



TREND ELECTRONICS LIMITED

ANNUAL REPORT 2016-17



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Vivek D. Dharm
Mr. Subhash S. Nabar
Mr. Chandrakant S. Jyoti
Mrs. Smita V. 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 A. 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
- Kotak Mahindra Bank Limited
- Punjab National Bank
- State Bank of Hyderabad

CONTENTS

PAGE NO.

Notice	1
Directors' Report	6
Corporate Governance Report	20
Management Discussion and Analysis Report	28
Independent Auditors' Report	31
Balance Sheet	34
Statement of Profit and Loss	35
Cash Flow Statement	36
Notes forming part of the Financial Statements	37

NOTICE

NOTICE is hereby given that the Twenty-Seventh Annual General Meeting of the members of **TREND ELECTRONICS LIMITED** (the "Company") will be held on Friday, 29th September, 2017 at the Registered Office of the Company at 20 K. M. Stone, Aurangabad-Beed Road, Village: Bhalgaon, Aurangabad - 431 210 (Maharashtra) at 12.00 noon 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 31st March, 2017 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.
2. 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.
3. To appoint M/s. S. Z. Deshmukh & Co., Chartered Accountants (Firm Registration No.102380W) as Auditors of the Company 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 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and on the recommendation of the Audit Committee and the Board of Directors, M/s. S. Z. Deshmukh & Co., Chartered Accountants, Mumbai (Firm Registration No. 102380W), be and are hereby appointed as Auditors of the Company, in place of the retiring auditors M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai (Firm Registration No. 105049W) and M/s. Kadam & Co., Chartered Accountants, Ahmednagar (Firm Registration No. 104524W), to hold office from the conclusion of this Annual General Meeting ('AGM') i.e. the 27th AGM till the conclusion of the 32nd AGM, subject to ratification of appointment by the shareholders at every AGM held after this AGM, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

SPECIAL BUSINESS:

4. To consider and ratify the remuneration to be paid to Mr. Jayant B. Galande, (Membership No. 5255), Cost Auditor of the Company, 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 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), as amended from time to time, the Company hereby ratifies the remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand) excluding service tax, other taxes, travelling and out-of-pocket expenses payable to Mr. Jayant B. Galande (Membership No. 5255), Cost Accountant in Whole-time Practice, Aurangabad, who is appointed by the Board of Directors as Cost Auditor of the Company to conduct cost audits

relating to cost records of the Company under the Companies (Cost Records and Audit) Rules, 2014 for the financial year commencing from 1st April, 2017.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

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

**KAUSTUBHA A. SAHASRABUDHE
COMPANY SECRETARY
ACS 21165**

Place: Mumbai

Date: 1st September, 2017

Registered Office:

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

CIN: L99999MH1989PLC052233

E-mail Id: secretarial_trend@videoconmail.com

Website: www.trendelectronics.in

Tel. No.: +91-240-2644507/8/9/10/11/12

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 Section 102 of the Companies Act, 2013 and Secretarial Standard - 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.
3. Copies of the Notice of 27th 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 Thursday, 17th August, 2017 and as regards shares held in the electronic form, to those beneficial owners of the shares as at the close of business hours on Wednesday, 16th August, 2017 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.

4. Details under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meeting issued by The Institute of Company Secretaries of India in respect of Director seeking re-appointment at the ensuing Annual General Meeting is annexed to the Notice.
5. 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 and Rules made thereunder 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.
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. 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, 26th September, 2017 at 9.00 a.m. to Thursday, 28th September, 2017 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, 28th September, 2017. 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 viz., www.trendelectronics.in and on the website of CDSL viz., 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 along with the report of the Scrutinizer shall be placed on the website of the Company at www.trendelectronics.in and on the website of CDSL at www.cdslindia.com, immediately after the results are declared by the Chairman of the meeting.
14. The Company has fixed Friday, 22nd September, 2017, 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, 22nd September, 2017, may obtain the Login ID and Password by sending an e-mail request to secretarial_trend@videoconmail.com. Members may also call on +91-240-2644507/8/9/10/11/12 or send a request to the Company Secretary, by writing to him at 20 K. M. Stone, Aurangabad-Beed Road, Village: Bhalgaon, Aurangabad - 431 210 (Maharashtra).
16. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Friday, 22nd September, 2017, 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, 22nd September, 2017 to Friday, 29th September, 2017 (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 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 26th September, 2016 (the date of previous Annual General Meeting) are available on the Company's website www.trendelectronics.in and on the website of Ministry of Corporate Affairs at 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 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 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 (except Friday) 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 2016-17, circulated to the members of the company is also uploaded on the Company's website at www.trendelectronics.in.

26. Members may address their queries/communications at 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 MCS Share Transfer Agent Limited, the Registrar and Transfer Agent of the Company and Members holding shares in demat 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.

REMOTE E-VOTING INSTRUCTIONS

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday, 26th September, 2017 at 9.00 a.m. and ends on Thursday, 28th September, 2017 at 5.00 p.m. 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. Friday, 22nd September, 2017, 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.
- (vi) 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.

