utilization of natural resources at managerial as well as employee level;
- Display of charts at the premises, plant, office, showing the means for conservation of energy;
- Inspection of machinery by the team of experts at regular intervals; and
- Encourage communications through e-mails.

Your Company lays emphasis on **"Sustainable Development"** i.e development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

The above initiatives have resulted in proper monitoring and usage of energy, minimizing the wastage and increase in overall efficiency at every stage of power consumption. Your Company's endeavor to introduce energy efficient electronic products has met with success.

### RESEARCH AND DEVELOPMENT (R&D) AND TECHNOLOGY ABSORPTION

The Research and Development (R&D) is an important contributor to economy of any country and hence growth and sustainability of R&D is vital for nations. As the pace of technology is accelerating and newer and newer technologies and processes are becoming important, R&D is becoming a crucial factor in success of the companies and economies in a globalized and competitive world. In today's competitive scenario, innovation has become a key to success, in areas of process, product, sales & after sales service.

In endeavor to keep pace with the changing technologies worldwide and to offer products with maximum durability at low cost, 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 latest technologies.

Usually the primary function of the R&D department is to conduct researches for new products and develop new solutions. Every product has its shelf life and the consumers always need something new. In order to be competitive, the Company continuously has to be updated and has to find ways for new technologies and development of various products. During the continuous process of R&D, both the R&D managers and their staff take responsibility of performing the following key tasks:

- Ensuring the new products meet the product specification;
- Researching the products according to allocated budget;
- Checking if the product meets production costs;
- Delivering product at the right time and at right place in the market;
- Developing the product to comply with regulatory requirement and specified quality levels; and
- To bring variety of products at an affordable price level.

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

The well focused R&D activities of the Company have resulted in introducing variety of models with superior technology and improved proficiency and reliability at right time and at right cost, which meet the needs of all the categories of the consumers. Because of these efforts only, the Company was successful in developing and launching the India's first 4K Set Top Box.

Further, the Company could also derive the following benefits:

- Introduction of High Definition 4K Set-top Box with Digital Video Recording facility to record as much content as a subscriber wishes to.
- Development and production of Digital Direct Broadcast (DDB) technology in India with a broader convergence of TV, D2H, Internet and Cloud computing, STRATA & HARMAN-KARDON certified audio, 2D to 3D conversion etc.;
- Introduction of MPEG-4 DVBS-2 technologies which has many exciting features like Multiple Tickers, 12 PIP Mosaic, 22 Active Music Audio Video Channels, which shall take viewing experience to a new level. and;

- Introduction of Direct to Mobile (d2m) facility, where it is possible to see television on mobile phone.

The Company's now plan to introduce a unique feature to HD Set Top Box i.e., "Unlimited Recording" feature, where the user can record any programme if he is busy at that time. User can either record a Live TV programme or even record a scheduled programme and can watch recorded programme later at his/her leisure.

### Future Plan of Action:

In near future, your Company shall continue to focus on all the areas mentioned earlier and also aims to offer new technologies and processes to provide better products at affordable prices to the customers. 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.

The future plan of action includes:

- The Company plans to provide the Set Top Box with internet connectivity. Such connectivity can offer the user to directly access popular applications such as Youtube, Picassa etc.;
- The future plan also includes introducing Wi-Fi connectivity in the Set Top Box;
- The Company has plans to introduce a unique motion control & Audio Streaming remote control in the Set Top Box. With this innovative product, the user can listen to the Audio Streaming using Headphones, without disturbing others, & can also use Google Voice search, can navigate using the motion control or Air Mouse Function. Such an Air Mouse function, will allow the customer to play interactive video games via the Set Top Box.

During the year under review, the recurring expenses on R&D amounted to ₹ 3.75 Million representing 0.03% of the turnover.

### 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 i.e., ESD 20:20 which minimize or eliminate risks associated with electrostatic discharge, improving product quality and customer satisfaction. All the products that are manufactured by the Company are certified to the latest Bureau of Indian Standard, ISO 13252:2010.

The Company has also installed Climatic Chambers and Salt Spray Chambers to simulate the effect of ageing of the products in actual field conditions, ahead of the production. Such tests help predict the possibility of early failures and thereby, the same can be prevented.