(vii) 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"> 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. 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.
Dividend Bank Details	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.
OR Date of Birth (DOB)	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).

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

(ix) 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.

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

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

(xii) 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.

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

(xiv) 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.

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

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

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

(xviii) 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.

(xix) 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 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.
- 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 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.

(xx) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) 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 i.e., Friday, 22nd September, 2017 may obtain the Login ID and Password from Mr. Kaustubha A. Sahasrabudhe, Company Secretary of the Company, who is responsible to address the grievances connected with facility for voting by electronics means. In case you have any grievances connected with facility for voting by electronics means you may contact the Company Secretary by sending an email to secretarial_trend@videoconmail.com. Members may also call on +91-240-2644507/8/9/10/11/12 or send a request to the Company Secretary, by writing to him at Trend Electronics Limited at 20 K. M. Stone, Aurangabad Beed Road, Village Bhalgaon, Aurangabad - 431 210, Maharashtra.

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

**KAUSTUBHA A. SAHASRABUDHE
COMPANY SECRETARY**

Place: Mumbai

Date: 1st September, 2017

ACS 21165

A STATEMENT SETTING OUT THE MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 4**

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment of Mr. Jayant B. Galande, (Membership No. 5255) Cost Accountant in Whole-time Practice, Aurangabad, as the Cost Auditor of the Company to conduct the Audit of the Cost Accounting Records of the Company for the financial year commencing from 1st April, 2017; and accorded approval for payment of remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) excluding service tax and other taxes, travelling and other out-of-pocket expenses at actual.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor shall be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee and the same shall be subsequently ratified by the shareholders of the Company at a general body meeting.

Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out in item 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year commencing on 1st April, 2017.

None of the Directors/Key Managerial Personnel of the Company, their relatives are in any way concern or interested financially or otherwise, in this resolution. The Board recommends an Ordinary Resolution set out at item No. 4 of the Notice for the approval of the members.

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

**KAUSTUBHA A. SAHASRABUDHE
COMPANY SECRETARY
ACS 21165**

Place: Mumbai

Date: 1st September, 2017

BRIEF PROFILE OF THE DIRECTORS SEEKING RE-APPOINTMENT 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 V. Dharm
DIN	07144712
Date of Birth	27/11/1970
Age (in years)	46 Years
Educational Qualification	Commerce Graduate
Date of Appointment	31 st March, 2015
Category of the Director	Professional – Non Executive
Terms and Conditions of Appointment or Re-appointment along-with the details of remuneration sought to be paid	Mrs. Smita V. Dharm is a Professional Non-Executive Director, liable to retire by rotation and shall not draw any remuneration. She shall be eligible for 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 V. Dharm 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
No of Board Meetings attended during the year	1 (One)
Area of expertise/senior position held/work experience	She carries with her rich experience in the filed of marketing, management etc.
Names of other directorships in Public Limited Companies in which the Director holds directorship	Nil
Names of the other Committees in which Chairman*	Nil
Names of other Committees in which Member*	Nil
Number of Shares held	Nil
Relationships between Directors, Key Managerial Personnel and Mangers of the Company	Relative Mr. Vivek Dharm

*Committee Chairmanship / Membership includes only Audit Committee and Stakeholders' Relationship Committee of public limited companies.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Twenty-Seventh Annual Report together with the Audited Accounts and Auditors' Report for the financial year ended on 31st March, 2017.

FINANCIAL HIGHLIGHTS

The performance of the Company, for the financial year ended on 31st March, 2017, is summarized below:

(₹ in Million)

Particulars	Year Ended on 31 st March, 2017	15 months Ended on 31 st March, 2016
Net Sales	11,270.62	18,749.56
Other Income	167.11	44.86
Total Income	11,437.73	18,794.42
Profit /(Loss) Before Finance Costs, Depreciation and Tax	518.69	1,032.36
Finance Costs	826.12	1,108.18
Depreciation and Amortization	228.32	306.57
Profit /(Loss) Before Tax	(535.75)	(382.39)
Profit /(Loss) after Tax	(594.44)	(229.76)

The previous financial period comprised of 15 (fifteen) months commencing from 1st January, 2015 to 31st March, 2016 whereas the current financial year is for a period of 12 (twelve) months. Hence, the financial highlights are not comparable.

PERFORMANCE REVIEW

During the year under review, the Company has earned a total income of ₹ 11,437.73 Million as against ₹ 18,794.42 Million for the previous period of 15 months ended on 31st March, 2016. Total Expenditure amounted to ₹ 11,973.48 Million as against ₹ 19,176.81 Million for the previous period of 15 months ended on 31st March, 2016. The Company has incurred a net loss of ₹ 594.44 Million as against a net loss of ₹ 229.76 Million for the previous period of 15 months ended on 31st March, 2016.

The Company is engaged in the business of manufacturing and trading of satellite as well as cable Set Top Box, LED TVs and other consumer electronics items. Until the announcement of demonetization policy, by Government of India, there was good demand of Set Top Boxes on account of the Digitization policy, announced by Government of India, which targeted digitization in entire country by 31st December, 2016 under phase IV. However, demonetization have had a negative impact on the turnover and profitability of the Company due to lack of demand across all segments.

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 31st March, 2017.

TRANSFER TO RESERVES

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a sum of ₹ 4,00,762/- in respect of unpaid/unclaimed dividend for the Financial Year 2008-09 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

There are no material changes and commitments affecting the financial position of the Company occurred after the balance sheet date till the date of signing of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of Loans, guarantees given and investments made during the year as required under Section 186 of Companies Act, 2013, are provided in Note No. 11 and 32 (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, 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 already 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 and Remuneration of Managerial Personnel) Rules 2014, as amended from time to time, the Boards' Report include a statement showing the names of top ten employees and employees who draw remuneration in excess of limits prescribed under the said Rules. The information as per Rule 5(1)& 5(2), forms part of this Directors' Report. However, as per first proviso to Section 136(1) of the Act, the Directors' Report and the Financial Statements are being sent to the Members of the Company excluding the statement of particulars under Rule 5(1) & 5(2). 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 conservation are the efforts taken by the Company to reduce the overall consumption of energy by using less of an energy service. The Company, as a prudent practice, achieves energy conservation by either using energy more efficiently or by reducing the amount of services used by it. The Company recognizes the fact that energy conservation makes it easier to replace non-renewable resources with renewable energy; and it is the most economical solution to energy shortages.

The Company continues to take all the efforts so as to reduce the overhead costs with a goal to enhance energy conservation prospects in future with optimum utilisation of the natural resources. The Company continues to focus on development of energy saving methods to avoid wastage of energy and trying to reduce 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 has already constituted a team of In-house experts who, under valuable guidance from the expert engineers, monitors and devices various means to conserve the energy as well as identify the methods for optimum utilization of energy without affecting productivity.

Some of the specific measures undertaken by the Company for the conservation of energy are:

- Monitoring of energy consumption on daily basis;
- Energy efficiency audit;
- Being open to the employees and showing them how much energy can be saved by following simple procedures and practise;
- Installation of electronic timers which has helped to cut down the electricity Consumption;

- Proper ventilation at the Factory premises that makes use of natural illumination such that the usage of electricity could be reduced;
- Use of energy saving Lighting Systems;
- Addition and installation of newer generation equipment's 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;
- Display of charts at the premises, plant, office, showing the means for conservation of energy;
- Autosht/Unplugging appliances when not in use or unused;
- Inspect & maintain machinery so as to keep the energy / fuel consumption at an optimum level; and
- Dis-courage printing of documents & encourage communications through e-mails.

The adoption of the above mentioned energy conservation measures have helped in proper monitoring and usage of energy, minimizing the wastage and increase in overall efficiency at every stage.

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

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

In order to keep pace with the changing technologies and to fetch the benefits of technological advancement, your company has set up an active 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.

The following key tasks are carried out as a continuous process, viz.:

- Newer and improved products.
- Overall cost reduction.
- Adapting to the changing requirements of the customers.
- Meeting the changing social and environmental needs.
- To research and analyze the products other businesses are creating, as well as the new trends within the industry.
- Develop and update the products created by the Company.

Benefits derived from R & D Activities:

Some advantages of research and development are clear, such as the possibility for increased productivity or new product lines. R&D efforts lead to an improved type of business process – cutting wasteful costs or increasing the productivity – which is easier to realize in a competitive advantage.

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 various new technologies in Set Top Boxes. The Company has introduced "Unlimited Recording" of the Video content from the Set Top Box, with "Time Shift" recording. Development and production of Digital Direct Broadcast (DDB) technology in India with a broader convergences.

Future Plan of action:

In near future, your Company shall focus on new technologies which could offer 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 plan to introduce an Android based Set Top Box, with connected features. This is based on the Android Version 6.01. The Set Top Box can be connected to Internet using a Wi-Fi or an Ethernet Port & will have dedicated applications to view NetFlix, Youtube, & HotStar. The Set Top Box also can connect to a Android Mobile phone for Mirroring / Casting the contents from the Mobile to a Large Screen LED TV.

During the year under review, the recurring expenses on R&D amounted to ₹ 2.57 Million representing 0.02% 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 able to meet the needs of the customers. 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 ₹ 120.08 Million as against NIL for the previous year. Foreign Exchange Outgoes amounted to ₹ 3,421.10 Million as against ₹ 4,023.51 Million for the previous year.

RISK MANAGEMENT POLICY OF THE COMPANY

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 COMMITTEE

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

Primary focus of your Company is to ensure safety at its plant. Your Company takes 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:

- Installation of Effluent Treatment Plant, where the waste water is treated & recycled for gardening purpose;
- Continuous training of operators by more qualified trainers or seniors;
- Conducting regular safety audit and mock drill;
- Providing protective clothing and equipment to employees;
- First-Aid boxes are located at several points in the factory;
- Timely disposal of waste and scrap materials;
- Round the clock occupational health center and ambulance with all medical devices;
- Risk-assessment at the workplace at regular intervals;
- Proper safeguards are put into place to eliminate the risk of violence as far as possible;