The Company also plans to focus on development of new technologies which would offer better products to all classes of consumers at an affordable price.

## INFORMATION TECHNOLOGY

In due recognition of the key role played by Information Technology (IT) in revolutionizing the world, your Company has re-engineered its processes by leveraging IT for building, sustaining and expanding its competitive edge.

The management believes that use of latest and upgraded IT can be extensively used in all spheres of its activities to improve productivity and efficiency levels. The Company has already implemented SAP (System Analysis Programming), a customized ERP (Enterprise Resource planning) module, at its manufacturing facility. The Company has implemented latest version of SAP and ERP for better operational control. MySAP solution has enabled your Company to leverage the benefits of integration in business operations, optimization of enterprise resources, standardized business process, thereby enabling standard operating practices with well established controls. It has also benefited the management at all levels with business information which is available online and reliable to control the business operations in a well-informed manner. The Company has implemented a 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.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the foreign exchange outgo amounted to ₹ 3,219.07. Million as against ₹ 2,531.23 Million for the year ended on 31st December, 2013. There was no foreign exchange earnings during the year and previous year ended on 31st December, 2013.

## HEALTH, SAFETY AND ENVIRONMENT

The Company's vision is to be a safe operator and a sustainable corporate citizen, leading the industry in health and safety standards whilst demonstrating top quartile performance among its domestic and global peers. Your Company believes that all injuries and fatalities are preventable and is committed to ensure safety of all employees and individuals involved in Manufacturing activities.

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

- Timely disposal of waste and scrap materials;
- Round the clock occupational health center and ambulance with all medical devices;
- Conducting regular safety audit and mock drill;
- Installation of Effluent Treatment Plant, where the waste water is treated & recycled for gardening purpose;
- First-Aid boxes are located at several points in the factory;
- Providing protective clothing and equipment to employees;
- Proper safeguards are put into place to eliminate the risk of violence as far as possible;
- Risk-assessment at the workplace at regular intervals;
- Organized "Safety Week", in order to promote Safety awareness among the staff & employees;
- AIDS Awareness Program; and
- Blood Donation Camps.

The Company is continuously taking efforts to build a 'just safety culture'. It's not the effort of one person, but the focus and determination of the entire team working towards a common goal of health and safety and environment protection.

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.

## INDUSTRIAL RELATIONS

Industrial Relations remained cordial during the year under review.

## CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is no longer defined by how much money a company contributes to charity, but by its overall involvement in activities that improve the quality of people's lives.

Your Company as a whole aims at Corporate Social Responsibility (CSR) Management that is trusted by the society and implements this by undertaking several initiatives that contribute to the society and promote energy saving and environmental sustainability management. Developing green and energy-efficient products, reducing Co<sub>2</sub> emissions, resource circulation, contributing to local communities, encouraging the spread of environmental conservation activities, developing an excellent working environment and promoting 'eco ideas' for everybody everywhere are some of the ways your Company carries out CSR activities. The manufacturing process and plants of your Company adhere with the standards laid down by various regulatory authorities for the protection of environment and safety of workers engaged in the manufacturing process.

Your Company shall continue to discharge its CSR in the best possible manner.

## HUMAN RESOURCE MANAGEMENT

We view our employees as our greatest asset and are committed to providing them with a progressive workplace. The Company provides vibrant working environment to enable employees to innovate, discover potential and realize professional dreams.

Several initiatives were taken to facilitate the performance and developmental requirements of employees. 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.

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

## BOARD OF DIRECTORS

During the year under review, Mr. Vivek D. Dharm was appointed as an Independent Director by the shareholders of the Company at the Annual General Meeting held on 30th June, 2014 for a term of 5 years from 30th June, 2014. Subsequently, in order to further comply with the new requirements of the provisions of Section 149 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement and so as to ensure optimum composition of Independent Directors on various committees, the Board of Directors thought it fit to appoint Mr. Subhash S. Nabar and Mr. Bhopinder J. Chopra also as Independent Director(s) for a period of five years. Accordingly, the Board of Directors of the Company at its meeting held on 14th August, 2014 have made to continue appointment of Mr. Subhash S. Nabar and Mr. Bhopinder J. Chopra as Independent Director(s) to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation. These Directors have confirmed that they meet criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.